



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

MAY 3, 2019

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD's web page (www.aqmd.gov) or contact the Clerk of the Boards, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

A webcast of the meeting is available for viewing at:
<http://www.aqmd.gov/home/library/webcasts>

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Wayne Nastri, Executive Officer
- Swearing in of Newly Appointed Board Member Vanessa Delgado **Burke**
- Election of Vice Chair for Term May 2019 - January 2020

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 19)

Note: Consent Calendar items held for discussion will be moved to Item No. 20

1. Approve Minutes of April 5, 2019 Board Meeting **Garzaro/2500**
2. Set Public Hearing June 7, 2019 to: **Nastri/3131**
 - Submit Recently Amended (May 3, 2019) Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into, and Rule 1106.1 – Pleasure Craft Coating Operations for Withdrawal from U.S. EPA-Approved SIP **Fine/2239**

This proposal is to include the May 3, 2019 amendments to Rule 1106 – Marine and Pleasure Craft Coatings, and the May 3, 2019 rescission of Rule 1106.1 – Pleasure Craft Coating Operations, for the limited purpose of incorporating these rules into the U.S. EPA-approved SIP. The incorporation of these rules into the SIP was inadvertently not noticed for consideration at the May 2019 Board meeting. This action is to adopt the Resolution: 1) Submitting Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into the SIP; and 2) Submitting Rule 1106.1 – Pleasure Craft Coating Operations for withdrawal from the SIP. (No Committee Review)

Budget/Fiscal Impact

3. **Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Trucks and Amend Near-Zero Heavy-Duty Diesel Truck Replacement Award** **Miyasato/3249**

Demand for commercially available heavy-duty battery electric trucks continues to increase, but availability is limited to a few suppliers. Roush CleanTech, LLC, (Roush) proposes to develop a battery electric medium-duty Class 6-7 commercial vehicle and demonstrate the technology with local commercial fleets. In October 2018, the Board awarded CEC grant funds for near-zero emission truck projects, including an award to T&M Construction for drayage trucks. Subsequently, staff discovered an administrative error in the type of truck for one of the trucks awarded CEC funds. These actions are to execute a contract with Roush to develop and demonstrate medium-duty electric trucks in an amount not to exceed \$937,500 from the Clean Fuels Program Fund (31) and to amend the award to T&M Construction, changing the vehicle type from drayage to dump truck. (Reviewed: Technology Committee, April 19, 2019; Recommended for Approval)

4. **Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs** **Miyasato/3249**

The City and County of Los Angeles and the California Attorney General's Office's civil litigation settlement with SoCalGas resulting from the Aliso Canyon natural gas leak includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice communities in the City or County of Los Angeles. This action is to recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund, a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$6,745,000; execute or amend access agreements with local school districts; amend contract to purchase additional filters using unspent administrative funds; and reimburse the General Fund for administrative costs up to \$355,000 for SEP administration. (Reviewed: Technology Committee, April 19, 2019; Recommended for Approval)

5. **Execute Contracts for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment** **Nakamura/3105**

On December 7, 2018, the Board approved the release of an RFP for the review of staff's BARCT technology assessment, estimated emission reductions, and cost-effectiveness for NOx emitting equipment at petroleum refineries to support Proposed Rule 1109.1. This action is to award two separate contracts, one to Norton Engineering and one to Fossil Energy Research Corporation to review various portions of staff's BARCT assessment for Proposed Rule 1109.1. To fund both contracts, staff is requesting that funding be increased from the original RFP request of \$100,000 to \$200,000. Each qualified consulting firm will be awarded a fixed price contract of up to \$100,000 and total funding for both contracts combined shall not exceed \$200,000. Funds are available from CARB's Community Protection Program under AB 617. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

6. **Transfer Funds for Enhanced Particulate Monitoring Program** **Low/2269**

This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget between Major Objects to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

7. **Authorize Transfer of Monies from General Fund to Health Effects Research Fund** **Jain/2804**

In 2008, the Board established the Health Effects Research Fund (48) and authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received each fiscal year that exceeds \$4 million in receipts from the General Fund to the Health Effects Research Fund. Approval is needed for the transfer of 20 percent of annual penalty money that exceeded \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. This action is to authorize the transfer of 20 percent of annual penalty money that exceeded \$4 million received in these fiscal years, for a total of \$4,206,765, from the General Fund to the Health Effects Research Fund (48) over a period of five fiscal years with installment payments of \$841,353 per year, starting in FY 2018-19. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)

8. **Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20** **Jain/2804**

The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the South Coast AQMD 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 12, 2019; Recommended for Approval)

9. **Revise Procurement Policy and Procedure** **Jain/2804**

This action is to approve revisions to South Coast Air Quality Management District's Procurement Policy and Procedure to amend the definition of Low-Emission Vehicle Businesses for use in awarding procurement incentive points/percentages, as well as updates reflecting enhancements and current operating processes. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
10. **Authorize Purchase of OnBase Software Support** **Moskowitz/3329**

South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2019. This action is to obtain approval for the sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2019-20 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2019-20 Budget. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
11. **Transfer Funds and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services** **Moskowitz/3329**

South Coast AQMD 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 transfer funds and amend four contracts previously approved by the Board to add additional funding for needed development and maintenance work. (Reviewed: Administrative Committee, April, 12, 2019; Recommended for Approval)
12. **Appoint Members to South Coast AQMD Hearing Board** **Garzaro/2827**

The terms of office for the Hearing Board Medical Member and two Public Members, and their Alternates, expire June 30, 2019. An Advisory Committee was appointed as required by law. The Advisory Committee interviewed the public member candidates at its meeting on March 28, 2019, and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on April 12, 2019, and made a final recommendation. This action is to appoint two public members and their alternates to fill the new terms. (Reviewed: Administrative Committee, April 12, 2019; Recommended for Approval)
13. **Issue Solicitation Approved by MSRC** **McCallon**

As part of their FYs 2018-21 Work Program, the MSRC approved the release of a Request for Proposals for MSRC Programmatic Outreach Services for January 2020 through December 2022. At this time the MSRC seeks Board approval to release the solicitation. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, April 18, 2019; Recommended for Approval)

Items 14 through 19 - Information Only/Receive and File

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

This Report highlights the March 2019 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State, and Local Government. (No Committee Review)

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

This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2019. (No Committee Review)

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

This reports the monthly penalties from March 1 through March 31, 2019, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2019. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, April 19, 2019)

17. Lead Agency Projects and Environmental Documents Received **Nakamura/3105**

This report provides, for the Board's consideration, a listing of CEQA documents received by the South Coast AQMD between March 1, 2019 and March 31, 2019, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA. (No Committee Review)

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

This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2019. (No Committee Review)

19. 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 South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, April 12, 2019)

20. Items Deferred from Consent Calendar

BOARD CALENDAR

Note: The April meeting of the Mobile Source Committee was canceled. The next meeting of the Mobile Source Committee is scheduled for May 17, 2019.

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

22. Legislative Committee (Receive & File) **Chair: Mitchell Alatorre/3122**

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

Agenda Item	Recommendation/Action
*AB 836 (Wicks) Bay Area Wildfire Smoke Clean Air Centers <u>for Vulnerable Populations</u> Incentive Program	Support
AB 1500 (Carrillo) Hazardous substances	Support with Amendments
*SB 44 (Skinner) Medium-duty and heavy-duty vehicles: comprehensive strategy	Support with Amendments
SB 633 (Stern) Santa Susana Field Laboratory: monitoring program	Support
S 747 (Carper) To Reauthorize the Diesel Emissions Reduction Program, and for Other Purposes	Support

*The bill title and language of AB 836 (Wicks) and SB 44 (Skinner) were amended.

23. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopulos/3123**

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

25. Mobile Source Air Pollution Reduction
Review Committee (Receive & File) **Board Liaison: Benoit Berry/2363**

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

Staff Presentation/Board Discussion

27. Informational Briefing on Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard **Fine/2239**

The Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019. Although the air quality in the Coachella Valley area has steadily improved over the years, higher ozone levels were experienced throughout the State of California, including Coachella Valley in 2017 and 2018, resulting in levels greater than the 1997 8-hour ozone standard. The ozone levels in Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin. As a result, additional time will be needed to bring the Coachella Valley into attainment of this standard. This item provides an informational summary of the Coachella Valley attainment status for the 1997 8-hour ozone standard and a recommendation for attainment reclassification, with proposed action scheduled for the June Board meeting. (No Committee Review)

PUBLIC HEARINGS

28. Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend Salary Resolution and Class Specification **Jain/2804**

The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget is balanced and includes implementation of the last year of phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. There are also proposed amendments to the South Coast Air Quality Management District Salary Resolution relating to Executive Management staff. In addition, staff is proposing amendments to Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5 percent consistent with the Consumer Price Index; 2) new or increased fees, including toxics fees, which are necessary to meet the requirements of recently adopted rules and state mandates and will provide more specific cost recovery for activities by the agency; 3) certain fee reductions related to agency efficiency; 4) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 5) clarification on how permit transfers are considered when there is a change of owner/operator. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 2) Determine that the proposed amendments to Regulation III - Fees and Rule 209 – Transfer and Voiding of Permits are exempt from the California Environmental Quality Act; 3) Amend Regulation III; 4) Amend Rule 209; and 5) Amend the Salary Resolution and Class Specification.

29. Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 - Pleasure Craft Coating Operations Rees/2856

The proposed amendments would revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit for products that may be marketed for both marine and pleasure craft coatings use. The proposed amendments would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendments would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings. This action is to adopt the Resolution: 1) Certifying the Revised Final Environmental Assessment for Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and rescission of Rule 1106.1 – Pleasure Craft Coating Operations; 2) Amending Rule 1106 – Marine Coating Operations; and 3) Rescinding Rule 1106.1 – Pleasure Craft Coating Operations. (Reviewed: Stationary Source Committee, March 15, 2019)

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.

CLOSED SESSION - (No Written Material)

Gilchrist/3459

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 South Coast AQMD is a party. The actions are:

- In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., South Coast AQMD 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, South Coast AQMD 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, Court of Appeals, Second Appellate District, Case No. B294732;
- 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);
- In the Matter of SCAQMD v. Southern California Gas Company, Aliso Canyon Storage Facility, South Coast AQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel SCAQMD v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No. 4861;
- In the Matter of SCAQMD v. Torrance Refining Company, LLC, South Coast AQMD Hearing Board Case No. 6060-5 (Order for Abatement);
- State of California, et al. v. U.S. EPA, et al., U.S. Court of Appeals, D.C. Circuit, Case No. 18-1114 (mid-term evaluation for light-duty vehicles);
- People of the State of California, ex rel South Coast Air Quality Management District v. The Sherwin-Williams Company, an Ohio Corporation, and Does 1 through 50, Inclusive, Los Angeles Superior Court Case No. PSCV 00136; and
- Allan Kalpakoff v. SCAQMD, et al., Los Angeles Superior Court Case No. PSCV 00136.

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 (two cases).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the SCAQMD (one case)—Letter from Steven J. Olson, O'Melveny & Myers LLP, on behalf of ExxonMobil Corporation, dated August 22, 2018.

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 South Coast AQMD 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 South Coast AQMD'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

AQIP = Air Quality Investment Program

AQMP = Air Quality Management Plan

AVR = Average Vehicle Ridership

BACT = Best Available Control Technology

BARCT = Best Available Retrofit Control Technology

Cal/EPA = California Environmental Protection Agency

CARB = California Air Resources Board

CEMS = Continuous Emissions Monitoring Systems

CEC = California Energy Commission

CEQA = California Environmental Quality Act

CE-CERT = College of Engineering-Center for Environmental
Research and Technology

CNG = Compressed Natural Gas

CO = Carbon Monoxide

DOE = Department of Energy

EV = Electric Vehicle

FY = Fiscal Year

GHG = Greenhouse Gas

HRA = Health Risk Assessment

LEV = Low Emission Vehicle

LNG = Liquefied Natural Gas

MATES = Multiple Air Toxics Exposure Study

MOU = Memorandum of Understanding

MSERCs = Mobile Source Emission Reduction Credits

MSRC = Mobile Source (Air Pollution Reduction) Review
Committee

NATTS = National Air Toxics Trends Station

NESHAPS = National Emission Standards for
Hazardous Air Pollutants

NGV = Natural Gas Vehicle

NOx = Oxides of Nitrogen

NSPS = New Source Performance Standards

NSR = New Source Review

OEHA = Office of Environmental Health Hazard
Assessment

PAMS = Photochemical Assessment Monitoring
Stations

PEV = Plug-In Electric Vehicle

PHEV = Plug-In Hybrid Electric Vehicle

PM10 = Particulate Matter \leq 10 microns

PM2.5 = Particulate Matter \leq 2.5 microns

RECLAIM = Regional Clean Air Incentives Market

RFP = Request for Proposals

RFQ = Request for Quotations

SCAG = Southern California Association of Governments

SIP = State Implementation Plan

SOx = Oxides of Sulfur

SOON = Surplus Off-Road Opt-In for NOx

SULEV = Super Ultra Low Emission Vehicle

TCM = Transportation Control Measure

ULEV = Ultra Low Emission Vehicle

U.S. EPA = United States Environmental Protection
Agency

VOC = Volatile Organic Compound

ZEV = Zero Emission Vehicle

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BOARD MEETING DATE: May 3, 2019

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the April 5, 2019 meeting.

RECOMMENDED ACTION:

Approve Minutes of the April 5, 2019 Board Meeting.

Denise Garzaro
Clerk of the Boards

DG

FRIDAY, APRIL 5, 2019

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:

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

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

Supervisor Lisa A. Bartlett
County of Orange

Council Member Ben Benoit
Cities of Riverside County

Council Member Joe Buscaino (Arrived 9:55 a.m.)
City of Los Angeles

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

Supervisor Janice Hahn
County of Los Angeles

Mayor Pro Tem Larry McCallon
Cities of San Bernardino County

Mayor Judith Mitchell
Cities of Los Angeles County – Western Region

Supervisor V. Manuel Perez
County of Riverside

Council Member Dwight Robinson
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

Vacant:

Governor's Appointee

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

- Pledge of Allegiance: Led by Supervisor Perez.
- Opening Comments

Dr. Parker announced that he attended the California Fuel Cell Partnership event in Torrance on April 4, 2019 and reported on the status of hydrogen fueling stations in the state. He noted the importance of expanding fuel cell infrastructure to support CARB's mandate for all school buses to be zero-emission by 2035. He also announced that he attended the Cesar Chavez Day of Remembrance event on March 30, 2019 and noted that a plaque was presented to Arturo Rodriguez, past president of the United Farm Workers in recognition of his dedicated years of service to the farm workers' labor movement.

Chairman Burke commented on the importance of partnering with organizations to help bridge the gap in meeting clean air mandates and supporting alternative fuel technologies. He noted that he also attended the Cesar Chavez event and thanked staff for their efforts. He displayed a photograph of his wife and Cesar Chavez from a demonstration in the early days of the farm workers' movement that he had taken before he met his wife.

Mayor Mitchell announced that she attended the CALSTART Clean Transportation Summit on March 26, 2019 where she saw a heavy-duty Tesla electric truck. She noted the technological advances in electric trucks and added that Tesla is working with CARB to obtain certification of the truck.

Supervisor Perez highlighted the efforts of Cesar Chavez for farm workers' rights and noted that his parents were migrant farm workers for many years. He thanked staff for organizing the Cesar Chavez Day of Remembrance event.

Dr. Parker commented that during the early days of the farm workers' movement, he gave Cesar Chavez free air time on his radio station in Lemoore, California.

Mayor Mitchell commented on the efforts of Dolores Huerta in support of farm workers.

CONSENT CALENDAR

1. Approve Minutes of March 1, 2019 Board Meeting

2. Set Public Hearings May 3, 2019 to:
 - A. Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA; Amend Regulation III; Amend Rule 209; and Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget
 - B. Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 - Pleasure Craft Coating Operations

Budget/Fiscal Impact

3. Execute Contracts to Conduct Natural Gas Engine and Vehicle Research Projects
4. Issue RFP to Establish Endowment to Support Graduate Student Scholarship Fund
5. Transfer and Appropriate Funds, Issue Solicitations, and Execute Purchase Orders and Contracts for AB 617 Implementation
6. Execute Contract for Consultant Services for SCAQMD's High School Air Quality Educational Program
7. Remove Various Fixed Assets from SCAQMD Inventory
8. Approve Contract Award and Modification and Issue Solicitation Approved by MSRC

Items 9 through 15 – Information Only/Receive and File

9. Legislative, Public Affairs, and Media Report
10. Hearing Board Report
11. Civil Filings and Civil Penalties Report
12. Lead Agency Projects and Environmental Documents Received by SCAQMD

13. Report of RFPs Scheduled for Release in April
14. Rule and Control Measure Forecast
15. Status Report on Major Ongoing and Upcoming Projects for Information Management

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

Supervisor Hahn noted that she is a Board Member of the Los Angeles County Metropolitan Transportation Authority which is involved with Item No. 8.

Due to a number of requests to speak and board member questions received on Consent Calendar items 2A, 2B, 3, 4, 5, 6, 8, 9, and 11, the vote on the Consent Calendar was deferred until after those comments were made, and board member questions were answered.

16. Items Deferred from Consent Calendar

2. Set Public Hearings May 3, 2019 to:

- B. Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 - Pleasure Craft Coating Operations

Rita Loof, RadTech International, expressed concern that the rule does not specify which test method will be used for compliance verification for thin-film materials. She noted that the lack of certainty could lead to potential confusion and subsequent enforcement actions.

3. Execute Contracts to Conduct Natural Gas Engine and Vehicle Research Projects
4. Issue RFP to Establish Endowment to Support Graduate Student Scholarship Fund
6. Execute Contract for Consultant Services for SCAQMD's High School Air Quality Educational Program

8. Approve Contract Award and Modification and Issue Solicitation Approved by MSRC
9. Legislative, Public Affairs, and Media Report
11. Civil Filings and Civil Penalties Report

Harvey Eder, Public Solar Power Coalition, expressed concerns about climate change and reliance on fossil fuels and spoke in support of policies that support complete solar conversion. He added that solar powered technologies should be considered BARCT and noted support for the Green New Deal.

MOVED BY BENOIT, SECONDED BY CACCIOTTI, AGENDA ITEMS 1, 2B, 3, 4 AND 6 THROUGH 15 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Hahn, McCallon, Mitchell, Parker, Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

2. Set Public Hearings May 3, 2019 to:
 - A. Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA; Amend Regulation III; Amend Rule 209; and Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget

Supervisor Bartlett asked for more explanation about the increase in toxic emission fees and cost recovery.

Dr. Philip Fine, DEO/Planning, Rule Development and Area Sources explained that this is proposed to achieve partial cost recovery of all toxic emission-related activities. He noted that activities that are eligible to be covered by toxic emissions fees are higher than the 4.5 million requested and the increase amounts to a 20 percent increase in total emission fees. He commented that rulemaking, AB 617 and enhanced enforcement efforts have increased the work load and it is anticipated that toxic emission related activities will continue to increase in the future.

MOVED BY BARTLETT, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 2A APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Hahn, McCallon, Mitchell, Parker, Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

5. Transfer and Appropriate Funds, Issue Solicitations, and Execute Purchase Orders and Contracts for AB 617 Implementation

Council Member Cacciotti asked about the RFP to develop a chamber to verify sensor performance, the proposed location of the chamber, and a community sensor library. He commented that there has been increased community interest for monitors and asked if there will be a list of monitoring sensors that have been tested and calibrated by the South Coast AQMD.

Mr. Nastri explained that the existing AQ-SPEC testing chamber is the first of its kind and the South Coast AQMD is looking to expand sensor testing and use by building a second chamber.

Dr. Jason Low, Assistant DEO/Science and Technology Advancement noted that the RFP will help to provide community engagement and will serve as both an educational and informational tool with priority given to AB 617 communities. Due to the size and weight of the chamber, the location will be determined based on the structural integrity of the building. The second testing chamber will accommodate more sensors than the existing AQ-SPEC chamber and provide continuous service for a proposed sensor library that will allow communities in the Basin to assess air quality conditions in their area by using low-cost sensors provided by the South Coast AQMD.

Mr. Nastri explained that staff has tested all commercially available sensors.

Council Member Cacciotti inquired if temporary testing monitors can be set up in communities where there are issues and what the cost might be for those monitors. He commented on the current monitoring in Pasadena for the Devil's Gate sediment removal project.

Mr. Nastri noted that the cost varies depending on the type of sensor that is used and the technical analysis that is required. He commented on the technical support that is being provided by the South Coast AQMD for the Devil's Gate project.

Dr. Low explained that sensor deployment can be costly because of the staff time and resources needed which is why working cooperatively with communities to provide an appropriate sensor for a specific concern, training, and interpretation support would be ideal to reduce the cost of deployment.

Mr. Nastri clarified that the sensors under the proposal are low-cost sensors and will not be used for enforcement purposes but the information gathered from them could assist in determining if additional monitoring may be needed. He added that sensor technology alone is not sufficient to identify pollutants in locations where multiple sources may be impacting the area and more sophisticated tools such as laboratory analysis of samples, meteorology, and knowledge about nearby sources may need to be provided by the South Coast AQMD.

MOVED BY CACCIOTTI, SECONDED BY
MITCHELL, AGENDA ITEM NO. 5 APPROVED
AS RECOMMENDED, BY THE FOLLOWING
VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti,
Hahn, McCallon, Mitchell, Parker,
Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

BOARD CALENDAR

17. Administrative Committee

18. Legislative Committee

19. Mobile Source Committee

20. Stationary Source Committee

21. Technology Committee
22. Mobile Source Air Pollution Reduction Review Committee
23. California Air Resources Board Monthly Report

Item 18 was withheld for discussion.

MOVED BY CACCIOTTI, SECONDED BY BENOIT, AGENDA ITEMS 17, AND 19 THROUGH 23, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, MSRC AND CARB REPORTS, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti, Hahn, McCallon, Mitchell, Parker, Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

18. Legislative Committee

Supervisor Rutherford noted that the Legislative Committee report references SB 732 and expressed concern that the language in the bill does not include a taxpayer oversight component. She suggested that staff be directed to work with the author to include language regarding the requirement to establish a taxpayer oversight committee within the bill.

Chairman Burke recommended that the language for SB 732 be reconsidered by the Legislative Committee to consider including an oversight committee in the legislation.

MOVED BY MITCHELL, SECONDED BY CACCIOTTI, AGENDA ITEM 18 APPROVED AS RECOMMENDED RECEIVING AND FILING THE LEGISLATIVE COMMITTEE REPORT AND APPROVING THE FOLLOWING POSITIONS ON LEGISLATION, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Cacciotti,
Hahn, McCallon, Mitchell, Parker,
Perez, Robinson and Rutherford

NOES: None

ABSENT: Buscaino

Agenda Item – March 8, 2019	Recommendation
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SB 210 (Leyva) Heavy-Duty Vehicle Inspections and Maintenance Program	Support
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AB 210 (Voepel) Smog Check: Exemption	Oppose
--	--------

AB 285 (Friedman) California Transportation Plan	Work with Author
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Agenda Item – February 8, 2019	Recommendation
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SB 1 (Atkins) California Environmental, Public Health, and Workers Defense Act of 2019	Support
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AB 142 (C. Garcia) Lead-acid Batteries	Support
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(Council Member Buscaino arrived at 9:55 a.m.)

PUBLIC HEARING

24. Certify Final Subsequent Environmental Assessment and Amend Rule 1134 –
Emissions of Oxides of Nitrogen from Stationary Gas Turbines

Michael Morris, Planning and Rules Manager, gave the staff presentation
on Item No. 24.

The public hearing was opened and the following individuals addressed the
Board on Item 24.

Priscilla Hamilton, SoCalGas, expressed support for the amendments to
Rule 1134 and noted their commitment to continue to reduce emissions at their
facilities. She noted that they have significantly reduced NOx emissions
associated with turbine compressors by removing three units from service in 2018.
She thanked staff for addressing their unique operational needs and their
collaboration during the rulemaking process.

Mr. Eder expressed concerns about carbon and methane and noted that they are contributing factors in the sixth great extinction in the history of the planet. He noted that importing non-renewable natural gas into the state is illegal and noted problems related to renewable natural gas from waste systems and feedlots.

There being no further testimony on this item, the public hearing was closed.

Supervisor Rutherford asked how many RECLAIM participants are ready to exit the program as a result of the proposed adoption of the rule.

Dr. Fine responded that most participants are electing to stay in the program until New Source Review issues are resolved.

Written Comments Submitted By:

Luis Amezcua, Sierra Club

Adriano L. Martinez, Earthjustice

MOVED BY MITCHELL, SECONDED BY
CACCIOTTI, AGENDA ITEM NO. 24
APPROVED AS RECOMMENDED,
ADOPTING RESOLUTION NO. 19-7
CERTIFYING THE FINAL SUBSEQUENT
ENVIRONMENTAL ASSESSMENT FOR
PROPOSED AMENDED RULE 1134 AND
AMENDING RULE 1134 – EMISSIONS OF
OXIDES OF NITROGEN FROM STATIONARY
GAS TURBINES, BY THE FOLLOWING VOTE:

AYES: Bartlett, Benoit, Burke, Buscaino,
Cacciotti, Hahn, Mitchell, Parker,
and Perez

NOES: McCallon, Robinson and
Rutherford

ABSENT: None

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

Jan Victor Andasan, East Yard Communities for Environmental Justice (EYCEJ), expressed concerns about a fire that occurred on March 15, 2019 at the Phillips 66 refinery in Carson and asked that emergency events be placed on the Board's agenda for discussion. He noted that many residents in the area were concerned when they saw smoke from the fire and did not receive adequate information or a shelter in place

notification. He urged the Board to take action to improve the alert and notification system to protect the residents living near the refinery. He added that stricter regulations for refineries are needed in order to protect the quality of life for residents in nearby communities.

Chairman Burke asked about the South Coast AQMD's response to the fire and expressed concern about the lack of public notification.

Mr. Nastri explained that the South Coast AQMD's enforcement staff was deployed to the refinery shortly after the fire began and perimeter monitoring and sampling was conducted to assess air quality in the area. The initial sampling did not detect any concentrations of emissions that were of concern and the Los Angeles Department of Public Health released a statement regarding health effects and air quality to the community. South Coast AQMD staff also issued a statement about air quality. The Los Angeles County Fire Department issued a shelter in place alert to area residents shortly after the fire began and provided updates to that alert. Staff is aware of the need to improve public notification and is exploring options such as social media and other alert systems to supplement incident command notifications.

Council Member Benoit commented that the South Coast AQMD's mobile app could be used to provide notifications to the community.

Supervisor Hahn commented that the speaker has raised some critical concerns and noted that residents living in the area live in constant anxiety about refinery fires and accidents. She asked about the type of reporting takes place after an emergency or serious event and the potential to agendize future events of this nature. She noted the importance of providing a report to the public following an emergency or serious event.

Mr. Nastri explained that when there is an emergency event there is an ongoing investigation and findings are not released immediately. In order to not jeopardize the investigation, or give misleading information, staff reports on the matter once conclusive data is available. Incidents within the South Coast AQMD are reported to Board members in the Executive Officer's weekly report. He noted that a Director of Communications has recently been hired and she will be making recommendations on improving the public notification process. He added that staff works with other first responders through an incident command system that provides joint communications.

Mr. Eder expressed support for solar implementation and no new natural gas power plants. He commented on the history of residential solar water heaters in Pasadena and the importance of a public process that allows the public to express their concerns.

Mayor Mitchell noted her support for placing an item on future meeting agendas to address emergency events such as the refinery fire. She agreed that a better notification system is needed to communicate information in a timely manner to the public.

Whitney Amaya, EYCEJ
Marlene Sanchez, EYCEJ

Expressed concerns about the fire at the Phillips 66 refinery and the need for a better public notification system to alert and protect communities around the facility. Follow-up communication should be provided to the public after an event and investigation, and tougher rule and enforcement should be put in place.

Council Member Robinson commented on the importance of a centralized incident command center which includes South Coast AQMD staff. He stated that he shares the same concerns about public notification and the need for improvement via social media and other venues. He expressed caution about the potential to send mixed messages when operating outside of a centralized system.

Council Member Cacciotti inquired about how the South Coast AQMD coordinates response to a fire or serious event.

Mr. Nastri explained that when the South Coast AQMD is notified of an event, inspectors are deployed to the area to assess the situation and work with first responders. South Coast AQMD staff reviews air monitoring data in the area and makes a determination about what resources are needed. Staff would then coordinate information with incident command for public notification. There are a number of different tools, such as the South Coast AQMD's website, that are used to communicate information and staff is exploring other options to improve communication. The Board is notified of significant events as soon as possible via email.

Chairman Burke asked staff to work on this right away.

Council Member Buscaino concurred with fellow Board members that public notification to impacted residents should be improved and that standard practices should be adopted for emergency response. He suggested that further discussion regarding major public safety incidents be agendaized for an Administrative Committee meeting as soon as possible.

Chairman Burke requested that the discussion of public notification and response to major public safety incidents be placed on the April 12, 2019 Administrative Committee agenda. Mr. Gilchrist confirmed that the item will be placed on the agenda.

Terrence Mann, Assistant DEO/Compliance and Enforcement, commented that he was part of the response team for the refinery fire and noted that there have been multiple internal meetings to address communication best practices. He added that staff met with the El Segundo fire department, city manager and other city personnel to discuss refinery related issues connected with the fire.

CLOSED SESSION

The Board did not meet in closed session.

ADJOURNMENT

There being no further business, the meeting was adjourned by Chairman Burke at 10:45 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on April 5, 2019.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center

AQMP = Air Quality Management Plan

BARCT = Best Available Retrofit Control Technology

CARB = California Air Resources Board

CEC = California Energy Commission

CEQA = California Environmental Quality Act

COG = Council of Governments

DOE = Department of Energy

FY = Fiscal Year

GHG = Greenhouse Gas

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

NOx = Oxides of Nitrogen

NSR = New Source Review

PM = Particulate Matter

RECLAIM = Regional Clean Air Incentives Market

RFP = Request for Proposals

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compound

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 2

PROPOSAL: Set Public Hearing June 7, 2019 to:

Submit Recently Amended (May 3, 2019) Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into, and Rule 1106.1 – Pleasure Craft Coating Operations for Withdrawal from U.S. EPA-Approved SIP

This proposal to include the May 3, 2019 amendments to Rule 1106 – Marine and Pleasure Craft Coatings, and the May 3, 2019 rescission of Rule 1106.1 – Pleasure Craft Coating Operations, for the limited purpose of incorporating these rules into the U.S. EPA-approved SIP. The incorporation of these rules into the SIP was inadvertently not noticed for consideration at the May 2019 Board meeting. This action is to adopt the Resolution: 1) Submitting Rule 1106 – Marine and Pleasure Craft Coatings for inclusion into the SIP; and 2) Submitting Rule 1106.1 – Pleasure Craft Coating Operations for withdrawal from the SIP. (No Committee Review)

Supporting documents will be available from the South Coast AQMD's Public Information Center, (909) 396-2001 and on the Internet (www.aqmd.gov) as of May 8, 2019.

RECOMMENDED ACTION:

Set Public Hearing June 7, 2019 to Submit Amended Rule 1106 for inclusion into the U.S. EPA-approved SIP of Rule 1106.1 for withdrawal from U.S. EPA-approved SIP.

Wayne Nastri
Executive Officer

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 3

PROPOSAL: Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Trucks and Amend Near-Zero Heavy-Duty Diesel Truck Replacement Award

SYNOPSIS: Demand for commercially available heavy-duty battery electric trucks continues to increase, but availability is limited to a few suppliers. Roush CleanTech, LLC, (Roush) proposes to develop battery electric medium-duty Class 6-7 commercial vehicles and demonstrate the technology with local commercial fleets. In October 2018, the Board awarded CEC grant funds for near-zero emission truck projects, including an award to T&M Construction for a drayage truck. Subsequently, staff discovered an administrative error in the type of truck, which is a dump truck. These actions are to execute a contract with Roush to develop and demonstrate medium-duty electric trucks in an amount not to exceed \$937,500 from the Clean Fuels Program Fund (31) and to amend the award to T&M Construction, changing the vehicle type from drayage to dump truck.

COMMITTEE: Technology, April 19, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Chairman to execute a contract with Roush CleanTech, LLC, to develop and demonstrate battery electric medium-duty trucks in an amount not to exceed \$937,500 from the Clean Fuels Program Fund (31).
2. Amend an October 2018 award to T&M Construction to replace a heavy-duty diesel truck with a near-zero emission dump truck, at no additional cost.

Wayne Nastri
Executive Officer

Background

Roush CleanTech, LLC, (Roush) requests support from South Coast AQMD to develop a new all-electric platform for medium-duty commercial trucks and school buses. While the transportation industry has placed a focus on heavy-duty, long-haul all-electric trucking technologies, Roush believes that this proposed battery electric drivetrain fills a significant gap in the zero emissions engine market for heavy-duty fleets operating shorter daily routes with many stop-and-go events. These applications are local and regional goods movement, municipal fleets, utilities, a variety of transit and shuttle bus operations, and school buses. Roush has developed not only a plan for the vehicle and technology development and build, but also a robust commercialization strategy that draws upon its decades old partnership with Ford and engages industry leaders and partners, such as Penske Truck Leasing, in ongoing evaluation and customer engagement roles.

This project will leverage Roush's extensive core engineering resources and control systems expertise to develop a unique and differentiated battery electric vehicle (BEV) product. A primary competitive advantage of the BEV product will be a Roush proprietary vehicle control system to more effectively manage the electrical loads and optimize energy use of the vehicle and related vehicle systems. A higher efficiency package will allow smaller battery packs for the same required range, providing significant cost and payload advantages to fleets.

Under the "Year 5" Proposition 1B Program Announcement released in October 2017, T&M Construction submitted a proposal for replacement of one heavy-duty diesel truck with a near-zero emission truck, but the solicitation was heavily oversubscribed and not all eligible clean trucks could be funded. In July 2018, CEC awarded South Coast AQMD \$8 million to fund projects based on Proposition 1B Program guidelines, and staff proposed using the CEC revenue to award funds to the remaining eligible clean trucks projects. In October 2018, the Board approved T&M Construction for an award under the CEC grant, identifying the vehicle as a drayage truck. Recently, T&M Construction clarified that the truck operates in the ports but not as a drayage truck. The truck is classified as a dump truck transporting construction material into the ports. Since the truck is still considered a goods movement truck, the project is still eligible for CEC funds.

Proposal

This action is to execute a contract with Roush to develop and demonstrate medium-duty electric trucks. The demonstration of these medium-duty trucks are intended to be the first all-electric vehicle application with the new Roush electric powertrain technology, followed by applications for Class C and D school buses.

This project includes the strategic planning, design, build and demonstration of three BEVs. Production gasoline vehicles will be converted to full battery electric propulsion. The Roush engineering team will develop initial design concepts and vehicle package layouts of the EV system, enough to enable the build of three proof-of-concept vehicles which are intended to demonstrate functional intent of the planned production vehicle.

The first vehicle will be built as the initial engineering mule vehicle to be used by the Roush powertrain engineering team for ongoing development of the vehicle and vehicle systems. Two additional vehicles will be built on the Ford F650/750 platform and used for concept demonstration and extended in-fleet product evaluation with Penske. These two demonstration vehicles will be used to generate actual customer use-case data to help with validation cycle requirements, as well as to obtain customer feedback on usability and performance.

This action is to also amend an award using CEC funds approved by the Board in October 2018 to T&M Construction to correct the vehicle vocation from a drayage truck to non-drayage dump truck, as clarified by the applicant, at no additional cost.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major 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. Specifically, B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team; and B.2.c.(2): The project involves the use of proprietary technology. This request for a sole source award is also made under provision B.2.d.(1): Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of the South Coast AQMD. Specifically, this project involves cost-sharing by multiple sponsors, as described in Resource Impacts.

Benefits to South Coast AQMD

The proposed project is relevant to South Coast AQMD's priorities to reduce NOx and PM emissions from transportation sources in order to achieve federal ambient air quality standards and protect public health. Projects to support development and demonstration of advanced technologies are included in the Technology Advancement Office Clean Fuels Program 2019 Plan Update under the category of "Electric/Hybrid Technologies and Infrastructure". Successful demonstration of this technology will help to support the commercial viability and wide-scale deployment of zero emissions technology in the medium-duty truck sector by offering more options meeting a variety of fleet needs.

In addition, the successful implementation of the Proposition 1B–Goods Movement Emission Reduction Program will provide direct emissions reductions for NOx as required by the program. Since the vehicles funded under this program will operate for the life of the contract and beyond, the emissions reductions will provide long-term benefits.

Resource Impacts

The total estimated cost for the proposed projects is up to \$3,200,000. South Coast AQMD’s total proposed cost-share will not exceed \$937,500 from the Clean Fuels Program Fund (31).

Funding Source	Funding Amount
Roush	\$2,062,500
Penske (in-kind)	\$200,000
South Coast AQMD(<i>requested</i>)	\$937,500
Total	\$3,200,000

Sufficient funds are available in the Clean Fuels Program Fund (31) for this proposed project. The Clean Fuels Program Fund (31) is established as a special revenue fund resulting from the state-mandated Cleans 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.

The amendment to the award for T&M Construction using CEC funds is at no additional cost.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 4

PROPOSAL: Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs

SYNOPSIS: The City and County of Los Angeles and the California Attorney General's Office's civil litigation settlement with SoCalGas resulting from the Aliso Canyon natural gas leak includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice communities in the City or County of Los Angeles. This action is to recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund, a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$6,745,000; execute or amend access agreements with local school districts; amend contract to purchase additional filters using unspent administrative funds; and reimburse the General Fund for administrative costs up to \$355,000 for SEP administration.

COMMITTEE: Technology, April 19, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund (Aliso Fund) for a SEP being administered on behalf of the City and County of Los Angeles and the California Attorney General's Office into the Air Filtration Fund (75);
2. Authorize the Executive Officer to execute an agreement with the City and County of Los Angeles and the California Attorney General's Office, which comprise the Aliso Fund Committee, for South Coast AQMD to implement a SEP for installation and maintenance of air filtration systems and to execute or amend agreements with local school districts for the purpose of implementing a SEP;

3. Authorize the Chairman to execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000 from the Air Filtration Fund (75);
4. Authorize the Chairman to amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and
5. Reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$355,000, as needed, to implement the air filtration project.

Wayne Natri
Executive Officer

MMM:NB:JI:PSK

Background

The City and County of Los Angeles and the California Attorney General's Office entered into a settlement agreement to resolve the claims against SoCalGas in connection with the Aliso Canyon natural gas leak. The settlement agreement includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice (EJ) communities in the City or County of Los Angeles. As part of the settlement agreement, the Aliso Supplemental Environmental Project Fund ('Aliso Fund'), a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, was created to receive settlement revenue and the Aliso Fund Committee was established to serve as the fund administrator. The Aliso Fund Committee is comprised of one representative each from the California Attorney General, Los Angeles City Attorney and County Counsel offices.

IQAir North America (IQAir) was previously selected through two separate competitive bid processes in 2011 and 2013 for air filtration projects, and staff subsequently performed a technology status check to ensure no new technologies had come on the market. IQAir is the only qualified manufacturer of high performance panel filters and stand-alone units which met the performance standards in South Coast AQMD's 2009 air filtration pilot study as well as through a national testing opportunity conducted in 2010 by the University of California Riverside's College of Engineering/Center for Environmental Research and Technology. These performance standards include an average removal efficiency of at least 85 percent for ultrafine PM, black carbon and PM2.5, and noise level below 45 decibels for stand-alone units. To date, South Coast AQMD has installed air filtration systems at 83 schools and community centers throughout the South Coast Basin.

Proposal

The City and County of Los Angeles and California Attorney General's Office have requested that Los Angeles City and County schools receiving air filtration systems for this SEP be in EJ communities, with project completion to occur no later than May 2024. The funding includes five percent for reimbursement of administrative costs.

Staff anticipates the air filtration installations can be completed within 30 months of contract execution. The proposed schedule for installation and maintenance of air filtration systems of Los Angeles City and County schools in EJ communities is as follows:

Date	Event
May 2019	Board Approval
July 2019	Anticipated Execution of Contracts
May-October 2019	Selection of Schools, Site Assessments
October 2019 – October 2021	Installation
October 2019–October 2031	Maintenance (varies by school)
December 2021	Final Installation Report (thereafter with annual updates through 2031)

These actions are to: 1) recognize up to \$7,100,000 from the Aliso Fund into the Air Filtration Fund (75); 2) authorize the Executive Officer to execute an agreement with the Aliso Fund Committee and execute or amend agreements with local school districts to implement the SEP for installation and maintenance of air filtration systems; 3) execute a contract with IQAir North America for installation and maintenance of air filtration systems at schools in an amount not to exceed \$6,745,000; 4) amend, as needed, the contract with IQAir North America to purchase additional filters using unspent administrative funds; and 5) reimburse the General Fund from the Air Filtration Fund (75) for administrative costs up to \$355,000.

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. This request for a sole source award is made under provision B.2.c (1): The desired services are available from only the sole-source based upon the unique experience and capabilities of the proposed contractor or contractor team. IQAir remains the only manufacturer of high performance panel filters and stand-alone units identified by South Coast AQMD and CARB staff that meet the performance standards required to complete the work.

Benefits to South Coast AQMD

This project will reduce children's exposure to criteria and toxic pollutants and ultrafine PM. Health studies have determined that fine and ultrafine PM, including diesel PM, present the greatest air pollution health risk to sensitive receptors in EJ communities identified in the SEP agreement.

Resource Impacts

The new contract with IQAir will not exceed \$6,745,000, and any contract amendment with IQAir to purchase additional filters will not exceed the amount of any unspent administrative dollars. Reimbursement of administrative costs will not exceed \$355,000.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 5

PROPOSAL: Execute Contracts for Engineering Consultant to Review the BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reductions for Refinery Equipment.

SYNOPSIS: On December 7, 2018, the Board approved the release of an RFP for the review of staff's BARCT technology assessment, estimated emission reductions, and cost-effectiveness for NOx emitting equipment at petroleum refineries to support Proposed Rule 1109.1. This action is to award two separate contracts, one to Norton Engineering and one to Fossil Energy Research Corp to review various portions of staff's BARCT assessment for Proposed Rule 1109.1. To fund both contracts, staff is requesting that funding be increased from \$100,000 to \$200,000 from the original RFP request. Each qualified consulting firm will be awarded a fixed price contract of up to \$100,000 and total funding for both contracts combined shall not exceed \$200,000. Funds are available from CARB's Community Air Protection Program under AB 617.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Executive Officer to:

- 1) Increase funding for the review of the Proposed Rule 1109.1 BARCT assessment from \$100,000 to \$200,000,
- 2) Execute a contract in the amount of up to \$100,000 with Norton Engineering and a contract in the amount of up to \$100,000 with Fossil Energy Research Corporation to review various portions of staff's BARCT assessment.

Wayne Natri
Executive Officer

Background

The 2016 AQMP included a control measure, (CMB-05), to transition NO_x RECLAIM to a command-and-control regulatory structure. In addition, AB 617 accelerated South Coast AQMD efforts by requiring air districts to implement BARCT for facilities in the state GHG cap and trade program no later than December 31, 2023. Proposed Rule 1109.1 is an industry-specific rule for petroleum refineries that will include proposed NO_x and ammonia emission limits based on a BARCT assessment for each equipment category. Proposed Rule 1109.1 is needed for the RECLAIM transition and will implement, in part, CMB-05.

On December 7, 2018 the Board released RFP #P2019-07 to solicit bids for a technically qualified engineering consulting firm with experience in NO_x control technologies for refinery equipment. The RFP sought an independent third party to review staff's BARCT assessment for Proposed Rule 1109.1 and address any challenges associated with implementing BARCT at the affected facilities. The third party review includes assessing both the feasibility of staff's proposed NO_x limits and the secondary pollutant limits, and cost-effective estimates for seven major emitting categories of stationary source equipment located at refineries and associated facilities. As part of this RFP, the consultant(s) would be responsible for providing a summary of findings and to provide additional recommendations, if appropriate.

Outreach

In accordance with South Coast Air Quality Management's Procurement Policy and Procedure, a public notice advertising the RFPs 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 South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP was emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Proposals Received

The notice of RFP release was sent to 190 consultants via email. Three consulting firms attended the bidders conference on December 20, 2018, and there were no attendees on the conference call-in. Three proposals were received in response to the RFP by the deadline at 5:00 p.m. on January 16, 2019. The three consulting firms that submitted proposals are:

- Fossil Energy Research Corporation (FERCo)
- MD Environmental
- Norton Engineering

Bid Evaluation

Each proposal was scored based on technical aptitude and experience with engineering design and NOx control specific to the refinery process. The panel thoroughly reviewed all three bids and one consulting firm did not qualify based on technical experience. The review panel rated both Norton Engineering and FERCo as the most technically qualified consulting firms to perform the statement of work outlined in RFP #P2019-07. Norton Engineering scored slightly higher and has a team of qualified engineers with sound technical experience in NOx control technologies and previous BARCT experience with refinery applications. FERCo has extensive knowledge and understanding of selective catalytic reduction (SCR) NOx control and combustion technology, which is currently the predominate forms of NOx control technology implemented at the local refineries. FERCo has a team of highly qualified engineers that have robust experience in designing, engineering, and optimizing SCR systems in conjunction with vendors that have performed work for the local refineries. FERCO's design and engineering experience will be a benefit in the evaluating of site-specific issues at each facility such as space availability. FERCo's engineering strength is also in SCR system optimization and they can perform an analysis of existing SCR systems to determine if further reductions can be achieved. The analysis will also not be limited to SCR systems and may include new commercially available control technology.

The Attachment reflects the evaluation of the proposals and respective ratings.

Panel Composition

The Administrative Committee approved the evaluation panel at their February 2019 meeting. The evaluation panel consisted of a Planning and Rules Program Supervisor, Engineering and Compliance Manager, and Senior Air Quality Engineer from the Bay Area Air Quality Management District. All three have extensive experience with refinery equipment. Of the three panelists, one is Hispanic, one is Asian, and one is Caucasian; all males.

Proposal

Of the three proposals received, two were deemed technically qualified to complete the statement of work stated in the RFP with similar overall cost. In order to address the large scope of the project and concerns raised in ongoing stakeholder working group meetings pertaining to potential space constraints with the installation of BARCT, staff recommends expanding the original RFP from \$100,000 to \$200,000 and selecting both qualified contractors to complete separate tasks called for in the original RFP. Based on the technical experience of each firm, staff proposes the following:

Norton Engineering:

- **Task 1** - BARCT feasibility assessment which includes commercially viable NOx control technologies and emission reduction levels that each technology can achieve and any caveats associated with achieving the NOx reductions, such as concurrent effects on other air pollutants, including PM, ammonia, and CO.

- **Task 2** - Review and verify cost analysis including, but not limited to, the use of U.S. EPA SCR cost model, model input assumptions, local labor costs, and other factors that affect the cost-effectiveness calculation.

FERCo:

- **Task 3** - Conduct potential site visits and engineering evaluations of the affected equipment, including, but not limited to, feasibility of installation of new controls or equipment, and consider any challenges associated with installation of control technologies such as space constraints. FERCo analysis will include difficult installations at multiple facilities and provide engineering design options, when appropriate. In addition, FERCo will also determine if further optimization can be performed on currently installed NOx control systems to help achieve further emission reductions.

Both firms:

- **Task 4** – Submit Progress and Final Report(s)
- **Task 5** – Participation in South Coast AQMD meeting(s)

Resource Impacts

Funding from CARB's Community Air Protection Program under AB 617 will provide sufficient resources for these contracts.

Attachment

Summary of Evaluation of Proposals for RFP #P2019-07

Attachment

Summary of Evaluation of Proposals for RFP #P2019-07

Three proposals were received in response to this RFP: Fossil Energy Research Corporation, MD Environmental, and Norton Engineering.

Evaluation Panel Scoring (100 points maximum)			
	Proposer		
	Fossil Energy Research Corporation	MD Environmental	Norton Engineering
Bid Amount	\$99,741	\$23,200	\$99,758
Average Overall Evaluation Scores			
Quality of Proposal (10 Points)	7	1	8
Technical Qualifications (40 points)	25	0	38
Technical Management/Approach Schedule (20 Points)	15	0	10
Cost Proposal (30 Points)	25	2	20
Technical Score Total	72	3	76
Additional Points (15 points maximum)			
Additional Points *	15	15	15
Total Points	87	18	91

* Additional points awarded to each proposer were Small Business or Small Business Joint Venture (10 points) and Local Business (Non-Federally Funded Projects Only) (5 points).

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 6

PROPOSAL: Transfer Funds for Enhanced Particulate Monitoring Program

SYNOPSIS: This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget between Major Objects to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTION:

Transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program.

Wayne Nastri
Executive Officer

MMM:JCL:RMB:ld

Background

South Coast AQMD has been providing enhanced particulate monitoring support including sample collection as part of a national monitoring program since 2003 and will continue for the foreseeable future.

Proposal

The South Coast AQMD already received and recognized funding from the U.S. Government for the ongoing Enhanced Particulate Monitoring Program for FY 2018-19. Revenue in the amount of \$2,100,000 for this grant was previously included in the FY 2018-19 Budget. This action is to transfer up to \$160,000 into Science and Technology Advancement's FY 2018-19 Budget from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures for the FY 2018-19 Enhanced Particulate Monitoring Program with actual staffing needs.

Resource Impacts

U.S. Government funding, previously recognized and appropriated, will fully support the Enhanced Particulate Monitoring Program. The transfer of \$160,000 will realign expenditures for the FY 2018-19 Program.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 7

PROPOSAL: Authorize Transfer of Monies from General Fund to Health Effects Research Fund

SYNOPSIS: In 2008, the Board established the Health Effects Research Fund (48) and authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money received each fiscal year that exceeds \$4 million in receipts from the General Fund to the Health Effects Research Fund. Approval is needed for the transfer of 20 percent of annual penalty money that exceeded \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. This action is to authorize the transfer of 20 percent of annual penalty money that exceeded \$4 million received in these fiscal years, for a total of \$4,206,765, from the General Fund to the Health Effects Research Fund (48) over a period of five fiscal years with installment payments of \$841,353 per year, starting in FY 2018-19.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the transfer of \$841,353 per year from the General Fund, Unreserved (Unassigned) Fund Balance, to the Health Effects Research Fund (48) in five installment payments during each of the following fiscal years for a total transfer of \$4,206,765: FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23.

Wayne Nastri
Executive Officer

SJ:DRP:NC

Background

At their June 2008 meeting, the Board established the Health Effects Research Fund and initially funded it with \$1.5 million from the BP Arco Settlement Fund. The Board further authorized, upon annual Board approval, the transfer of 20 percent of annual penalty money that exceeded \$4 million received each fiscal year from the General Fund to the Health Effects Research Fund. Authorization is needed for the transfer of 20 percent of annual penalty money that exceeds \$4 million received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17. The amount totals \$4,206,765. Funding from the Health Effects Research Fund has been used to fund a number of research projects at local universities and research institutions, including the Health

Effects of Air Pollution Foundation. Findings from research conducted by Health Effects of Air Pollution Foundation and funded by the Health Effects Research Fund have indicated that fine particulate exposure is associated with biochemical changes in the brains of laboratory animals that are consistent with the biochemical pattern found in human brain tumors. Another project funded by the Health Effects Research Fund found preliminary associations of particulate matter levels and the risk of childhood brain tumors. These findings are being followed up with additional study to better understand the relationship between pollution exposure and the risk of contracting brain tumors. In a current study, laboratory animals are exposed to ambient particulate matter, including ultrafine particles, for investigation of potential stem cell activation into cancer precursor cells. The elucidation of molecular pathways involved in survival, proliferation, and differentiation of cancer stem cells may be fundamental information to help develop therapies for brain tumors and to develop potential preventive measures. The requested Board action will provide funding to conduct additional health effects research, which may include follow-up on the results described above, and will provide information to better assess the health risks of exposure to air pollutants. Results from these studies will provide scientific information to inform policy choices for reducing emissions and exposures to pollutants in the South Coast Air Basin and potentially world-wide.

Proposal

Staff is proposing that the Board authorize the transfer of 20 percent of annual penalty money received in FY 2010-11, FY 2011-12, FY 2012-13, FY 2015-16 and FY 2016-17 that exceeded \$4 million from the General Fund to the Health Effects Research Fund (48) in five installment payments over a period of five fiscal years, starting in FY 2018-19. The total amount to be transferred is \$4,206,765 as detailed in Table 1. The installment payment would be \$841,353 during each of the five fiscal years as detailed in Table 2.

TABLE 1

Calculation of Proposed Transfer Amount from General Fund to Health Effects Research Fund

Fiscal Year	General Fund Penalty Money	20% over \$4M
2010-11	\$ 7,348,657	\$ 669,731
2011-12	4,906,391	181,278
2012-13	11,562,529	1,512,505
2015-16	5,704,685	340,937
2016-17	11,511,570	1,502,314
	Total	\$ 4,206,765

Note: Funds have already been transferred from the General Fund to the Health Effects Research Fund for FY 2008-09, 2009-10, 2013-14, 2014-15 and 2017-18.

TABLE 2

Proposed Yearly Transfer Amount from General Fund to Health Effects Research Fund

Fiscal Year	Amount
2018-19	\$ 841,353
2019-20	841,353
2020-21	841,353
2021-22	841,353
2022-23	841,353
Total	\$4,206,765

Resource Impacts

Funds are available from the General Fund Unreserved (Unassigned) Fund Balance in FY 2018-19 and will be included in the budget process for each of the additional four fiscal years.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 8

PROPOSAL: Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20

SYNOPSIS: The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the South Coast AQMD 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 12, 2019; Recommended for Approval

RECOMMENDED ACTION:

Approve adjustments to compensation for Board Member Assistants and Board Member Consultants for FY 2019-20 in accordance with the Administrative Code and described in the Attachment.

Wayne Nastri
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 South Coast AQMD 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 the level of complexity, number of meetings, role (Chair/Vice-Chair), etc. 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 2019-20 in accordance with the Administrative Code. Upon approval, Board Members will select Board Assistants and Consultants and allocate their funds.

Resource Impacts

Sufficient funding will be requested in the FY 2019-20 Budget to accommodate the recommended adjustments.

Attachment

Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2019-20.

ATTACHMENT

Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2019-20

Governing Board Member	Committee/Advisory/Other Group Assignment Points *	Calculated Maximum Support Level **
Cacciotti	68	\$39,624
McCallon	65.5	\$39,624
Robinson	77	\$39,624
Hahn	84	\$41,433
Bartlett	88	\$43,406
Rutherford	104	\$51,297
Buscaino	128	\$63,135
Perez	148	\$73,000
Governor's appointee (vacant)	---	---
B. Benoit	242.5	\$118,872
Mitchell	269	\$118,872
Senate Rules appointee (vacant)	---	---
Vice-Chair (TBD)	TBD	\$118,872
Burke (Chair)	239	\$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 3, 2019

AGENDA NO. 9

PROPOSAL: Revise Procurement Policy and Procedure

SYNOPSIS: This action is to approve revisions to South Coast Air Quality Management District's Procurement Policy and Procedure to amend the definition of Low-Emission Vehicle Businesses for use in awarding procurement incentive points/percentages, as well as updates reflecting enhancements and current operating processes.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:
Adopt the revised Procurement Policy and Procedure.

Wayne Natri
Executive Officer

SJ:DH:tm

Background

The South Coast Air Quality Management District's (South Coast AQMD) Procurement Policy and Procedure, adopted January 9, 1998 and last amended September 4, 2015, provides that 5 additional points may be awarded to bidders committing to deliveries of materials and supplies using low-emission vehicles.

The current definition of low-emission vehicles as provided in the Procurement Policy and Procedure and South Coast AQMD RFP/RFQs does not adequately reflect the current zero and near-zero emission vehicle fuel technologies.

Proposal

It is recommended that South Coast AQMD's Procurement Policy and Procedure be amended to include a revised definition of vehicle deliveries that would qualify for the bid evaluation incentive, as follows:

“Zero or Near-Zero-Emission Vehicle Business” as used in this policy means a company or contractor that uses zero or near-zero emission vehicles in conducting deliveries to South Coast AQMD. Zero or near-zero emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, and hydrogen and are certified to 90% or lower than the existing standard.

Subsequent to the approval of this revision, South Coast AQMD RFPs/RFQs will contain the revised definition.

Further, the revised Procurement Policy and Procedure contains enhancements and reflects current operating processes.

Resource Impacts

Staff anticipates no specific resource impacts from this change, but the change may increase the number of cleaner vehicles for deliveries of supplies and materials based upon the revised definition.

Attachment

Revised Procurement Policy and Procedure

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

PROCUREMENT POLICY AND PROCEDURE

SECTION I: PURPOSE

- A. It is the policy of the South Coast Air Quality Management District (South Coast AQMD) to make available to all its offices and employees those services, supplies, equipment, materials, and fixed assets which are essential to the operation of the South Coast AQMD.
- B. The execution of this policy is the function of the responsible officer as set forth herein.
- C. The procedures set forth in this policy govern contracting and/or purchasing of services, materials, equipment, supplies, and fixed assets by the South Coast AQMD.
- D. The South Coast AQMD Board may contract for services, materials, equipment, supplies, and fixed assets as may be necessary or convenient for the exercise of duties imposed upon the South Coast AQMD.

SECTION II: GOVERNING BODY AND APPLICABLE LAWS

- A. The South Coast AQMD is organized pursuant to Chapter 5.5, Part 3, Division 26 of the Health and Safety Code.
- B. The governing body of the South Coast AQMD is a Board of Directors composed in accordance with Health and Safety Code Section 40420 ("South Coast AQMD Board").
- C. The South Coast AQMD is required to adopt a purchasing policy pursuant to Government Code Section 54202.

SECTION III: PARTICIPATION IN THE PROCUREMENT PROCESS

A. General

It is the policy of the South Coast AQMD 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 South Coast AQMD -contracts.

B. Definitions

The definition of minority, women and disadvantaged business enterprises set forth below is included for purposes of determining compliance with the affirmative steps requirement described in paragraph (F) below on procurements funded in whole or in part with federal funds which involve the use of subcontractors. The definitions provided for disabled veteran

business enterprise, local business, small business enterprise, ~~low-emission~~zero or near-zero emission vehicle business, off-peak hours delivery business and benefits incentive business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Women business enterprise" (WBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. a business that is at least 51 percent owned by one or more women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
 - b. a business whose management and daily business operations are controlled by one or more women.
 - c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
2. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
3. "Disabled veteran business enterprise" (DVBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. is a sole proprietorship or partnership of which at least 51 percent is owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
 - b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
 - c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.
4. "Local business" as used in this policy means a company that has an ongoing business within the South Coast AQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the South Coast AQMD and satisfies the requirements of subparagraph H below.

5. "Small business" as used in this policy means a business that meets the following criteria:
- a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
 - A manufacturer with 100 or fewer employees.
 - b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 and 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.
6. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE or small business and owns at least 51 percent of the joint venture.
7. ~~"Low Emission Vehicle Business"~~Zero or Near-Zero Emission Vehicle Business as used in this policy means a company or contractor that uses ~~low-emission~~zero or near-zero emission vehicles in conducting deliveries to the South Coast AQMD. ~~Low-emission~~Zero or near-zero emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, hydrogen and ~~diesel retrofitted with particulate matter (PM) traps and are certified to 90% or lower than the existing standard.~~
8. "Off-Peak Hours Delivery Business" as used in this policy means a company or contractor that commits to conducting deliveries to the South Coast AQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.
9. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to the South Coast AQMD and commits to providing employee health benefits (as defined below in Section VIII.D.2.d) for full time workers with affordable deductible and co-payment terms.
10. "Minority Business Enterprise" as used in this policy means a business that is at least 51 percent owned by one or more minority person(s), or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minority persons.
- a. a business whose management and daily business operations are controlled by one or more minority persons.

- b. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
 - c. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native-American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific-American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
11. "Most Favored Customer" as used in this policy means that the South Coast AQMD will receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services.
12. Disadvantaged Business Enterprise" as used in this policy means a business that is an entity owned and/or controlled by a socially and economically disadvantaged individual(s) as described by Title X of the Clean Air Act Amendments of 1990 (42 U.S.C. 7601 note) (10% statute), and Public Law 102-389 (42 U.S.C. 4370d)(8% statute), respectively;
- a Small Business Enterprise (SBE);
 - a Small Business in a Rural Area (SBRA);
 - a Labor Surplus Area Firm (LSAF); or
 - a Historically Underutilized Business (HUB) Zone Small Business Concern, or a concern under a successor program.
- C. Under Request for Quotations (RFQ), DVBEs, DVBE business joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. ~~Low-Emission~~Zero or Near-Zero Emission Vehicle Businesses shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. Off-Peak Hours Delivery Businesses shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid. Local businesses (if the procurement is not funded in whole or in part by ~~EPA~~federal grant funds) shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid.
- D. Under Request for Proposals (RFP), DVBEs, DVBE joint ventures, small businesses, small business joint ventures and benefits incentive businesses shall be awarded ten (10) points in the evaluation process. A non-DVBE or large business shall receive seven (7) points for subcontracting at least 25 percent of the total contract value to a DVBE or small business. ~~Low-Emission~~Zero or Near-Zero Emission Vehicle Businesses shall be awarded five (5) points in the evaluation process. On procurements that are not funded in whole or in part by ~~EPA~~federal grant funds local businesses shall receive five (5) points. Off-Peak Hours Delivery Businesses shall be awarded two (2) points in the evaluation process.
- E. The South Coast AQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual

preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of South Coast AQMD contractual obligations.

- F. When contracts are funded in whole or in part by federal funds, and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit disadvantaged businesses. Contractor shall submit a certification signed by an authorized official affirming its status as a MBE or WBE, as applicable, at the time of contract execution. The South Coast AQMD reserves the right to request documentation demonstrating compliance with the following good faith efforts prior to contract execution.
1. Ensure Disadvantaged Business Enterprises (DBEs) are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
 2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
 3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
 4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
 6. If the prime contractor awards subcontracts, require the prime contractor to take the above steps.
- G. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a MBE, WBE, and/or DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.
- H. When contracts are not funded in whole or in part by federal funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an ongoing business within the geographical boundaries of the South Coast AQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of the South Coast AQMD shall be entitled to the local business preference.

- I. For federally funded procurements, the South Coast AQMD shall comply, where applicable, with federal fair share requirements set forth in 40 CFR 33, or equivalent federal regulations.
- J. It is the policy of the South Coast AQMD to receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services. To this purpose, formal bidding procedures, sole source awards, and RFP/Rfq processes will include a certification for “most favored customer” status. South Coast AQMD will give preference, where appropriate, to vendors who certify that they will provide “most favored customer” status to the South Coast AQMD.
- K. Responsibilities of South Coast AQMD Personnel:
 - 1. The Manager of the Procurement Section shall be responsible for:
 - a. Developing and maintaining South Coast AQMD procedures to ensure proper implementation of this policy.
 - b. Reviewing solicitations to ensure compliance with this policy prior to public release.
 - c. Preparing a monthly report to the South Coast AQMD Board on solicitations scheduled to be released within the next month and preparing a semi-annual report to the South Coast AQMD Board on contract activity.
 - d. Reviewing contracts and purchase orders to ensure compliance with this policy and applicable laws and regulations.
 - e. Providing periodic training to South Coast AQMD personnel on contracting and purchasing policies and procedures.
 - f. Developing and maintaining a database of vendors seeking to do business with the South Coast AQMD.
 - g. Participating at trade fairs and other procurement outreach programs.
 - h. Publication of Notices Inviting Bids or Proposals.
 - i. Maintaining records sufficient to detail the significant elements of the procurement, including, but not limited to: authorizing Board Letter or memorandum to authorizing contract signatory; the Contract Request Authorization Memorandum from the originating organization; the Request for Proposal, if applicable; the contractor’s final proposal; and any miscellaneous South Coast AQMD internal correspondence concerning the terms of the contract.
 - 2. South Coast AQMD Legal Counsel shall be responsible for:
 - a. Representing the South Coast AQMD in all litigation actions involving implementation of this policy.
 - b. Providing legal opinions regarding the interpretation of bid specifications, proposal requirements, and contract provisions.
 - 3. South Coast AQMD staff is responsible for:

- a. Taking all necessary and reasonable steps in accordance with applicable South Coast AQMD requirements to execute this policy and to ensure that all businesses including MBEs, WBEs, DVBES and small businesses have fair and equitable participation in the solicitation process.
- b. Screening the South Coast AQMD's vendor database to obtain names of companies which have expressed an interest in doing business with the South Coast AQMD.
- c. Ensuring that relevant business enterprises listed in the database will receive copies of solicitations.
- d. Coordinating the advertising of solicitations with the Manager of the Procurement Section or his or her designee in conformance with the policies and procedures of this policy.
- e. Providing the Manager of the Procurement Section with a draft of the solicitation for review prior to public release and issuance of an RFQ or RFP number by the procurement staff.
- f. For contracts funded in whole or in part with federal funds, performing and documenting a cost or price analysis as appropriate, including a lease versus purchase analysis, as set forth in 40 CFR 31.36(f) and 31.36(b)(4). Appropriate staff shall also maintain records sufficient to detail the significant history of a procurement, including the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price.
- g. Providing the Manager of the Procurement Section with all documents showing the history of the procurement as set forth in Section III(~~JK~~)(1)(i).

SECTION IV: PURCHASING OF SUPPLIES, SERVICES AND EQUIPMENT

A. Manager of the Procurement Section Authority and Responsibilities

1. The Manager of the Procurement Section may purchase, upon appropriate authorization, services, materials, equipment, supplies, and fixed assets.
2. The Manager of the Procurement Section shall designate those persons who will have authority to make purchases.
3. The Manager of the Procurement Section shall act in the best interests of the South Coast AQMD in negotiating the best price on all goods and services, cost and other factors considered; and in accordance with all rules, regulations, and policies herein set forth, and all applicable provisions of law.
4. For non-consultant services and supplies which can reasonably be expected to exceed \$50,000 on an annual basis, the Manager of the Procurement Section may use a competitive prequalification process. As used in this policy, the term "prequalified vendors" shall be defined as the list of vendors whom the South Coast AQMD has determined to be qualified to provide particular services or supplies. As requirements become identified, competitive bids will be sought only from those vendors on the prequalified vendor list.

5. Whenever possible, to effect economies of scale purchasing, the Manager of the Procurement Section shall pursue the policy of cooperative purchasing, provided that the quality of the available items meets South Coast AQMD requirements. Cooperative or leveraged purchasing is the policy of ~~allowing the Manager of the Procurement Section to place the SCAQMD's name on other governmental agencies' bid lists for items the SCAQMD is interested in purchasing.~~ utilizing pricing established from competitively bid state or national contracts established pricing to procure required materials, i.e., the California Department of General Services sponsored California Multiple Award Schedules (CMAS) or equivalent. This allows the South Coast AQMD to enjoy the same terms, discounts, prices, and availability of items that would not be possible in all cases under small-scale purchasing.
6. The Manager of the Procurement Section shall advertise for public bidding, as set forth in Section VII hereof, any item directed by the South Coast AQMD Board or Executive Officer. In any event, the procedure described in Section VI must be followed for purchases in excess of \$25,000.
7. Subject to the supervision and direction of the Executive Officer, it shall be the duty of the Manager of the Procurement Section to purchase from time to time such quantities of supplies as may be required for official use and keep same in such storeroom or rooms as the South Coast AQMD shall provide. Such supplies shall be disbursed upon receipt of regular requisitions presented to the Manager of the Procurement Section or his or her designee.

B. Purchasing Methods:

The following purchasing methods shall be utilized, as applicable:

1. Formal Bid - A written bid solicited through public advertising and submitted under sealed bid procedures and which is opened and read on a specified date and time. This method is primarily used for equipment or services costing \$25,000 or more.
2. Informal bid – For procurements above \$2,500 and below \$25,000 an unadvertised written bid from a vendor may be utilized when the cost of the equipment or supplies is so low as to not justify the costs of the formal bidding procedure.
3. Telephone Bid – For procurements not to exceed \$2,500, telephone bids may be utilized by the Manager of the Procurement Section or his or her designee when the best interests of the South Coast AQMD may be served due to the need for immediate delivery or for other valid reasons.
4. Sole or Single Source – For procurements in excess of \$10,000, the Executive Officer may approve that the award may be made without a formal bid when the item or service to be purchased may be obtained from only one source and the item or service is one which does not lend itself to substitution. Said bids must be confirmed in writing and justified in accordance with the provisions of Section VIII_(B)- using a Single/Sole-Source Procurement Request form approved by the Executive Officer.

5. Prior Bid, Last Price - After confirming the validity of a prior price, an award may be made on the basis of a prior bid or on the basis of a last price, if the conditions of a previous purchase are similar.
 6. Request for Quotation - A written request describing materials, equipment, fixed assets, supplies or services sought which may contain certain plans and specifications. Quotations may be solicited through either formal or informal bid procedures.
 7. Formal bidding shall be used when economies of scale can be achieved, when there are equal and competitive products, or when discounts are applicable.
- C. Fixed Assets purchases shall be defined as purchases of assets that have a life of at least three years and a total acquisition cost of \$5,000 or more. Purchases of fixed assets are governed by the following:
1. The Manager of the Procurement Section shall be the responsible officer authorized to approve the purchase of budgeted fixed assets up to the amount of \$10,000 upon the request of the appropriate Deputy or Assistant Deputy Executive Officer.
 2. The Executive Officer may approve purchases of budgeted fixed assets from \$10,000 to \$75,000 and unbudgeted fixed assets up to \$10,000, or in case of an emergency or interruption of South Coast AQMD operations, up to \$50,000.
 3. Purchases of budgeted fixed assets over \$75,000 and unbudgeted fixed assets over \$10,000, except as provided in paragraph two above, require Board approval.
 4. The Manager of the Procurement Section may, by direct sales or otherwise, sell or dispose of any fixed assets belonging to the South Coast AQMD and found by the South Coast AQMD Board not to be required for public use. Fixed assets procured with federal funds may require prior approval from the awarding federal agency, which if required, shall be secured by South Coast AQMD staff prior to requesting the South Coast AQMD Board to approve disposal of the applicable asset(s).
 - a. All moneys collected from the proceeds of sales are to be deposited in the South Coast AQMD's bank account.
 - b. No member of the South Coast AQMD Board or family member and no South Coast AQMD employee or family member shall be permitted to purchase any assets or supplies of the South Coast AQMD, except those items disposed of in an open public auction.
 - c. Upon finding that it is in the best interests of the South Coast AQMD, the South Coast AQMD Board may authorize transfer of equipment, supplies, and materials for nominal monetary consideration to public agencies, nonprofit organizations that meet the requirements of Section 501(c) of the Internal Revenue Code, or educational institutions for use in air quality improvement or other activities in the public interest.
 5. The Manager of the Procurement Section may upon written approval of the Executive Officer or his or her designee purchase unbudgeted fixed asset items having a total unit

cost not exceeding \$10,000, (including freight and taxes). The purchase of unbudgeted fixed assets having a total unit cost in excess of \$10,000 shall be made by the Manager of the Procurement Section only after approval of such purchase by the South Coast AQMD Board.

SECTION V: CONSTRUCTION, ALTERATION, OR IMPROVEMENT OF SOUTH COAST AQMD FACILITIES

A. Executive Officer approval required:

1. The Executive Officer may contract for the construction, alteration, or improvement of South Coast AQMD facilities when the total cost of the proposed, budgeted construction, alteration, or improvement does not exceed \$75,000. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year.
2. Depending on the nature of the work to be performed, detailed plans and specifications are not required. However, any change or alteration of such plans and specifications shall be in writing.
3. The contracting methods utilized by the Executive Officer under these provisions shall be in accordance with Section IV.B.

B. Governing Board approval required:

1. The South Coast AQMD Board may contract for the construction, alteration, or improvement of South Coast AQMD facilities.
2. The South Coast AQMD Board shall adopt detailed plans and specifications for the work.
3. All bidders shall be afforded the opportunity to examine the plans and specifications. Any changes or alterations of the plans and specifications shall be in writing.
4. The bidding procedures set forth in Section VI of this policy shall be followed for idle projects when the cost of proposed construction alteration or improvement is estimated to exceed \$75,000.
5. The South Coast AQMD Board shall, to the greatest extent practicable, award the contract to the lowest cost responsive bidder, except as provided in Section VI.(B). The person to whom the contract is awarded shall perform the work in accordance with the plans and specifications.
6. The ~~person~~Contractor to whom the contract is awarded shall execute a completion and performance bond, to be approved by the Executive Officer or designee, for the faithful performance of ~~the contracts~~ over \$75,000 per fiscal year.
7. If the cost of work is reduced by reason of any modification of the plans and specifications, such reduced cost shall be credited to the South Coast AQMD.

8. If the cost of the work increases for any reason, the Executive Officer may authorize the additional work up to an amount not to exceed \$75,000 in any one fiscal year. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. If the cost exceeds the original contract by over \$75,000 in any one fiscal year, Board approval will be required.
- C. All solicitations for construction, alteration, or improvement of South Coast AQMD facilities shall require contractors to comply with applicable federal laws including but not limited to the Copeland Anti-Kickback Act, the Davis Bacon Act, the Contract Work Hours and Safety Standards Act, Occupational Safety and Health Act and applicable state laws governing health and safety, workers compensation, prevailing wage rates, and labor hours.

SECTION VI: BIDDING PROCEDURES

A. Request for Quotations or Proposals

1. When the term "Request for Quotations" (RFQ) or "Request for Proposal" (RFP) is used in this policy, the following is meant: The responsible staff person shall, in writing, solicit quotations from qualified bidders. The prospective bidders shall be sent an RFQ or RFP which specifies the materials, equipment, fixed assets, supplies, or services sought and the date by which bids are required, which date shall be at least 30 days from the date and time the RFQ or RFP is ~~mailed~~ sent or posted on the South Coast AQMD website. For RFQs or RFPs approved by the Executive Officer, waiver of the 30-day period may be approved by the Executive Officer. For any RFP or RFQ, the Executive Officer may extend the response period.
2. In all cases in which written specifications are prepared and submitted for public bid and a trade name is specified, the specifications shall contain the phrase "or equal" and a bidder shall be allowed to bid upon a specific trade name product or its equivalent in quality and performance.
3. Subject to other provisions of this policy, a bid will be awarded to the lowest responsive, qualified bidder whose bid is in accordance with prescribed requirements and/or specifications.
4. The preparation of detailed specifications or obtaining of bids may be waived by the Executive Officer or his or her designee if proper justification has been provided that:
 - a. The items are available from only one source;
 - b. Public health or property may be endangered by delay;
 - c. An emergency or interruption of South Coast AQMD operations has occurred;
 - d. Required construction, repair, or project completion dates cannot be met;
 - e. Used or surplus equipment or supplies cannot be covered by specifications or plans;
or

- f. Other circumstances exist which, in the determination of the Executive Officer, require waiver in the best interests of the South Coast AQMD.

B. Acceptance or Rejection of Bids

1. The South Coast AQMD Board or appropriate officer may accept or reject all or any bids and quotations or may accept or reject a part of any bid and to waive technical defects if to do so best serves the interests of the South Coast AQMD. Preference will be given, however, to the lowest cost responsive bidder.
2. In the event all bids or quotations are rejected, the South Coast AQMD Board or appropriate officer, may take any of the following actions:
 - a. Solicit new bids or quotations. In the event that a "Notice Inviting Bids/Proposals" was required, the notice must be re-advertised.
 - b. Proceed to purchase equipment, materials, services, fixed assets or supplies through the State General Services Agency pursuant to Government Code Section 54205, or other leveraged/cooperative purchasing opportunities, if feasible.
3. The Executive Officer and/or Governing Board may award the contract to a bidder, other than the bidder determined to be the lowest bidder, in the event the Executive Officer and/or the Governing Board determine that another bidder would provide the best value to the South Coast AQMD. In such case, the supporting rationale for such a determination must be provided. The determination shall be on the bids or quotations and on evidence provided in the quotation and/or any other evidence provided during the bid review process. Evidence provided during the bid review process is limited to clarification by the bidder of information presented in his/her proposal/quotation.
4. In the event that no bids were received after a written solicitation or advertising, the South Coast AQMD Board or Executive Officer, may reissue the solicitations, or contract for the equipment, fixed assets supplies, materials, or services on a sole-source basis.

SECTION VII: PUBLICATION REQUIREMENTS FOR ADVERTISED PROCUREMENTS

- A. For any purchase of alterations or improvements to South Coast AQMD facilities, services, materials, equipment, or fixed assets estimated to exceed \$25,000, the following procedures apply unless a written determination has been made by the Executive Officer or his or her designee that the estimated cost of the procurement does not justify the cost of advertising:
1. A "Notice Inviting Bids/Proposals" shall be published in a newspaper of general circulation at least once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates are sufficient. The period of notice commences on the first day of publication and terminates at the close of business on the fourteenth day.

2. One or more "Notices Inviting Bids/Proposals" shall be published in one or more of the following, whichever would allow the notice to be distributed to the largest number of persons or firms qualified to do the work:
 - a. Newspapers of general circulation (mandatory)
 - b. California State Contracts Register
 - c. Journal of the Air & Waste Management Association
 - d. ARB Computer Bulletin Board
 - e. Professional journals and trade publications including small, minority, women, and veteran business publications, and
 - f. South Coast AQMD Website on the Internet
3. The "Notice Inviting Bids/Proposals" shall contain a brief description of the equipment, materials, supplies, or services sought, the address where the plans and/or specifications may be inspected or where additional information may be obtained, and time and place of delivery of the Bid or Proposal.
4. A listing of open RFQs and RFPs will be made available to various legislative caucuses, community groups, trade organizations, chambers of commerce and other interested parties at the time the Notice Inviting Bids/Proposals is submitted for publication. Parties desiring copies of any of the RFQs or RFPs will be advised that a complete copy can be obtained by downloading it from the South Coast AQMD website or requesting a hard copy from the designated South Coast AQMD contact.

SECTION VIII: CONTRACTING FOR CONSULTING AND PROFESSIONAL SERVICES

A. General

1. It is the policy of the South Coast AQMD to utilize the most highly qualified professional services to carry out the responsibilities of the South Coast AQMD.
2. Due to the nature of the work to be performed or the staffing level required, it may, from time to time, be necessary to utilize the services of outside contractors/consultants who are not employees of the South Coast AQMD.

B. Contracting Methods

1. Proposals subject to this Section shall be advertised pursuant to the provisions of Section VII unless the Executive Officer waives the bidding requirements of this Section based upon a written documentation justifying a sole-source award, as described below
2. Except for contracts funded in whole or in part with federal funds, written justification for a sole-source award must be provided documenting that:

- a. The cost of labor for preparation of the described documents exceeds the possible savings that could be derived from such detailed documents; or
 - b. Public health or property may be endangered by delay; or
 - c. The desired services are available from only the sole-source based upon one or more of the following reasons:
 - (1) The unique experience and capabilities of the proposed contractor or contractor team;
 - (2) The project involves the use of proprietary technology;
 - (3) The contractor has ownership of key assets required for project performance; or
 - d. Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of the South Coast AQMD. Such circumstances may include but are not limited to:
 - (1) Projects involving cost sharing by multiple sponsors
 - (2) Time extension of an existing contract;
 - (3) Projects involving a commitment to multiple project phases;
 - (4) Level-of-effort expert consultation services;
 - (5) Performance of South Coast AQMD work concurrent with local government official duties;
 - (6) Projects requiring compatibility with existing specialized equipment;
 - (7) Cooperative internship programs with accredited colleges and universities;
 - (8) Research and development efforts with educational institutions or nonprofit organizations.
3. For contracts funded in whole or in part with federal funds, written justification for sole-source award must be provided documenting that awarding a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and that one of the following circumstances applies:
- a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The awarding federal agency authorizes noncompetitive proposals; or

d. After solicitation of a number of sources, competition is determined inadequate.

C. Selecting the Appropriate Contracting Method

1. Prior to the letting of a contract for consulting or professional services, South Coast AQMD staff shall prepare the following, as applicable:
 - a. A written assessment of the objectives of the project or study in which previous work, if any, on the same subject shall be reviewed, including an assessment of current and future South Coast AQMD needs for the project and an estimate of the project cost;
 - b. A statement of work to be performed in carrying out the project or study;
 - c. A statement of the qualifications of persons necessary to perform the work including a description of experience, education, and training, and related work in general and specific fields; and
 - d. An assessment of the resources needed to carry out the project or study including, facilities, laboratory, equipment, and computer hardware and software.
2. Based upon an evaluation of the documentation prepared pursuant to Paragraph C1 and any other information deemed necessary, the Executive Officer or his or her designee shall:
 - a. Evaluate the ability of South Coast AQMD staff to perform all or part of the work, taking into consideration South Coast AQMD staff resources and other work being performed by South Coast AQMD staff; or
 - b. If it is determined that all or part of the work should be done pursuant to a contract for professional consulting services, the Executive Officer shall determine if the services shall be procured on a sole-source basis in accordance with the criteria set forth in Paragraph B2 above or a competitive basis. On federally funded procurements, the requirements of Paragraph B3 above shall be applicable in accordance with 40 CFR 31.36 or applicable federal regulation. On contracts for budgeted items over \$75,000 or unbudgeted items over \$10,000, the Executive Officer shall recommend to the South Coast AQMD Board that a sole-source contract be awarded. If a sole-source contract is approved by the South Coast AQMD Board, it may designate who is authorized to execute the contract.
3. If it is determined that the services should be procured competitively, the South Coast AQMD staff member responsible for originating the requirement shall prepare an RFP using the most current version of the sample RFP contained on the South Coast AQMD computer network and prepare a Bidders Mailing List. At a minimum, the RFP should contain the following areas specifically tailored to the requirement:
 - a. Background/Schedule of Events
 - b. Section III of the South Coast AQMD Procurement Policy
 - c. Work Statement/Schedule of Deliverables

- d. Required Qualifications
 - e. Proposal Submittal Requirements
 - f. Proposal Evaluation Criteria
 - g. Draft Contract
 - h. Certifications and Representations
4. All RFPs must be reviewed by the Manager of the Procurement Section prior to assignment of an RFP number by Procurement staff. RFPs for budgeted items over \$75,000 that deviate from approved South Coast AQMD RFP evaluation criteria and RFPs for unbudgeted items over \$10,000 must be approved by the South Coast AQMD Board prior to release. RFPs for budgeted items up to \$75,000 and unbudgeted items under \$10,000 that comply with South Coast AQMD RFP evaluation criteria shall be approved by the Executive Officer or his or her designee.
 5. RFPs estimated to exceed \$25,000 will be advertised in accordance with the procedures set forth in Section VII. The Notice Inviting Proposals shall specify the services sought and the date by which proposals are required, which date shall be at least 30 days from the date and time the RFP is mailed. Waiver of the 30-day period may be approved by the Executive Officer.

D. Proposal Evaluation and Contract Award

1. Sole-source proposals or a competitive proposal which is the sole response to an RFP should be evaluated by the originator of the requirement to ensure that the proposal is technically acceptable and that the proposed amount is reasonable based on previous proposals for similar work, knowledge of the marketplace, and South Coast AQMD's independent cost estimate. Documentation regarding the reasonableness of the proposed cost must be ~~provided~~included in the project file compiled by the originator, along with the sole source justification. The Single/Sole-Source Procurement Request form, approved by the Executive Officer, shall be included with the documentation supplied to the Contracts Unit as detailed in Section III.K.i.
2. Competitive proposals will be evaluated by a panel of three-to-five South Coast AQMD staff familiar with the subject matter of the project. The panel shall be appointed by the Executive Officer or his or her designee to evaluate the submitted proposals. In addition, the evaluation panel may include such outside public sector or academic community expertise as deemed desirable by the Executive Officer. The Executive Officer or his or her designee shall appoint a chairman from this group.

a. Evaluation of Proposals.

Each member of the evaluation panel shall be accorded equal weight in his or her rating of the proposals. The evaluation panel members shall evaluate the proposals according to specified criteria and shall assign a numerical score to each evaluation factor. Suggested guidelines for technical criteria and weightings are set forth below, but may be modified by the RFP originator based upon the specific project requirements and approval by the responsible Deputy Executive Officer.

b. Sample Proposal Evaluation Criteria

(1) Standardized Services	<u>Points</u>
Understanding of Requirement	20
Contractor Qualification	20
Past Experience	10
Cost	<u>50</u>
TOTAL:	100
(2) R&D Projects Requiring -Technical or Scientific Expertise, or Special Projects Requiring Unique Knowledge or Abilities	
Understanding the Problem	20
Technical/Management Approach	20
Contractor Qualifications	20
Previous Experience on Similar Projects	10
Cost	<u>30</u>
TOTAL	100
(3) Additional Points	
Small Business or Small Business Joint Venture	10
DVBE or DVBE Joint Venture	10
Benefits Incentive Business	10
Use of DVBE or Small Business Subcontractors	7
Low-Emission Vehicle Business <u>Zero or Near-Zero</u>	
Emission Vehicle Business (for supply contracts)	5
Local Business (Non-Federal Funded Projects)	5
Off-Peak Hours Delivery Business	2
Most Favored Customer	2

To receive additional points in the evaluation process for the categories of Small Business or Small Business Joint Venture, DVBE or DVBE Joint Venture or Local Business (for non-federal funded projects), the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets the requirements set forth in Section III. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses. To receive points as a ~~Low-Emission~~ Zero or Near-Zero Emission Vehicle Business, the proposer must demonstrate to the Executive Officer, or designee, that supplies and materials delivered to the South Coast AQMD are delivered in vehicles that operate in accordance with the definition provided in Section III.B.7 ~~on either clean fuels or if powered by diesel fuel, that the vehicles have particulate traps installed~~. To receive points as an Off-Peak Hours Delivery Business, the proposer must submit, at proposal

submission, certification of its commitment to delivering supplies and materials to South Coast AQMD between the hours of 10:00 a.m. and 3:00 p.m. To receive points for Most Favored Customer status, the proposer must submit, at proposal submission, certification of its commitment to provide most favored customer status to the South Coast AQMD. To receive points as a Benefits Incentive Business, the proposer must provide, at a minimum, health insurance at one of the levels identified in Paragraph d below. Documentation showing proof of such insurance coverage must be submitted with the proposal. The cumulative points awarded for Small Business, DVBE, use of Small Business or DVBE Subcontractors, Benefits Incentive Business, Local Business, ~~Low Emission~~Zero or Near-Zero Emission Vehicle Business and Off-Peak Hour Delivery Business shall not exceed 15 points. An additional 2 points can be awarded to those firms certifying Most Favored Customer pricing, for a total of 17 points possible.

- c. The Procurement Section will be responsible for monitoring compliance of suppliers awarded purchase orders based upon use of ~~low-emission~~zero or near-zero emission vehicles or off-peak traffic hour delivery commitments through the use of vendor logs which will identify the contractor awarded the incentive. The purchase order shall incorporate terms which obligate the supplier to deliver materials in ~~low-emission~~zero or near-zero emission vehicles or deliver during off-peak traffic hours. The Receiving department will monitor those qualified supplier deliveries to ensure compliance to the purchase order requirements. Suppliers in non-compliance will be subject to a two percent of total purchase order value penalty. The Procurement Manager will adjudicate any disputes regarding either ~~low-emission~~zero or near-zero emission vehicle or off-peak hour deliveries.
- d. Benefits Incentive Businesses, in order to receive 10 additional points, must provide affordable health insurance to full-time employees, which are defined as employees who work 30 hours or more per week. Affordable health insurance is defined to mean meeting or exceeding the following minimum levels of coverage:

Employee Deductibles/Fees

PPO Plan Design

In-Network Deductible \$500 single
 In-Network Out-of-Pocket Maximum \$2,500
 Out-of-Network Co-pay 30%
 Office Visit Co-pay \$20 per visit
 Retail Drug Co-pay \$11 (generic)/\$24(premium)/\$44(nonformulary)
 Mail Order Drug Co-pay \$14 (generic) /\$32 (premium)/\$57 (nonformulary)
 Single Contribution 10% or less of premium

HMO Plan Design

Office Visit Co-pay \$20
 Inpatient Hospitalization \$250 deductible
 Emergency Room Co-pay \$50 per visit
 Retail Drug Co-pay \$11 (generic)/\$24(premium)/\$44(nonformulary)
 Mail Order Drug Co-pay \$14 (generic) /\$32 (premium)/\$57 (nonformulary)
 Single Contribution 10% or less of premium

Documentation to prove insurance coverage may include quotes from health insurance providers or a copy of the most recent health insurance invoice, with an attached Plan Summary. Documentation must not include medical information, employee names, or any personal employee information. An officer of the bidding company must certify in writing that the health insurance information provided is true and accurate and that, if selected, the company will provide health insurance to its full-time employees for the duration of the contract term at the same levels shown above or better. The selected Contractor will be required to update the proof of health insurance on an annual basis and to provide a certified copy of payroll if requested.

- e. For procurement of standardized services, technical factors including past experience shall be weighted at 50 points and cost shall be weighted at 50 points. For procurement of Research and Development (R & D) projects or projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, technical factors including past experience shall be weighted at 70 points and cost shall be weighted at 30 points, subject to other provisions of this policy. A proposal must receive at least 56 out of 70 points, or 80 percent of the possible technical points, as applicable, on R & D projects and projects for unique technical expertise in order to be deemed qualified for award.
- f. The responsible staff person shall prepare a summary of the proposal evaluations and a recommendation for the award to his or her responsible Deputy Executive Officer.
- g. The Executive Officer and/or Governing Board may award the contract to a proposer other than the proposer receiving the highest rating. In the event the Executive Officer and/or Governing Board determine that another proposer from among those technically qualified would provide the best value to the South Coast AQMD considering cost and technical factors, supporting rationale for such a determination must be provided. The determination shall be based solely on the Evaluation Criteria contained in the RFP, on evidence provided in the proposal and on any other evidence provided during the proposal review process. Evidence provided during the proposal review process is limited to clarification by the proposer of information presented in proposal.
- h. Contracts for budgeted items over \$75,000 and for unbudgeted items over \$10,000 must be approved by the South Coast AQMD Board. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. Contracts for budgeted items of \$75,000 or less and contracts for unbudgeted items of \$10,000 or less shall be approved by the Executive Officer and the Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. After approval by the Executive Officer or South Coast AQMD Board, the responsible staff person shall prepare a Contract Request Approval Memorandum, Scope Statement, Work Statement, and Cost or Payment Schedule and forward these documents to the Contracts Unit.
- i. The Contracts Unit will prepare the contract and forward all documents to the responsible staff person for final approvals by the– DEO, or ADEO as applicable,

Manager of the Procurement Section, South Coast AQMD Counsel and the Executive Officer. If the contract is funded in whole or in part with federal funds, the contract shall incorporate the awarding federal agency's applicable contract provisions as specified in the awarding agency's regulations (e.g. 40 CFR Part 31.36(i) for EPA grants, and 10 CFR Part 600.148 for DOE grants).

- j. Once approved, the Executive Officer or his or her designee or the Chair of the South Coast AQMD Board, and the successful proposer's authorized official will execute the contract.

SECTION IX: BID PROTEST PROCEDURE

- A. It is the policy of the South Coast AQMD to consider protests from bidders or prospective bidders regarding South Coast AQMD's procurement actions. South Coast AQMD will respond to valid and timely protests. If South Coast AQMD determines that the protest is frivolous, the protester may be deemed ineligible for future contract awards.

B. Procedure

- 1. General – The procedure set forth in this subsection is mandatory. Failure by a protester to comply with this subsection will constitute a waiver of any right to further pursue the protest, including the filing of a claim under the relevant Government Code section or initiating legal proceedings. In no event will a protest be considered if all proposals are rejected.
- 2. Submission of Protests – Protests must be submitted in writing to the South Coast AQMD Procurement Manager, 21865 Copley Drive, Diamond Bar, CA, 91765. A valid protest must include at a minimum:
 - a. Name, address and telephone number of the protester or its representative;
 - b. The procurement action being protested;
 - c. Detailed description of the specific legal and factual grounds of the protest, which include identifying the specific provisions of the solicitation, rules, regulations or laws upon which the protest is based;
 - d. Copies of all (or any) documentation supporting the allegations in the protest; and
 - e. The specific relief requested.
- 3. Types of Protests and Deadlines to File – South Coast AQMD will recognize the following types of protests:
 - a. Protest Regarding Solicitation – An interested party that is an actual or prospective bidder with a direct economic interest in the procurement may file a protest based on unduly restrictive or defective specifications or other apparent improprieties in the solicitation process affecting the interested party's ability to submit a proposal and/or

qualifications statements. Such protests must be received no later than ten (10) days prior to the deadline to submit proposals.

- b. Protest Regarding Award of Contract – An actual bidder may file a protest regarding the award of a contract, based on South Coast AQMD's determination of the responsiveness of the proposals, errors in calculation, or other apparent improprieties in the evaluation of proposals affecting the ranking/scoring of the proposals. In addition, a protest may be made on the grounds that the party awarded the contract fraudulently represented itself as a responsible bidder or that South Coast AQMD violated any local, State or federal laws in awarding the contract. Such protests must be received no later than ten (10) days after the contract has been awarded by the Governing Board. If the contract is not required to be awarded by the Governing Board and is awarded by the Executive Officer, or designee, in accordance with the Procurement Policy and Procedures, such protests must be received no later than ten (10) days after the contract is signed and executed by the Executive Officer, or designee.
4. South Coast AQMD's Response to Protests – Upon receipt of a valid and timely protest, the Executive Officer, or designee, will investigate the protest and will provide a written response to the protester within a reasonable time. If necessary, the Executive Officer, or designee, may extend the deadline to submit proposals to allow for a reasonable time to review the protest. The Executive Officer, or designee, at his or her sole discretion, may elect to withhold the contract award until the protest is resolved or denied or proceed with the award and implementation of the contract.
5. Protest Remedies – If the protest is upheld, the Executive officer, or designee, will consider all circumstances surrounding the procurement in his or her decision for a fair and reasonable remedy, including the degree of prejudice to the protester or to the integrity of the competitive procurement process, the urgency of the procurement, the extent of performance if the contract has already been executed and implemented, the cost to South Coast AQMD, and the impact of the proposed remedy. The remedy may include, but is not limited to, reissuance of the solicitation, revised evaluation of the proposals, or termination of the contract.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 10

PROPOSAL: Authorize Purchase of OnBase Software Support

SYNOPSIS South Coast AQMD uses OnBase software for its electronic document management system to manage critical documents and to support the Record Retention Policy. Software subscription and support for OnBase expires on July 31, 2019. This action is to obtain approval for sole source purchase of OnBase software subscription and support for one year from Information Management's FY 2019-20 Budget. Funds for this purchase (\$140,000) are conditional on approval of the Proposed FY 2019-20 Budget.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Procurement Manager to purchase OnBase software subscription and support for one year from Hyland Software at a cost not to exceed \$140,000 contingent on approval of this funding in Information Management's Proposed FY 2019-20 Budget, Services and Supplies Major Object, Professional and Special Services Account.

Wayne Natri
Executive Officer

RMM:MH:cj

Background

South Coast AQMD uses OnBase software as its electronic document management system, which has maintained the South Coast AQMD's documents and other critical records since 1990. Total storage to date is over three million multi-page documents. OnBase is used by many of South Coast AQMD's mission critical web applications including Online Application Filing, Asbestos Notifications, and Oil and Gas Well Electronic Notification and Reporting. OnBase is a Windows-based, menu-driven, document management system designed to store and retrieve critical documents in

electronic format. The system provides concurrent information to multiple workstations simultaneously. It has a flexible compound document structure where black-and-white or color images co-exist with text and data within a single document. It stores various types of documents such as Microsoft Word documents, Outlook emails, PDFs, videos and data files.

The system also includes document routing and ad-hoc, scheduled point-to-point, and broadcast distribution of documents. It contains a complete set of markup and annotation tools that allow users to add notes, comments and drawings to pages without compromising the original document's integrity. The system has full network support so information can be distributed rapidly within an organization regardless of architecture. Finally, the system has an extensive number of features to allow the secure display of documents on South Coast AQMD's internal and external websites and on iPhone, iPad, and Android mobile applications. OnBase software subscription and support expires on July 31, 2019.

On December 4, 2015, the Board approved the release of an RFP to select a vendor(s) capable of providing a high quality, cost-effective Enterprise Content Management (ECM) solution. Five responses were received for this RFP. Hyland Software, Inc. was identified as the most capable and qualified vendor to provide the ECM solution to the South Coast AQMD.

Proposal

Hyland Software is the sole manufacturer and provider of OnBase software and is, therefore, the only source for its maintenance support licensing agreements. Staff recommends the purchase of OnBase software subscription and support for one year from Hyland Software at a cost of \$140,000.

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.c.(2) and (3). The products and services are available from only the sole source; involve the use of proprietary technology; and use key contractor-owned assets for project performance. Also, the cost of these support services reflects General Services Administration pricing.

Resource Impacts

Sufficient funds are included in Information Management's Proposed FY 2019-20 Budget within the Services and Supplies Major Object Professional and Special Services Account.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 11

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

SYNOPSIS: South Coast AQMD 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 transfer funds and amend four contracts previously approved by the Board to add additional funding for needed development and maintenance work.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer \$28,000 from Information Management's FY 2018-19 Budget, Services and Supplies Major Object, Professional and Specialized Services Account to Information Management's FY 2018-19 Capital Outlays Major Object, Capital Outlays Account for CLASS/PeopleSoft system enhancements.
2. Authorize the Executive Officer to execute amendments to the contracts for systems development services in the amount of \$180,000 to AgreeYa Solutions, \$135,800 to Prelude Systems, \$128,000 to Sierra Cybernetics and \$80,250 to Varsun eTechnologies from Information Management's FY 2018-19 Budget for the specific task orders listed in the Attachment.

Wayne Nastri
Executive Officer

RMM:XC:jga

Background

At the March 2, 2018 Board meeting, the Board authorized staff to initiate level-of-effort contracts with several vendors for systems development, maintenance and support services. At the time these contracts were executed, it was expected that they would be modified in the future to add funding from approved budgets as system development requirements were identified and sufficiently defined so that task orders could be prepared. The contracts are for one year with the option to renew for two one-year periods.

Systems development and maintenance efforts are currently needed (see Attachment) to enhance system functionality and to provide 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.

Proposal

Staff proposes a transfer of \$28,000 from Information Management's FY 2018-19 Budget, Services and Supplies Major Object to Information Management's FY 2018-19 Capital Outlays Major Object, Capital Outlays Account, to fund CLASS/PeopleSoft system enhancements.

In addition, staff proposes to amend the contracts to add \$180,000 to AgreeYa Solutions, \$135,800 to Prelude Systems, \$128,000 to Sierra Cybernetics and \$80,250 to Varsun eTechnologies for the specific task orders listed in the Attachment.

Resource Impacts

Upon Board approval, sufficient funding will be available in Information Management's FY 2018-19 Budget.

Attachment

Task Order Summary

Attachment

Task Order Summary

Section A – Funding Totals for all Systems Development Contracts

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
AgreeYa Solutions	\$328,010	\$180,000	\$508,010
Prelude Systems	\$368,075	\$135,800	\$503,875
Sierra Cybernetics	\$544,891	\$128,000	\$672,891
Varsun eTechnologies	\$1,432,885	\$80,250	\$1,513,135
TOTAL	\$2,673,861	\$524,050	\$3,197,911

Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
Mobile Application Enhancements and Maintenance	Enhance AQMD Mobile Application to allow residents to file air quality complaints, get enhanced notifications and to support iOS and Android version upgrades and new device releases	\$180,000	AgreeYa
Electronic Reporting Systems Enhancements	Technology upgrades and system enhancements for public facing reporting applications such as Security Portal, Interactive Voice Response System and other online reporting systems	\$135,800	Prelude
CLASS/PeopleSoft System Enhancements	Technology upgrades and system enhancements for CLASS and payroll time reporting system	\$48,000	Sierra
Web Application UI/UX Designer	Web Application User Interface and User Experience design services for startup and enhancement of all web application development projects	\$50,000	Sierra
Permit Application Dashboard Maintenance	Maintenance of Permit Application Dashboard System	\$30,000	Sierra
CLASS/PeopleSoft System Enhancements	Enhance PeopleSoft Payroll System for changes resulting from labor agreements and regulatory changes	\$80,250	Varsun
TOTAL		\$524,050	

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 12

PROPOSAL: Appoint Members to South Coast AQMD Hearing Board

SYNOPSIS: The terms of office for the Hearing Board Medical Member and two Public Members, and their Alternates, expire June 30, 2019. An Advisory Committee was appointed as required by law. The Advisory Committee interviewed the public member candidates at its meeting on March 28, 2019, and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on April 12, 2019, and made a final recommendation. This action is to appoint two public members and their alternates to fill the new terms.

COMMITTEE: Administrative, April 12, 2019; Recommended for Approval

RECOMMENDED ACTION:

Appoint/reappoint the following individuals to the South Coast AQMD Hearing Board, effective July 1, 2019, with terms ending June 30, 2022:

Hon. Nate Holden, Public Member

Alternate: Gideon Kracov

Cynthia Verdugo-Peralta, Public Member

Alternate: Robert Copeland

Wayne Natri
Executive Officer

DG

Background

Health and Safety Code Section 40501.1(b) requires the South Coast AQMD to appoint a Hearing Board Advisory Committee (Advisory Committee) composed of one representative appointed by each of the Board members for the Counties of Los Angeles, Orange, Riverside, and San Bernardino, and the City of Los Angeles.

The the two current Public Members, Patricia Byrd and Hon. Nate Holden, and their current Alternates, Robert D. Copeland and Cynthia Verdugo-Peralta, all requested reappointment. (Ms. Verdugo-Peralta requested appointment as a regular member only.)

Based on criteria developed by the Advisory Committee, the Committee members evaluated the resumes of thirty public member candidates. The Advisory Committee requested that South Coast AQMD staff also evaluate the resumes so they could consider that input. The staff that assisted were the Assistant Deputy Executive Officer of Finance and the Assistant Deputy Executive Officer of Information Management. The Committee then narrowed the candidates to a short list of public member candidates. On April 12, 2019 the Administrative Committee conducted interviews.

Proposal

After interviewing the candidates, the Administrative Committee recommended that the Board reappoint Nate Holden and appoint Cynthia Verdugo-Peralta as Public Members, and appoint Gideon Kracov and reappoint Robert Copeland as Alternate Public Members, for terms commencing July 1, 2019 and ending June 30, 2022. 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.

Hon. Nate Holden– Mr. Holden was appointed to the position of Public Member on the Hearing Board in May 2016. Prior to his service on the Hearing Board, he served over 30 years in the public sector, as a Los Angeles City Councilman, California State Senator, and as Assistant Chief Deputy to Los Angeles County Supervisor Kenneth Hahn. As a City Councilman, he served as Chairman of the Air Quality and Waste Management Committee and Chairman of the Transportation Committee. As a California State Senator, he served as Vice Chairman of the Public Utilities Transit and Energy Committee, where Assembly Bill 250 was heard. With this bill, the South Coast AQMD was ultimately created. Most recently, Mr. Holden served on the Environmental Justice Committee for California Attorney General Kamala Harris’ Transition Team. Before entering politics, Mr. Holden spent 17 years in the aerospace industry where he was assigned to innovative projects, including the Surveyor Lunar Landing spacecraft mission. Mr. Holden is a U.S. Army Veteran, having served in the Military Police Corps during World War II, stationed in Germany and Italy. He earned a Bachelors of Science in Applied Physics and a Master of Science in Systems Engineering from West Coast University in Los Angeles. He also received an Honorary Doctorate from the Southwestern University School of Law, as well as an Honorary Doctorate from Pacific State University.

Cynthia Verdugo-Peralta – Mrs. Verdugo-Peralta has over 35 years energy efficiency and utility experience, as well as over 20 years experience in air quality/air pollution control, rule making and small business experience and expertise, specifically with the South Coast AQMD as a volunteer on various committees and advisory groups; and as a Governing Board Member for 7 years, during which time she represented the South Coast AQMD on the California Fuel Cell Partnership, the Hydrogen Highway Advisory Committee, and the Department of Energy’s International Partnership for a Hydrogen Economy, as well as serving on the board of the Asthma and Allergy Foundation of

America. Her non-profit experience includes being Founder, President and CEO of SEETA, an organization which conducts public education and outreach activities regarding energy and water conservation, air pollution issues and practices, as well as advocacy for new and more efficient technologies. Her educational background includes graduation from several colleges and universities in the fields of English, History, Psychology, Public Administration/Organizational Management, Business Management/ Marketing/Commercial & Industrial Lighting/Motors/Chillers, Energy Efficient Construction and Solar Energy, and Heating/Ventilation and Air Conditioning. Mrs. Verdugo-Peralta is the recipient of the South Coast AQMD's Clean Air Award for Citizen Promotion of Good Environmental Stewardship, among others.

Alternate Public Members

Gideon Kracov – Mr. Kracov has been a practicing attorney for over 24 years with a focus on environmental and municipal law. Mr. Kracov has served as Chair of the State Bar of California Environmental Law Section, the Governor's appointee and Chair of the California Mining and Geology Board, Chair of the California Department of Toxic Substances Control Independent Review Panel, Vice-Chair of the Los Angeles Proposition O Bond Committee, the Governor's appointee and Acting Chair of the State Committee supervising California's vehicle smog check program, and currently serves on the Los Angeles County Integrated Solid Waste Management Task Force. Mr. Kracov holds a B.A. from the University of California, Berkeley and received his Juris Doctorate and Environmental Law Certificate from Berkeley Law, University of California Boalt Hall.

Robert D. Copeland. – Mr. Copeland was appointed to the Hearing Board as Alternate Public Member in June 2012, to fill an unexpired term, and reappointed in 2013 and 2016. He has been an environmental engineer with The Boeing Company since 1998, including eight years as a Senior Manager in the Environment, Health and Safety organization. Currently, he is playing a leading role in the Boeing enterprise rollout of an EHS Management Information System. Outside of work, Mr. Copeland has taken an active role in promoting environmental stewardship in his community, and was appointed by the Signal Hill City Council to serve as the chairperson of the City's Sustainability Committee in 2008. He first served as an elected official as City Clerk from 2014 to 2017. In 2017 he was elected to the Signal Hill City Council, and was appointed to serve as the Vice Mayor in March of 2019. Mr. Copeland holds a B.S. in Chemistry from the University of California, Los Angeles, an MBA from Pepperdine University, Malibu, CA, and a Juris Doctorate from Southwestern University School of Law, Los Angeles, CA.

Fiscal Impacts

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

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 13

PROPOSAL: Issue Solicitation Approved by MSRC

SYNOPSIS: As part of their FYs 2018-21 Work Program, the MSRC approved the release of a Request for Proposals for MSRC Programmatic Outreach Services for January 2020 through December 2022. At this time the MSRC seeks Board approval to release the solicitation.

COMMITTEE: Mobile Source Air Pollution Reduction Review, April 18, 2019, Recommended for Approval

RECOMMENDED ACTION:

Issue Request for Proposals for MSRC Programmatic Outreach Services, as part of approval of the FYs 2018-21 Work Program, as described in this letter and in the attached.

Larry McCallon,
Chair, MSRC

MMM:NB: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 South Coast AQMD 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 18, 2019 meeting, the MSRC considered the issuance of a new RFP for programmatic outreach services. Details are provided below in the Proposals section.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, public notices advertising the Programmatic Outreach Services RFP will be 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 will be advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley.

Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the solicitation will be e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's Website (<http://www.aqmd.gov>). Further, the solicitation will be posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications will be sent to those subscribing to this website's notification service.

Proposals

At its April 18, 2019 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

MSRC Programmatic Outreach Services

For the last several years the MSRC has retained a consultant to provide programmatic outreach services. The current consultant contract expires December 31, 2019. The MSRC approved release of a new RFP to solicit proposals for programmatic outreach services from January 2020 through December 2022. The RFP will provide an option clause to allow the MSRC to exercise a contract extension for one additional two-year term for the chosen consultant, as prior RFPs and consultants have done. Any additional funding to accompany the option for additional time will be brought forward to the MSRC and South Coast AQMD Board for consideration. While the RFP does not establish a targeted funding amount per se, it is anticipated that the most competitive proposals will fall within the \$200,000 to \$250,000 range for the initial three-year period. The RFP proposal period commences May 3, 2019 and closes June 19, 2019. It is anticipated that the MSRC will consider an award at its August 15, 2019 meeting, and the South Coast AQMD Board at its September 6, 2019 meeting.

At this time the MSRC requests South Coast AQMD Board approval to release the solicitation described in this letter under the FYs 2018-21 Work Program.

Resource Impacts

The South Coast AQMD 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 any contracts awarded in response to the solicitation will be drawn from this fund.

Attachment

RFP #P2019-22 – Programmatic Outreach Services



Request for Proposals

For

Programmatic Outreach Services

***in Support of MSRC Clean Transportation
Funding Programs***

RFP P2019-22

May 3, 2019

SECTION 1 - INTRODUCTION

The purpose of this RFP is to retain a public relations firm, communications firm, or other public or private entity (consultant) to assist the MSRC in promoting mobile source emission reduction programs funded under the AB 2766 MSRC Discretionary Fund, referred to as MSRC **Clean Transportation Funding**™ Programs, as well as providing outreach assistance to current and prospective MSRC project implementers.

The AB 2766 Discretionary Fund was enacted by the California State Legislature to reduce air pollution from motor vehicles, including automobiles, trucks, buses, etc. Over the past 28 years, the MSRC has funded the implementation of hundreds of projects. Examples of air pollution reduction strategies pursued by the MSRC include incentives for the purchase of alternative-fuel vehicles and their supporting infrastructure, replacement of old, high-polluting engines with new, cleaner engines, implementation of ridesharing and other transportation demand management programs, public education programs, and research and development projects.

Every one to three years, the MSRC, with assistance from its Technical Advisory Committee (MSRC-TAC), undertakes a Work Program development effort that establishes their funding priorities and identifies the specific categories for which projects will be solicited.

It is envisioned that the scope of Programmatic Outreach Services will include, but not necessarily be limited to, the following:

- Development and dissemination of press releases pertaining to specific MSRC-sponsored projects or programs;
- Development and dissemination of programmatic outreach, public awareness, and marketing materials to the general public and/or targeted markets;
- Provide direct outreach assistance to current and potential MSRC contractors as well as participants, users, and stakeholders of specific MSRC-sponsored programs.

The selected consultant will work closely with the MSRC-TAC, the MSRC Contracts Administrator, and the MSRC Technical Advisor. The consultant will also interface with the South Coast AQMD's Public Affairs office, as well as with similar departments at MSRC member agencies.

SECTION 2 - PARTICIPATION GUIDELINES

The following guidelines, requirements, and conditions have been established and apply to all proposers:

1. **Number of Awards:** One award is anticipated under this RFP.
2. **Contract Term:** The anticipated period of performance for any contract awarded under this solicitation is three (3) years commencing January 1, 2020 and ending December 31, 2022. In addition, the contract will contain an option provision for one (1) additional two-year period that can be exercised at the sole discretion of the MSRC based upon the MSRC's determination of satisfactory performance by the Consultant.
3. **Contract Value:** It is anticipated that the most competitive proposals under this solicitation would fall within the \$200,000 to \$250,000 range (base contract period of performance not including option). In the event the MSRC chooses to exercise a contract option provision, funding for the contract option will come from a subsequent MSRC Work Program funding allocation.

4. **Contract Type:** The selected bidder will enter into a Time and Materials (T&M) contract with the South Coast AQMD. The contract will include a base level of effort corresponding to Tasks included in the Contract Statement of Work, plus a provision allowing the issuance of Task Orders for specific special projects identified by the MSRC.

SECTION 3 – STATEMENT OF WORK

The following paragraphs outline the broad parameters of the Programmatic Outreach Services sought by the MSRC. Not all tasks or subtasks outlined below will necessarily be authorized during the performance of any ensuing contract. The MSRC reserves the right to modify or substitute Tasks on an as-needed basis during the contracted period of performance. In addition, Special Projects may be assigned via Task Order at any time during the contract period of performance.

Task 1 – Development of Programmatic Outreach Strategy

With input from the MSRC-TAC, and with consideration of budgetary constraints, CONTRACTOR shall develop an Outreach Strategy outlining supplemental activities to be undertaken under this contract as well as activities which might be undertaken in subsequent years through the end of 2024. CONTRACTOR shall present the Outreach Strategy to the MSRC for review and approval. CONTRACTOR shall revise the Outreach Strategy as directed by the MSRC. Based on the approved Outreach Strategy, additional Tasks shall be identified and Task Orders issued by the MSRC Contracts Administrator. The Outreach Strategy shall include, at a minimum:

- A description of Special Projects and focused outreach activities recommended for implementation by the Programmatic Outreach Coordinator;
- The recommended implementation timing for each Special Project or related focused outreach activity identified above,
- The targeted audience for each identified Special Project or focused outreach;
- Marketing and outreach materials to be developed in support of Special Projects and focused outreach activities, including a rough-order-of magnitude budget estimate for materials and labor;
- Identification of other products to be developed in support of Special Project and/or focused outreach.

Task 2 - Outreach and Promotion of MSRC Work Program Achievements

Assist the MSRC in the promotion of the MSRC **Clean Transportation Funding™** Program. Contractor shall develop strategies for on-going communication between the MSRC and local government agencies, councils of governments, other public agencies, the media, community organizations, legislators, private entities, contractors, and the general public. In addition, the contractor will provide outreach support to existing MSRC contractors, by assisting them with the promotion of their MSRC-funded projects. Programmatic outreach activities under this Task include, at a minimum:

CONTRACTOR shall identify opportunities/venues for CONTRACTOR, MSRC and MSRC-TAC members, and/or MSRC staff to promote MSRC clean air achievements, including accomplishments of MSRC contractors and participating stakeholders. CONTRACTOR shall describe and provide analysis of the communication value posed by each opportunity, considering such factors as the relation to the MSRC's current and recently concluded Work Programs, the potential size and composition of the audience, and any costs to participate. CONTRACTOR shall submit each description and analysis to the MSRC Contracts Administrator as opportunities are identified.

MSRC contractor support activity may include meeting with contractors, drafting press releases, assisting with media, attending community events related to the project, and assisting with key speaking points.

Upon direction, CONTRACTOR shall perform content review of the MSRC website. CONTRACTOR shall support preparation of material for inclusion on the MSRC's website, including editorial suggestions and content for the electronic newsletter. CONTRACTOR shall regularly review content of the MSRC Facebook page and provide editorial suggestions and content.

Task 3 - Development and Dissemination of Marketing/Promotional Materials

Develop marketing/promotional materials tailored to the media, general public or other MSRC-targeted markets. Materials shall promote the environmental, health, social, and economic benefits of the MSRC's **Clean Transportation Funding™** efforts. This can include materials such as letters to the editor as well as a crisis communication plan that may be needed for rapid response to news issues/opportunities. Incorporate costs of translation into language(s) other than English, when appropriate. Programmatic outreach activities under this task shall include, at a minimum:

- Design and update promotional materials as needed;
- Development of press releases, press kits, or other materials tailored specifically to the print and/or broadcast media.

Task 4 - Participation in Events and Meetings

Participate in outreach coordination meetings with MSRC staff at least every other month. At the direction of the MSRC or MSRC staff, participate in other meetings, special events, technical conferences, etc. This includes, at a minimum:

- Attendance and participation in MSRC, MSRC-TAC, and TAC Subcommittee meetings as requested to solicit input and/or provide status reports on outreach and promotional activities and to remain current on program activities.

Task 5 – Strategic Market Direction for MSRC Work Programs

The MSRC Work Programs may be impacted by upcoming local, regional, and state budget and regulatory efforts. Taking into account existing tools available to update the MSRC on these impacts, the Outreach Coordinator shall provide necessary market research and information gathering on regulatory direction and emerging strategies. The Coordinator will identify possible new strategic directions and partnership opportunities for the MSRC to address, enabling the MSRC to respond to these changes and to perform and communicate its mission in a more effective manner. CONTRACTOR shall, at a minimum:

- Review the monthly South Coast AQMD legislative agenda, as well as other materials from the South Coast AQMD, other environmental agencies, and the State, which outline budget and regulatory efforts with possible impacts to the MSRC;
- Research and clarify impact of these efforts on the MSRC Work Program;
- Report back to the MSRC on the status of these efforts, assessing the strategic changes and possible impacts to the MSRC Work Programs;
- If directed by the MSRC, provide outreach to these entities about the successes and possible impacts to the MSRC Work Programs; and
- If directed by the MSRC, assist with coordinating contacts with potential program partners.

SECTION 4 – PROPOSER QUALIFICATIONS

Proposers responding to this solicitation should have significant prior experience in the following areas:

- Demonstrated experience in the development and dissemination of marketing/public awareness materials, including brochures, press kits, press releases, etc;
- Demonstrated experience in the coordination and facilitation of media events, including press conferences and media interviews, as well as the preparation of written commentary and speeches;
- Direct experience working with public relations departments of both private and government agencies;
- Recognized expertise and resources to provide necessary market research and information gathering on regulatory direction and emerging air pollution reduction strategies;
- Demonstrated knowledge of the MSRC, its mission, past accomplishments, and areas of programmatic emphasis.

SECTION 5 - SCHEDULE OF EVENTS

The Programmatic Outreach Services selection process will be conducted in accordance with the timeline illustrated in Table 5-1, below. Proposals may be submitted at any time during the period commencing May 3, 2019 and ending June 19, 2019. *Please note that proposals must be received no later than 5:00 p.m. on June 19, 2019. Late proposals will not be evaluated and will not be eligible for MSRC funding.*

Table 5-1 - Key Programmatic Outreach Solicitation Dates

Program Event	Date
Request for Proposals Release	May 3, 2019
All Proposals Due No Later Than	June 19, 2019 @ 5:00 p.m.
MSRC Consideration of Contract Award	August 15, 2019
South Coast AQMD Board Approval of Contract Award	September 6, 2019
Anticipated Contract Start	January 1, 2020

SECTION 6 - PROPOSAL PREPARATION INSTRUCTIONS

A formal written proposal must be completed and submitted for consideration under this RFP. Proposals must be prepared and submitted in accordance with the instructions included herein.

- A. **Proposal Preparation** - The maximum length of proposals accepted will be twenty (20) 8-1/2 X 11 sheets of paper. All pages and appendices must be numbered. Portfolios of no more than fifty (50) 8-1/2 X 11 sheets of paper, including information on bidder's past outreach or public relations activities and other relevant experience, may be attached. Samples of previous relevant work may also be submitted in video, CD-ROM, and/or audio formats. The following information must be included in all Proposals:

1. **Cover Letter** - Transmittal of the proposal must specify the subject of the proposal, the RFP number, and Bidder's name, address, e-mail address, and telephone number. The letter shall specify contact person(s) for technical and contractual matters, and be signed by the person(s) authorized to contractually bind the bidding entity. For joint proposals (from more than one entity) the bidder must include a statement confirming authorization to act on behalf of other co-bidders. The bidder must include a letter of support, teaming agreement, memorandum of understanding, etc., including contact name, e-mail address, and telephone number from all proposing entities of a joint proposal.
2. **Summary Sheet** - Provide basic information indicated. The summary sheet form is included in this RFP as Attachment A.
3. **Approach to Accomplishing the Statement of Work** – This section comprises the body of the proposal. The proposer should:
 - a) Describe their qualifications and experience in detail, addressing all requirements as specified in RFP Sections 3 and 4, above;
 - b) Provide samples of materials developed under previous outreach efforts that are relevant to the Statement of Work requirements specified in this solicitation. Please submit examples of previous work in accordance with the page limitations and format requirements specified above;
 - c) Include references for similar work performed during the past three (3) years, including contact name, organization, title, and telephone number.
4. **Organization** - This section shall describe the organization proposed to perform Programmatic Outreach on behalf of the MSRC. Please list all proposed staff by name and responsibility. Provide a resume or similar statement of qualifications for each individual named in the proposal.
5. **Cost Proposal** – Please provide the following cost proposal information:
 - a) Labor - Identify each professional category of direct project support and the fully burdened rate per hour. The rates quoted must include labor, general, administrative, and overhead costs;
 - b) Equipment and Supplies - Provide an itemized list of any equipment and/or supplies to be used and/or purchased during performance of the contract, including the item to be purchased, number, and unit cost. Please note that the MSRC will not pay for any equipment or supply costs unless adequately justified;
 - c) Subcontractor Costs - Identify subcontractors by name, the basis for the subcontractors selection and describe in detail the work the subcontractors will be hired to perform, list their cost per hour or per day, and the number of hours or days their services will be used;
 - d) Options – As stated in Section 2 above, the contract will include a three-year base period of performance with an option provision for one (1) additional two-year period. Please include a cost proposal for continuing Programmatic Outreach Services for one (1) additional two-year period. The cost breakdown for the options should include fully-burdened labor rates, equipment and supply costs, and subcontractor costs. Any labor rate increases for the option period **must** be reflected in the cost proposal.
 - e) Billing Procedures - Describe billing procedures for the project and how costs will be documented for invoicing the District for reimbursement of expenditures;
 - f) Miscellaneous Costs - if any.

Please consider the following when preparing the cost proposal:

- Charges for supplies, equipment, and subcontractors will be paid at cost. No profit will be paid on these costs;
 - Costs are reimbursed on an as-incurred basis only;
 - Some portion of the cost proposal should be allocated for special projects which may be assigned via Task Order;
 - The Bidder is required to certify as part of their proposal submission that the prime contractor and subcontractor rates contained in the proposal are no higher than the rates offered to the prime or subcontractor's most-favored customer.
6. **Co-funding** – Co-funding is not required under this solicitation. However, if financial or in-kind co-funding is offered by the proposer, the forms and sources of all co-funding must be specified. In addition, describe how co-funding will be used in relation to specific Programmatic Outreach tasks.
7. **Conflict of Interest** - Address possible conflicts of interest with other clients affected by actions performed by the firm on behalf of the MSRC. Although the bidder will not be automatically disqualified by reason of work performed for such firms, the MSRC reserves the right to consider the nature and extent of such work in evaluating the proposal.
8. **Certifications** – All proposers must complete and submit the following Attachment B forms as an element of their Proposal (unless specifically exempted below):
- Internal Revenue Service Form W-9 – Request for Taxpayer Identification Number and Certification, and Franchise Tax Board Form 590 – Withholding Exemption Certificate. If you are selected for an award, you cannot be established as a vendor without this information.
 - Campaign Contributions Disclosure. This information must be provided at the time of proposal in accordance with California law.
 - MSRC Prospective Contractor Information. This information is needed to help determine if any financial interests exist under the Government Code or other California law. For purposes of this form, the entity which would enter into a contract with South Coast AQMD is the Contractor.
 - Disadvantaged Business Certification. The South Coast AQMD needs this information for their vendor database.
9. **Certificates of Insurance** - Bidders are required to provide a statement that upon notification of award, a certificate(s) of insurance naming the South Coast AQMD as an additional insured will be provided within forty-five (45) days. Entities that are self-insured are required to provide a statement to that effect in their proposal.

SECTION 7 - PROPOSAL SUBMITTAL INSTRUCTIONS

1. Proposers must submit one (1) original proposal and two (2) copies (total of three) in a sealed envelope, marked in the upper left-hand corner with the name and address of the proposer and the words "P2019-22, Programmatic Outreach". The original proposal should be submitted unbound on white, 8 ½" x 11" recycled paper. The last date and time to submit is June 19, 2019 at 5:00 p.m. All proposals should be directed to:

Procurement Unit
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

All proposals will be time and date stamped upon receipt by the South Coast Air Quality Management District. **PLEASE NOTE THAT ANY PROPOSAL TIME STAMPED 5:01 P.M. OR LATER ON JUNE 19, 2019 WILL NOT BE REVIEWED AND WILL NOT BE AWARDED FUNDING.** No exceptions will be granted regardless of reason or circumstances.

2. In addition to the paper proposal, proposers must also submit an electronic copy of their proposal in either PDF-format or Microsoft Word. A CD-ROM disk or USB drive should be enclosed with the paper copies described above.

Please note that the Proposal is only deemed "received" when the three (3) complete paper copies are submitted in accordance with the above instructions - submittal of an electronic proposal only does not constitute receipt by the South Coast AQMD. In addition, please note that faxed proposals will not be accepted.

3. A proposal may be immediately rejected if:
 - It is not prepared in the format described; or
 - It is not signed by an individual authorized to represent the bidding entity.
4. The MSRC reserves the right to reject any or all proposals. All responses become the property of MSRC. One copy of the proposal shall be retained for South Coast AQMD files. Additional copies and materials will be returned only if requested and at the proposer's expense.
5. The Mobile Source Air Pollution Reduction Review Committee may modify the Request for Proposals and/or issue supplementary information or guidelines relating to the RFP during the proposal preparation period of May 3, 2019 to June 19, 2019. Amendments will be posted on the MSRC website at www.cleantransportationfunding.org.
6. Once submitted, proposals cannot be altered without the prior written consent of the Mobile Source Air Pollution Reduction Review Committee.

SECTION 8 - IF YOU NEED HELP...

This Request for Proposals can be obtained by accessing the MSRC web site at www.CleanTransportationFunding.org. MSRC staff members are available to answer questions during the proposal preparation period. In order to help expedite assistance, please direct your inquiries to the applicable staff person, as follows:

- For **General and Administrative Assistance**, please contact:
Cynthia Ravenstein
MSRC Contracts Administrator
Phone: 909-396-3269
Fax: 909-396-3682
E-mail: Cynthia@CleanTransportationFunding.org
- For **Contractual Assistance**, please contact:
Dean Hughbanks
South Coast AQMD Procurement Manager
Phone: 909-396-2808
E-mail: dhughbanks@aqmd.gov

SECTION 9- PROPOSAL EVALUATION PROCESS

The MSRC and its Technical Advisory Committee (TAC) will evaluate all proposals to determine responsiveness to the RFP. MSRC and South Coast AQMD staff will provide administrative and technical assistance during the proposal evaluation process.

Proposals will be evaluated and points awarded based upon the criteria outlined in Section 10. The evaluation criteria are included to provide the bidder additional guidance as to the particular components of the proposal that will be evaluated.

The most qualified Bidders will be short-listed and may be interviewed by an MSRC-TAC Evaluation Subcommittee during the week of July 15, 2019 at the South Coast AQMD Headquarters in Diamond Bar, California. While an attempt will be made to accommodate Bidders' schedules, the MSRC cannot guarantee that an interview can be scheduled at a time convenient to the Bidder. The proposals, and any interviews, will be evaluated based on the selection criteria below.

SECTION 10 - EVALUATION CRITERIA

The following evaluation criteria form the basis upon which proposal scoring and selection will be conducted. The maximum score available is 110 points.

1. PROPOSER QUALIFICATIONS & RELATED EXPERIENCE:

Total Points Available: 85 points

As discussed in RFP Section 6.A.3., proposers are required to address their qualifications and past experience as they relate to the Proposer Qualifications and Statement of Work Requirements delineated in RFP Sections 3 and 4, respectively. Each proposal will be evaluated and assigned a score relative to the following four criteria:

- | | |
|--|-----------|
| ▪ Responsiveness of proposal to RFP requirements and clearly stated understanding of the work to be performed; | 25 points |
| ▪ Overall experience and qualifications of the proposer; | 25 points |
| ▪ Demonstrated past performance on relevant outreach projects. | 25 points |
| ▪ Certified as DVBE, local business and/or small business. as described below | 10 Points |

A. DVBE/LOCAL BUSINESS/SMALL BUSINESS STATUS

On May 27, 1999, the MSRC approved a policy regarding other evaluation factors for inclusion in MSRC procurements. MSRC procurements, where the services/product solicited are assistance to the MSRC in implementing its work program and where a portion or all of these services are not readily quantifiable, the MSRC shall only have the following "Other" Criteria in the evaluation component of the procurement which do not emphasize quantifiable emissions reductions:

It is the policy of the MSRC to encourage participation by disabled veteran business entities, local businesses and small business and in the bidding process. The MSRC shall provide five (5) points each for Proposers who meet the following criteria, with the maximum points available not-to-exceed ten (10) points. Points shall only be awarded should the Proposer, upon submission of its proposal, provide documents from a state or local agency certifying that it qualifies in the categories described below:

#1 "Disabled Veteran" as used herein is a United States military, a naval, or air service veteran with at least 10 percent service-connected disability. "Disabled Veteran Business Enterprise" as used herein means a sole proprietorship or partnership or corporation which is at least 51 percent owned by one or more disabled veterans and whose management and control of the daily business operations are by one or more disabled veterans.

#2 "Local Business" as used herein means a Proposer which can demonstrate that it has an on-going business within the South Coast AQMD at the time of the bid proposal and performs 90% of the work related to the contract with the South Coast AQMD.

#3 "Small Business" as used herein means a business that is:

- 1) independently owned and operated business, and
- 2) is not dominant in its field or operation and
- 3) together with affiliates is either a service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars or less over the previous three years, or a manufacturer with 100 or fewer employees.

2. **COST:**

Maximum Points Available: 25 points

As discussed in RFP Section 6.A.5., bidders are required to submit a cost proposal for the proposed project. Following a review of the cost proposal, the Evaluation Subcommittee will assign a score based upon the competitiveness and completeness of the information provided.

SECTION 11 - PROPOSAL ATTACHMENTS

ATTACHMENT A: PROPOSAL SUMMARY INFORMATION

Please provide the following proposer information in the space provided:

Business Name			
Division of:			
Subsidiary of:			
Website Address			
Type of Business <i>Check One:</i>	<input type="checkbox"/> Individual <input type="checkbox"/> DBA, Name _____, County Filed in _____ <input type="checkbox"/> Corporation, ID No. _____ <input type="checkbox"/> LLC/LLP, ID No. _____ <input type="checkbox"/> Other _____		

Address			
City/Town			
State/Province		Zip	
Phone	() - Ext		
Contact		Title	
E-mail Address			
Payment Name if Different			

**Request for Taxpayer
Identification Number and Certification**

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ►	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
or	
Employer identification number	

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(c)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLO electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN.
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/identitytheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

2019 Withholding Exemption Certificate**590**

The payee completes this form and submits it to the withholding agent. The withholding agent keeps this form with their records.

Withholding Agent Information

Name _____

Payee Information

Name _____

☐ SSN or ITIN ☐ FEIN ☐ CA Corp no. ☐ CA SOS No.

Address (apt./sta., room, PO box, or PMB no.) _____

City (If you have a foreign address, see instructions.) _____

State _____

ZIP code _____

Exemption Reason**Check only one box.**

By checking the appropriate box below, the payee certifies the reason for the exemption from the California income tax withholding requirements on payment(s) made to the entity or individual.

☐ **Individuals — Certification of Residency:**

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

☐ **Corporations:**

The corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

☐ **Partnerships or Limited Liability Companies (LLCs):**

The partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return. If the partners or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a limited liability partnership (LLP) is treated like any other partnership.

☐ **Tax-Exempt Entities:**

The entity is exempt from tax under California Revenue and Taxation Code (R&TC) Section 23701 _____ (Insert letter) or Internal Revenue Code Section 501(c) _____ (Insert number). If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. See instructions for General Information D, Definitions.

☐ **Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit-Sharing Plans:**

The entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

☐ **California Trusts:**

At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return. If the trustee or noncontingent beneficiary becomes a nonresident at any time, I will promptly notify the withholding agent.

☐ **Estates — Certification of Residency of Deceased Person:**

I am the executor of the above-named person's estate or trust. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return.

☐ **Nonmilitary Spouse of a Military Servicemember:**

I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See instructions for General Information E, MSRRA.

CERTIFICATE OF PAYEE: Payee must complete and sign below.To learn about your privacy rights, how we may use your information, and the consequences for not providing the requested information go to ftb.ca.gov/forms and search for 1131. To request this notice by mail, call 800.852.5711.

Under penalties of perjury, I declare that I have examined the information on this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare under penalties of perjury that if the facts upon which this form are based change, I will promptly notify the withholding agent.

Type or print payee's name and title _____ Telephone (____) _____

Payee's signature ► _____ Date _____

2017 Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

Registered Domestic Partners (RDP) – For purposes of California income tax, references to a spouse, husband, or wife also refer to a Registered Domestic Partner (RDP) unless otherwise specified. For more information on RDPs, get FTB Pub. 737, Tax Information for Registered Domestic Partners.

A Purpose

Use Form 590, Withholding Exemption Certificate, to certify an exemption from nonresident withholding.

Form 590 does not apply to payments of backup withholding. For more information, go to ftb.ca.gov and search for **backup withholding**.

Form 590 does not apply to payments for wages to employees. Wage withholding is administered by the California Employment Development Department (EDD). For more information, go to edd.ca.gov or call 888.745.3886.

Do not use Form 590 to certify an exemption from withholding if you are a **Seller of California real estate**. Sellers of California real estate use Form 593-C, Real Estate Withholding Certificate, to claim an exemption from the real estate withholding requirement.

The following are excluded from withholding and completing this form:

- The United States and any of its agencies or instrumentalities.
- A state, a possession of the United States, the District of Columbia, or any of its political subdivisions or instrumentalities.
- A foreign government or any of its political subdivisions, agencies, or instrumentalities.

B Income Subject to Withholding

California Revenue and Taxation Code (R&TC) Section 18662 requires withholding of income or franchise tax on payments of California source income made to nonresidents of California.

Withholding is required on the following, but is not limited to:

- Payments to nonresidents for services rendered in California.
- Distributions of California source income made to domestic nonresident partners, members, and S corporation shareholders and allocations of California source income made to foreign partners and members.
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business.
- Payments to nonresidents for royalties from activities sourced to California.

- Distributions of California source income to nonresident beneficiaries from an estate or trust.
- Endorsement payments received for services performed in California.
- Prizes and winnings received by nonresidents for contests in California.

However, withholding is optional if the total payments of California source income are \$1,500 or less during the calendar year.

For more information on withholding get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines. To get a withholding publication, see Additional Information.

C Who Certifies this Form

Form 590 is certified by the payee. California residents or entities exempt from the withholding requirement should complete Form 590 and submit it to the withholding agent before payment is made. The withholding agent is then relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590 unless notified by the Franchise Tax Board (FTB) that the form should not be relied upon.

An incomplete certificate is invalid and the withholding agent should not accept it. If the withholding agent receives an incomplete certificate, the withholding agent is required to withhold tax on payments made to the payee until a valid certificate is received. In lieu of a completed exemption certificate, the withholding agent may accept a letter from the payee as a substitute explaining why they are not subject to withholding. The letter must contain all the information required on the certificate in similar language, including the under penalty of perjury statement and the payee's taxpayer identification number (TIN). The withholding agent must retain a copy of the certificate or substitute for at least five years after the last payment to which the certificate applies, and provide it upon request to the FTB.

If an entertainer (or the entertainer's business entity) is paid for a performance, the entertainer's information must be provided. **Do not** submit the entertainer's agent or promoter information.

The grantor of a grantor trust shall be treated as the payee for withholding purposes. Therefore, if the payee is a grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors on the trust are residents, no withholding is required. Resident grantors can check the box on Form 590 labeled "Individuals — Certification of Residency."

D Definitions

For California nonwage withholding purposes, **nonresident** includes all of the following:

- Individuals who are not residents of California.
- Corporations not qualified through the California Secretary of State (CA SOS) to do business in California or having no permanent place of business in California.
- Partnerships or limited liability companies (LLCs) with no permanent place of business in California.
- Any trust without a resident grantor, beneficiary, or trustee, or estates where the decedent was not a California resident.

Foreign refers to non-U.S.

For more information about determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status. Military servicemembers have special rules for residency. For more information, get FTB Pub. 1032, Tax Information for Military Personnel.

Permanent Place of Business:

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or it has qualified through the CA SOS to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

E Military Spouse Residency Relief Act (MSRRA)

Generally, for tax purposes you are considered to maintain your existing residence or domicile. If a military servicemember and nonmilitary spouse have the same state of domicile, the MSRRA provides:

- A spouse shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent to be with the servicemember serving in compliance with military orders.
- A spouse shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there to be with the servicemember serving in compliance with military orders.

Domicile is defined as the one place:

- Where you maintain a true, fixed, and permanent home.
- To which you intend to return whenever you are absent.

A military servicemember's nonmilitary spouse is considered a nonresident for tax purposes if the servicemember and spouse have the same domicile outside of California and the spouse is in California solely to be with the servicemember who is serving in compliance with Permanent Change of Station orders.

California may require nonmilitary spouses of military servicemembers to provide proof that they meet the criteria for California personal income tax exemption as set forth in the MSRRRA.

Income of a military servicemember's nonmilitary spouse for services performed in California is not California source income subject to state tax if the spouse is in California to be with the servicemember serving in compliance with military orders, and the servicemember and spouse have the same domicile in a state other than California.

For additional information or assistance in determining whether the applicant meets the MSRRRA requirements, get FTB Pub. 1032.

Specific Instructions

Payee Instructions

Enter the withholding agent's name.

Enter the payee's information, including the TIN and check the appropriate TIN box.

You must provide a valid TIN as requested on this form. The following are acceptable TINs: social security number (SSN); individual taxpayer identification number (ITIN); federal employer identification number (FEIN); California corporation number (CA Corp no.); or CA SOS file number.

Private Mail Box (PMB) – Include the PMB in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

Foreign Address – Follow the country's practice for entering the city, county, province, state, country, and postal code, as applicable, in the appropriate boxes. **Do not** abbreviate the country name.

Exemption Reason – Check the box that reflects the reason why the payee is exempt from the California income tax withholding requirement.

Withholding Agent Instructions

Do not send this form to the FTB. The withholding agent retains this form for a minimum of five years or until the payee's status changes, and must provide this form to the FTB upon request.

The payee must notify the withholding agent if any of the following situations occur:

- The individual payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.

- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

If any of these situations occur, then withholding may be required. For more information, get Form 592, Resident and Nonresident Withholding Statement, Form 592-B, Resident and Nonresident Withholding Tax Statement, and Form 592-V, Payment Voucher for Resident and Nonresident Withholding.

Additional Information

Website: For more information go to ftb.ca.gov and search for **nonwage**.

MyFTB offers secure online tax account information and services. For more information and to register, go to ftb.ca.gov and search for **myftb**.

Telephone: 888.792.4900 or 916.845.4900, Withholding Services and Compliance phone service

Fax: 916.845.9512

Mail: WITHHOLDING SERVICES AND COMPLIANCE MS F182
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

For questions unrelated to withholding, or to download, view, and print California tax forms and publications, or to access the TTY/TDD numbers, see the information below.

Internet and Telephone Assistance

Website: ftb.ca.gov

Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States

TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

Asistencia Por Internet y Teléfono

Sitio web: ftb.ca.gov

Teléfono: 800.852.5711 dentro de los Estados Unidos
916.845.6500 fuera de los Estados Unidos

TTY/TDD: 800.822.6268 para personas con discapacidades auditivas o de habla

BUSINESS STATUS CERTIFICATIONS

Federal guidance for utilization of disadvantaged business enterprises allows a vendor to be deemed a small business enterprise (SBE), minority business enterprise (MBE) or women business enterprise (WBE) if it meets the criteria below.

- is certified by the Small Business Administration or
- is certified by a state or federal agency or
- is an independent MBE(s) or WBE(s) business concern which is at least 51 percent owned and controlled by minority group member(s) who are citizens of the United States.

Statements of certification:

As a prime contractor to South Coast AQMD, _____ (name of business) will engage in good faith efforts to achieve the fair share in accordance with 40 CFR Section 33.301, and will follow the six affirmative steps listed below **for contracts or purchase orders funded in whole or in part by federal grants and contracts.**

1. Place qualified SBEs, MBEs, and WBEs on solicitation lists.
2. Assure that SBEs, MBEs, and WBEs are solicited whenever possible.
3. When economically feasible, divide total requirements into small tasks or quantities to permit greater participation by SBEs, MBEs, and WBEs.
4. Establish delivery schedules, if possible, to encourage participation by SBEs, MBEs, and WBEs.
5. Use services of Small Business Administration, Minority Business Development Agency of the Department of Commerce, and/or any agency authorized as a clearinghouse for SBEs, MBEs, and WBEs.
6. If subcontracts are to be let, take the above affirmative steps.

(a) Self-Certification Verification: Also for use in awarding additional points, as applicable, in accordance with South Coast AQMD Procurement Policy and Procedure:

Check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> Small Business Enterprise/Small Business Joint Venture | <input type="checkbox"/> Women-owned Business Enterprise |
| <input type="checkbox"/> Local business | <input type="checkbox"/> Disabled Veteran-owned Business Enterprise/DVBE Joint Venture |
| <input type="checkbox"/> Minority-owned Business Enterprise | <input type="checkbox"/> Most Favored Customer Pricing Certification |

Percent of ownership: _____ %

Name of Qualifying Owner(s): _____

State of California Public Works Contractor Registration No. _____ MUST BE INCLUDED IF BID PROPOSAL IS FOR PUBLIC WORKS PROJECT.

I, the undersigned, hereby declare that to the best of my knowledge the above information is accurate. Upon penalty of perjury, I certify information submitted is factual.

B. NAME

TITLE

C. TELEPHONE NUMBER

DATE

(a) **Definitions**

Disabled Veteran-Owned Business Enterprise means a business that meets all of the following criteria:

- is a sole proprietorship or partnership of which is at least 51 percent owned by one or more disabled veterans, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
- the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
- is a sole proprietorship, corporation, partnership, or joint venture with its primary headquarters office located in the United States and which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.

Joint Venture means that one party to the joint venture is a DVBE and owns at least 51 percent of the joint venture. In the case of a joint venture formed for a single project this means that DVBE will receive at least 51 percent of the project dollars.

Local Business means a business that meets all of the following criteria:

- has an ongoing business within the boundary of South Coast AQMD at the time of bid application.
- performs 90 percent of the work within South Coast AQMD's jurisdiction.

Minority-Owned Business Enterprise means a business that meets all of the following criteria:

- is at least 51 percent owned by one or more minority persons or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minority persons.
- is a business whose management and daily business operations are controlled or owned by one or more minority person.
- is a business which is a sole proprietorship, corporation, partnership, joint venture, an association, or a cooperative with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign business.

“Minority” person means a Black American, Hispanic American, Native American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian American (including a person whose origins are from India, Pakistan, or Bangladesh), Asian-Pacific American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, or Taiwan).

Small Business Enterprise means a business that meets the following criteria:

- a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
 - A manufacturer with 100 or fewer employees.
- b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 to 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.

Small Business Joint Venture means that one party to the joint venture is a Small Business and owns at least 51 percent of the joint venture. In the case of a joint venture formed for a single project this means that the Small Business will receive at least 51 percent of the project dollars.

Women-Owned Business Enterprise means a business that meets all of the following criteria:

- is at least 51 percent owned by one or more women or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.
 - is a business whose management and daily business operations are controlled or owned by one or more women.
 - is a business which is a sole proprietorship, corporation, partnership, or a joint venture, with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign business.
-
- **Most Favored Customer** as used in this policy means that the South Coast AQMD will receive at least as favorable pricing, warranties, conditions, benefits and terms as other customers or clients making similar purchases or receiving similar services.



CAMPAIGN CONTRIBUTIONS DISCLOSURE

In accordance with California law, bidders and contracting parties are required to disclose, at the time the application is filed, information relating to any campaign contributions made to Board Members or members/alternates of the MSRC, including: the name of the party making the contribution (which includes any parent, subsidiary or otherwise related business entity, as defined below), the amount of the contribution, and the date the contribution was made. 2 C.C.R. §18438.8(b).

California law prohibits a party, or an agent, from making campaign contributions to South Coast AQMD Governing Board Members or members/alternates of the Mobile Source Air Pollution Reduction Review Committee (MSRC) of more than \$250 while their contract or permit is pending before the South Coast AQMD; and further prohibits a campaign contribution from being made for three (3) months following the date of the final decision by the Governing Board or the MSRC on a donor's contract or permit. Gov't Code §84308(d). For purposes of reaching the \$250 limit, the campaign contributions of the bidder or contractor plus contributions by its parents, affiliates, and related companies of the contractor or bidder are added together. 2 C.C.R. §18438.5.

In addition, Board Members or members/alternates of the MSRC must abstain from voting on a contract or permit if they have received a campaign contribution from a party or participant to the proceeding, or agent, totaling more than \$250 in the 12-month period prior to the consideration of the item by the Governing Board or the MSRC. Gov't Code §84308(c).

The list of current South Coast AQMD Governing Board Members can be found at the South Coast AQMD website (www.aqmd.gov). The list of current MSRC members/alternates can be found at the MSRC website (<http://www.cleantransportationfunding.org>).

SECTION I.

Contractor (Legal Name): _____

- ☐ DBA, Name _____, County Filed in _____

☐ Corporation, ID No. _____

☐ LLC/LLP, ID No. _____

List any parent, subsidiaries, or otherwise affiliated business entities of Contractor:
(See definition below).

SECTION II.

Has Contractor and/or any parent, subsidiary, or affiliated company, or agent thereof, made a campaign contribution(s) totaling \$250 or more in the aggregate to a current member of the South Coast Air Quality Management Governing Board or member/alternate of the MSRC in the 12 months preceding the date of execution of this disclosure?

☐ Yes ☐ No **If YES, complete Section II below and then sign and date the form.
If NO, sign and date below. Include this form with your submittal.**

Campaign Contributions Disclosure, *continued*:

Name of Contributor _____

_____	_____	_____
Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution

Name of Contributor _____

_____	_____	_____
Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution

Name of Contributor _____

_____	_____	_____
Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution

Name of Contributor _____

_____	_____	_____
Governing Board Member or MSRC Member/Alternate	Amount of Contribution	Date of Contribution

I declare the foregoing disclosures to be true and correct.

By: _____

Title: _____

Date: _____

DEFINITIONS

Parent, Subsidiary, or Otherwise Related Business Entity (2 Cal. Code of Regs., §18703.1(d).)

- (1) Parent subsidiary.** A parent subsidiary relationship exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another corporation.
- (2) Otherwise related business entity.** Business entities, including corporations, partnerships, joint ventures and any other organizations and enterprises operated for profit, which do not have a parent subsidiary relationship are otherwise related if any one of the following three tests is met:
 - (A) One business entity has a controlling ownership interest in the other business entity.**
 - (B) There is shared management and control between the entities. In determining whether there is shared management and control, consideration should be given to the following factors:**
 - (i) The same person or substantially the same person owns and manages the two entities;**
 - (ii) There are common or commingled funds or assets;**
 - (iii) The business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis;**
 - (iv) There is otherwise a regular and close working relationship between the entities; or**
 - (C) A controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.**

MSRC Prospective Contractor Information

1. Contractor (Legal Name): _____

2. Brief Description of Project: _____

3. Did Contractor retain a consultant to help prepare the funding application?

☐ Yes ☐ No

If YES, identify consultant below and then sign and date the form. If NO, sign and date below.

Name of Consultant _____

I declare the foregoing disclosure to be true and correct.

Name: _____

Signature: _____

Title: _____

Date: _____

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 14

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the March 2019 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State, and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

DJA:FW:LTO:KH:DM:jns

BACKGROUND

This report summarizes the activities of the Legislative, Public Affairs and Media Office for March 2019. The report includes: Major Events; Community Events/Public Meetings; Environmental Justice Update; Speakers Bureau/Visitor Services; Communications Center; Public Information Center; Business Assistance; Media Relations; and Outreach to Community Groups and Governments.

MAJOR EVENTS (HOSTED AND SPONSORED)

Each year South Coast AQMD staff engage in holding and sponsoring a number of major events throughout the South Coast AQMD's four county area to promote, educate and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality and the economy.

March 16

South Coast AQMD sponsored and participated in the Science, Technology, Engineering, Arts and Ag Math (STEA²M) Fairplex in Pomona. This family-oriented community event was designed to inspire students to study STEAM academic subjects and careers in the sciences. South Coast AQMD staff performed a dry ice experiment to explain how smog is formed in the South Coast Air Basin and provided information on air quality issues.

March 30

South Coast AQMD hosted the Cesar Chavez Day of Remembrance Event at the Museum of Latin American Art in Long Beach. The purpose of this event was to educate the public on the environment and air quality through an inspirational event honoring the life and legacy of Cesar Chavez.

COMMUNITY EVENTS/PUBLIC MEETINGS

Each year South Coast AQMD 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 South Coast AQMD 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;
- South Coast AQMD incentive programs;
- Ways to participate in South Coast AQMD's rules and policy development; and
- Assistance in resolving air pollution-related problems.

South Coast AQMD staff attended and/or provided information and updates at the following events:

March 3

South Coast AQMD was an exhibitor at CicLAvia on Sunday, March 3 in Culver City. CicLAvia was attended by thousands of community members. This event focuses on clean air themes such as public transportation, active transportation and health.

March 15

Staff participated in the Science, Technology, Engineering and Math (STEM) Day at the Auto Club Speedway in Fontana. The event featured hands-on activities for 12 middle schools in San Bernardino County. Staff provided information on air quality and clean air tips.

March 20

South Coast AQMD staffed the Los Angeles County Electric Vehicle Day Event. Attendees received information on air quality and Clean Air Choices vehicles from the staff.

March 30

South Coast AQMD was an exhibitor at the Los Angeles Environmental Education Fair in Arcadia. The event featured interactive exhibits on a wide variety of environmental topics. Staff conducted a dry ice experiment to simulate the formation of smog in our region and provided information on air quality related issues.

South Coast AQMD also staffed the Highland Citrus Harvest Festival in the city of Highland. Thousands of attendees received information on air quality and South Coast AQMD programs such as the commercial and residential electric lawn and garden equipment, EV charging and furnace rebates. Staff also displayed a hydrogen fuel cell vehicle and provided information on near and zero-emission vehicles.

ENVIRONMENTAL JUSTICE UPDATE

The following are key environmental justice-related activities in which staff participated throughout the month of March 2019. These events involve communities affected disproportionately from adverse air quality impacts.

March 13

Staff participated in the 2019 National Environmental Justice Conference & Training Program titled, “Enhancing Communities Through Capacity Building and Technical Assistance” in Washington, D.C. This three-day conference and training program provided staff with networking opportunities, training on community capacity building and many other environmental justice topics of interest.

March 14

Staff held the AB 617 Steering Committee meeting in Wilmington/Carson/West Long Beach. The purpose of the meeting was to gather input to help guide staff in drafting the Community Emissions Reduction Plan (CERP) and Community Air Monitoring Plan. Staff also presented information on specific rule development efforts related to the community and information on actions that can be included in the CERP to address air quality concerns.

March 18

Staff attended the Oversight Hearing: Natural Resources Meeting in Sacramento. Air Quality Districts throughout California and AB 617 Community Steering Committee members from the ten Year 1 communities were in attendance. Staff presented updates on AB 617 and heard from the Community Steering Committee members.

March 20

Staff hosted the Environmental Justice Community Partnership (EJCP) Inter-Agency Task force meeting in Los Angeles. Those in attendance were from agencies and community based organizations, including Cal/EPA, Los Angeles Sanitation, CARB, Los Angeles County District Attorney's Office, California Safe Schools, Del Amo Action Committee, and Los Angeles Public Works. The Task Force focused on defining goals and objectives for the year.

March 21

Staff held the fourth AB 617 Steering Committee meeting in San Bernardino. The purpose of the meeting was to gather input to help guide staff in drafting the CERP and Community Air Monitoring Plan. Staff also presented information on specific rule development efforts related to the community and information on actions that can be included in the CERP to address air quality concerns.

March 22

Staff hosted an Environmental Justice Bus Tour with California State University, Los Angeles students. There were a total of 41 participants. The tour included a harbor tour of the Port of Los Angeles and a community tour of the City of Vernon and Boyle Heights.

March 27

Staff organized an EJCP, "Lunch and Learn Workshop on How Electric Vehicles Can Help Clean Our Air and Improve Public Health" in partnership with San Bernardino County Transportation Authority and San Bernardino County Fleet Management at the Jack Bulik Neighborhood Center in Fontana. Attendance included representatives from elected offices, small business owners, community based organizations, and community members. Staff presented on air pollution, electric vehicles, and incentive programs.

March 28

Staff held the AB 617 Steering Committee meeting in Boyle Heights/East Los Angeles/West Commerce. The purpose of the meeting was to gather input to help guide staff in drafting the CERP and Community Air Monitoring Plan. Staff also presented information on specific rule development efforts related to the community and information on actions that can be included in the CERP to address air quality concerns.

SPEAKERS BUREAU/VISITOR SERVICES

South Coast AQMD 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. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

March 28

Staff presented to the El Segundo Environmental Committee on issues related to South Coast AQMD Rule 1180 – Refinery Fenceline and Community Air Monitoring, and other monitoring related to refineries, enforcement, emergency response messaging.

COMMUNICATION CENTER STATISTICS

The Communication Center handles calls on South Coast AQMD'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 South Coast AQMD's Main Line and 1-800-CUT-SMOG® Line	3,578
Calls to South Coast AQMD's Spanish-language Line	<u>71</u>
Total Calls	3,649

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	219
<u>Calls to Automated System</u>	<u>459</u>
Total Calls	678

Visitor Transactions	282
Email Advisories Sent emails	11,298

BUSINESS ASSISTANCE

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. South Coast AQMD 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, as summarized below:

- Provided permit application assistance to 163 companies
- Processed 53 Air Quality Permit Checklists
- Conducted 2 on-site consultations

Types of businesses assisted

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

MEDIA RELATIONS

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

Total Media Inquiries: 32

Total Web Updates: 211

Press Releases/Air Quality Advisories Issued: 3

Major Media Topics for March

(All inquiries closed unless noted as pending)

- Asbestos Complaints – The Santa Clarita Signal inquired about the demolition of a mobile home park in Santa Clarita. South Coast AQMD has an ongoing investigation. A story was published on Wednesday, March 6.
- Rendering Plant Odors – The culture and news website “www.LATaco.com” has inquired about South Coast AQMD’s efforts to ensure rendering plants in Vernon and Boyle Heights are in compliance with Rule 415 – Odors from Rendering Facilities.
- Windblown Dust – The Southern California News Group and The Desert Sun wanted to know if South Coast AQMD was going to issue a dust advisory due to forecasted winds in the western sections of Riverside and San Bernardino counties. Staff advised the reporters about the advisory which had been issued.
- Cesar Chavez Day
 - *ABC7 ran a short piece about the event during a Saturday morning newscast.
 - *The Long Beach Business Journal asked for photos from the event.
 - *Random Length News asked for photos from the event.
- Phillips 66 Refinery Fire – The Southern California News Group inquired about the types of emissions that were released during the fire at the refinery and if those emissions could be harmful to residents that live nearby.

News Releases

- Orange County Supervisor Lisa A. Bartlett Joins South Coast AQMD's Governing Board - March 1, 2019
- Heavy Rains Brought Cleaner Air and a Reduced Number of No-Burn Days to Southern California This Winter - March 1, 2019
- Media Advisory Issued: South Coast Air Quality Management District Commemorates Cesar Chavez Day- March 27, 2019

MARCH 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	Glendora	Rancho Santa Margarita
Arcadia	Hemet	Redlands
Anaheim	Huntington Beach	Riverside
Azusa	Industry	Rosemead
Banning	Irwindale	Rolling Hills Estates
Baldwin Park	La Cañada Flintridge	San Dimas
Beaumont	La Habra	San Gabriel
Bradbury	La Palma	San Marino
Buena Park	La Puente	Santa Ana
Calimesa	La Verne	Seal Beach
Claremont	Laguna Niguel	Sierra Madre
Covina	Lake Forest	San Bernardino
Cypress	Los Alamitos	South El Monte
Diamond Bar	Mission Viejo	South Pasadena
Duarte	Monrovia	Temple City
El Monte	Montclair	Torrance
El Segundo	Monterey Park	Tustin
Fountain Valley	Pasadena	Walnut
Garden Grove	Pomona	West Covina
Glendale	Rancho Cucamonga	

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

- U.S. Senator Dianne Feinstein
- U.S. Representative Judy Chu
- U.S. Representative Lou Correa
- U.S. Representative Mike Levin
- U.S. Representative Doris Matsui
- U.S. Representative Katie Porter
- U.S. Representative Harley Rouda
- Senator Ling Ling Chang
- Senator John Moorlach
- Senator Anthony Portantino
- Senator Tom Umberg
- Assembly Member Blanca Rubio
- Assembly Member Tom Daly
- Assembly Member Tyler Diep
- Assembly Member Cristina Garcia
- Assembly Member Sharon Quirk-Silva

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

Association of California Cities, Orange County Public Policy Making Academy, Irvine
Anaheim Chamber of Commerce
Building Industry Association of Southern California, Orange County Division
Crestline Chamber of Commerce
Crestline Sanitation District
California Air Resources Board
California Department of Transportation
California Natural Resources Agency, State Water Board
Chino Basin Water Conservation District
East Rancho Dominguez Service Center
El Segundo Environmental Committee
Environmental Justice Community Partnership
Five Mountain Communities Organization, San Bernardino County
Harbor Association of Industry and Commerce
Healthy San Bernardino County, Montclair
Hemet/San Jacinto Chamber of Commerce
Hispanic Chamber of Commerce, Anaheim
Huntington Beach Chamber of Commerce
Inland Empire Conservation District, Redlands
Las Virgenes-Malibu Council of Governments, Calabasas
League of California Cities, Orange County Division
Los Angeles Chamber of Commerce
Los Angeles County Department of Children and Family Services
Los Angeles County Department of Public Health
North Orange County Chamber of Commerce
Omnitrans, San Bernardino
Orange County Council of Governments
Orange County Business Council
Orange County Hispanic Chamber of Commerce
Orange County Automobile Dealers Association
Orange County Taxpayers Association
Orange County Transportation Authority
Orange County Sanitation District
Omnitrans, San Bernardino County
Regional Access Project Foundation, Palm Desert
Rim of the World Unified School District
Riverside County Transportation Commission
Riverside Transit Agency -Transportation Now:
 -San Gorgonio Pass Area Chapter
 -Hemet/San Jacinto Chapter

Santa Ana Chamber of Commerce
San Bernardino County Transportation Authority
San Gabriel Valley Council of Governments
San Gabriel Valley City Managers Association
San Gabriel Valley Economic Partnership
San Fernando City Council
San Pedro Service Center
South Bay Cities Council of Governments
South Bay Environmental Services Center
South Pasadena Chamber of Commerce
State Water Resources Board, Salton Sea
Transportation Corridor Agencies, Orange County
Valley Industry & Commerce Association Government Affairs Committee
Western Riverside Council of Governments

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

Baldwin Hills Community Standards District
Coordinating Research Council, Long Beach
Crestline Connect Group, Lake Arrowhead
Environmental Justice Community Partnership, Fontana
Pasadena Neighborhood Connections Community Alliance
Regional Access Project (RAP) Foundation, Palm Desert
San Bernardino County Department of Education
San Bernardino County Superintendent of Schools
Sunshine Canyon Landfill, Community Advisory Committee
University of California, Riverside

 [Back to Agenda](#)

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 15

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2019.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Julie Prussack
Chairman of Hearing Board

DG

Two summaries are attached: **March 2019 Hearing Board Cases and Rules From Which Variances and Orders for Abatement Were Requested in 2019.** An Index of South Coast AQMD Rules is also attached.

The total number of appeals filed during the period March 1 to March 31, 2019 is 1; and total number of appeals filed during the period of January 1 to March 31, 2019 is 2.

Report of March 2019 Hearing Board Cases

Case Name and Case No. (Staff Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. Baldwin Park Unified School District Re: 7-Eleven #38245 Case No. 6135-1 (N. Feldman)	N/A	Petitioner disputes the issuance of the P/C a GDF to 7-Eleven.	Opposed/Denied	The Board determined the Executive Officer properly issued the P/C for a GDF to 7- Eleven and therefore denied BPUSD's appeal petition.	N/A
2. City of Palm Springs Case No. 6084-2 (M. Reichert)	203(b) 1110.2(d)(1)(L) 1110.2(i)(1)(J)	Necessary adjustments required on new, cleaner-burning Cogen equipment to comply with NOx emission limits.	Not Opposed/Granted	SV granted for two consecutive weeks between 4/1/19 and 5/1/19.	NOx: 0.01 lb/day
3. County of San Bernardino – Fleet Management Dept. Case No. 6070-2 (D. Hsu)	203(b)	Emergency generator exceeded annual permitted 200-hour operation limit due to inclement weather which downed and damaged powerlines.	Not Opposed/Granted	RV granted commencing 3/27/19 and continuing through 12/31/19, the FCD.	CO: 0.2 lb/hr NOx: 0.5 lb/hr PM10: 0.03 lb/hr VOC: 0.03 lb/hr SOx: 0.03 lb/hr
4. Del Real LLC Case No. 5754-2 (S. Pruitt)	203(b)	Operate frying systems without ESP which sustained damage caused by fire while repairs/replacement of ESP is completed.	Not Opposed/Granted	Ex Parte EV granted commencing 3/6/19 and continuing for 30 days or until the EV hearing currently scheduled for 3/12/19, whichever comes first.	PM: 13.6 lbs/day VOC: 20 lbs/day
5. Del Real LLC Case No. 5754-2 (M. Reichert)	203(b)	Operate frying systems without ESP which sustained damage caused by fire while repairs/replacement of ESP is completed.	Not Opposed/Granted	IV granted commencing 3/12/19 and continuing for 90 days or until the SV hearing currently scheduled for 3/26/19, whichever comes first.	PM: 12 lbs/day VOC: 19.8 lbs/day

Case Name and Case No. (Staff Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
6. Del Real LLC Case No. 5754-2 (M. Reichert)	203(b)	Operate frying systems without ESP which sustained damage caused by fire while repairs/replacement of ESP is completed.	Not Opposed/Granted	SV granted commencing 3/26/19 and continuing through 6/3/19 or until final compliance and final installation and operation of the Phase 2 replacement ESP, whichever occurs first.	PM: 12 lbs/day VOC: 19.8 lbs/day
7. Mt. San Jacinto Winter Park Authority DBA Palm Springs Aerial Tramway Case No. 5906-4 (K. Manwaring)	203(b)	Emergency generators exceeded annual permitted 200-hour operation limit due to inclement weather which severed main powerline.	Not Opposed/Granted	IV granted commencing 3/5/19 and continuing for 90 days or until the RV hearing currently scheduled for 4/9/19, whichever comes first.	<u>ICE/Generators 1 & 2</u> VOC: 0.2 lb/hr NOx: 3.6 lbs/hr SOx: 0.004 lb/hr CO: 0.8 lb/hr PM: 0.1 lb/hr PM-10: 0.1 lb/hr <u>ICE/Generators 3 & 4</u> VOC: 0.08 lb/hr NOx: 2 lbs/hr SOx: 0.003 lb/hr CO: 0.5 lb/hr PM: 0.06 lb/hr PM-10: 0.06 lb/hr
8. SCAQMD vs. Providence Tarzana Medical Center Case No 6128-1 (Consent Calendar; No Appearance)	N/A	Modification of IOP to allow additional time to install new generator.	Stipulated/Issued	Mod. O/A issued commencing 3/28/19; the Hearing Board shall continue to retain jurisdiction over this matter until 8/31/19.	N/A
9. SCAQMD vs. Sunshine Canyon Landfill Case No. 3448-14 (K. Manwaring)	N/A	Status Report	No Action	Respondent updated the Board on compliance with the conditions of the Mod. O/A and the hearing was continued to 5/21/19.	N/A

Case Name and Case No. (Staff Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
10. SCAQMD vs. Weber Metals Inc. Case No 6136-1 (D. Hsu)	1430(d)(8) 1430(e)(2)	Operation of a metal grinding and cutting facility without required enclosure.	Stipulated/Issued	O/A issued commencing 3/13/19; the Hearing Board shall retain jurisdiction over this matter until 8/31/20.	N/A

Acronyms

AOC: Alternative Operating Condition
 APCE: Air Pollution Control Equipment
 CEMS: Continuous Emissions Monitoring System
 CO: Carbon Monoxide
 ESP: Electrostatic Precipitator
 EV: Emergency Variance
 FCD: Final Compliance Date
 GDF: Gasoline Storage and Dispensing Facility
 H&S: Health and Safety Code
 H₂S: Hydrochloric Sulfide
 ICE: Internal Combustion Engine
 IOP: Increment of Progress
 IV: Interim Variance

Mod. O/A: Modification Order for Abatement
 N/A: Not Applicable
 NO_x: Oxides of Nitrogen
 O/A: Order for Abatement
 P/C: Permit to Construct
 PM: Particulate Matter
 PPM: Parts Per Million
 RTO: Regenerative Thermal Oxidizer
 RV: Regular Variance
 SV: Short Variance
 SO_x: Oxides of Sulfur
 TBD: To Be Determined
 VOC: Volatile Organic Compounds

[illegible]

**SOUTH COAST AQMD RULES AND REGULATIONS INDEX
FOR 2019 HEARING BOARD CASES AS OF MARCH 31, 2019**

REGULATION II – PERMITS

Rule 201 Permit to Construct
Rule 202 Temporary Permit to Operate
Rule 203 Permit to Operate

REGULATION IV – PROHIBITIONS

Rule 461 Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Engines
Rule 1147 NOx Reductions from Miscellaneous Sources
Rule 1153.1 Emissions of Oxides of Nitrogen from Commercial Food Ovens

REGULATION XIII – NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV – TOXICS

Rule 1430 Control of Emissions from Metal Grinding Operations at Metal Forging Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements

CALIFORNIA HEALTH AND SAFETY CODE

§41960.2 Maintenance of Vapor Control System

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 16

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from March 1, 2019 through March 31, 2019, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2019. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, April 19, 2019, Reviewed

RECOMMENDED ACTION:
Receive and file.

Bayron T. Gilchrist
General Counsel

BTG:ew

There are no Civil Filings for March 2019

Attachments

March 2019 Penalty Report

Index of South Coast AQMD Rules and Regulations

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

March 2019 Settlement Penalty Report

Total Penalties

Civil Settlements:	\$132,250.00
Self-Reported Settlements:	\$6,000.00
MSPAP Settlements:	\$21,890.00
Hearing Board Settlements:	\$24,000.00

Total Cash Settlements:	\$184,140.00
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Total SEP Value:	\$0.00
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Fiscal Year through 3 / 2019 Cash Total:	\$5,578,181.50
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Fiscal Year through 3 / 2019 SEP Value Only Total:	\$265,000.00
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Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
115394	AES ALAMITOS, LLC	2012(c)(3)(A)	3/13/2019	SH	P62083	\$1,000.00
118406	CARSON COGENERATION COMPANY	2004 2012	3/27/2019	VKT	P65804	\$2,500.00
800030	CHEVRON PRODUCTS CO.	1176	3/8/2019	TRB	P64039	\$2,500.00
136128	DALLAS CLEANERS, JESUS CRISTAL	203(a) 1421	3/5/2019	SMP	P64464	\$5,000.00
181072	FLYERS #4422	461 H&S 41960	3/13/2019	KCM	P68404	\$1,800.00
184354	GEMTECH COATINGS	203(b)	3/26/2019	DH	P64091	\$500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
129816	INLAND EMPIRE ENERGY CENTER, LLC	2004 2012 Appen A	3/13/2019	VKT	P64409	\$4,000.00
147371	INLAND EMPIRE UTILITIES AGENCY	3002 3004	3/1/2019	KCM	P65034	\$9,850.00
16338	KAISER ALUMINUM FABRICATED PRODUCTS, LLC	2004 2012 2012 Appen A 3002(c)(1)	3/26/2019	SH	P60280 P61611 P61735 P62067 P64381 P64384 P64410	\$60,500.00
58563	MERCURY PLASTICS INC	3002 3003	3/26/2019	BST	P65383	\$24,000.00
20203	RECONSERVE OF CALIFORNIA LOS ANGELES INC	2004 2012	3/8/2019	TRB	P57875 P57879 P57880 P66207	\$9,000.00
52517	REXAM BEVERAGE CAN COMPANY	2004(f)(1) 2012 Appen A 3002(c)(1)	3/13/2019	SH	P61731 P67360	\$5,000.00
105277	SULLY MILLER CONTRACTING CO	2004 2012	3/19/2019	ML	P60576 P66851	\$6,600.00

Total Civil Settlements: \$132,250.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Self-Reported Settlements						
89127	TRI-STAR ELECTRONICS INTERNATIONAL INC <i>Self-Reported Violation# SRV2018-5</i>	203	3/1/2019	DH		\$6,000.00

Total Self-Reported Settlements: \$6,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
122876	ALL AMERICAN ASPHALT	403(d)(1)	3/27/2019	GC	P65214	\$3,060.00
179811	ASEPTIC TECHNOLOGY LLC	201 203 1415	3/8/2019	GC	P65763	\$1,600.00
186472	CLEANSTREET	403	3/8/2019	GC	P66302	\$800.00
116146	COSTCO WHOLESALE	203	3/8/2019	GC	P68407	\$1,530.00
171881	EMBASSY SUITES SANTA ANA	222 1415	3/27/2019	GC	P63866	\$1,300.00
154407	GREEN VALLEY MARKET	461	3/27/2019	GC	P64923	\$1,100.00
183372	H & M INC DBA ARCO OF FULLERTON	461	3/27/2019	GC	P65746	\$400.00
186575	IMPERIAL VALLEY CLEANERS	203	3/27/2019	GC	P65768	\$400.00
178873	LOS ANGELES COMMUNITY HOSPITAL AT BELLFL	203(a)	3/8/2019	TF	P65219	\$800.00
187773	PIONEER COACH INC.	13 CCR 2485	3/27/2019	TF	P66812	\$1,200.00
187197	RC HOBBS	403	3/27/2019	TF	P67654	\$800.00
19390	SULLY-MILLER CONTRACTING CO.	2004	3/8/2019	TF	P66161	\$500.00
187774	TAYLOR TOURS LLC.	13 CCR 2485	3/27/2019	TF	P66809	\$1,200.00
62986	TTM TECHNOLOGIES INC	203(b)	3/8/2019	TF	P64092	\$7,200.00
Total MSPAP Settlements: \$21,890.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
118389	ARCO AM/PM, NYGREN/CARR PROPERTIES,INC	203 461 H&S 41960.2	3/19/2019	NAS	6130-1	\$4,000.00
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	3/7/2019	KCM	5400-4	\$15,000.00
117807	SERFAS SERVICE STN/ARCO #81851	461 H&S 41960.2	3/14/2019	NAS	6129-1	\$5,000.00

Total Hearing Board Settlements: \$24,000.00

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR MARCH 2019 PENALTY REPORT

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 202	Temporary Permit to Operate
Rule 203	Permit to Operate
Rule 218	Continuous Emission Monitoring
Rule 222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

Rule 403	Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
Rule 461	Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1153.1	Emissions of Oxides of Nitrogen from Commercial Food Ovens
Rule 1176	Sumps and Wastewater Separators

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303	Requirements
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REGULATION XIV - TOXICS

Rule 1415	Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
Rule 1421	Control of Perchloroethylene Emissions from Dry Cleaning Operations

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004	RECLAIM Program Requirements
Rule 2012	Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO _x) Emissions
Appendix A	
Rule 2012	Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO _x) Emissions

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits
Rule 3003 Applications
Rule 3004 Permit Types and Content

CALIFORNIA HEALTH AND SAFETY CODE

41960 Certification of Gasoline Vapor Recovery System
41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

13 CCR 2485 Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor
Vehicle Idling

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 17

REPORT: Lead Agency Projects and Environmental Documents Received

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the South Coast AQMD between March 1, 2019 and March 31, 2019, and those projects for which the South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

PF:SN:DG:LS:LW

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, the South Coast AQMD 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, 2019 through March 31, 2019 is included in Attachment A. A list of active projects from previous reporting periods for which South Coast AQMD staff is continuing to evaluate or has prepared comments is included in Attachment B. A total of 67 CEQA documents were received during this reporting period and 34 comment letters were sent. A notable project in this report is the City of Glendale Biogas Renewable Generation Project.

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 attachment notes proposed projects where the South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. The South Coast AQMD has established an internal central contact to receive information on projects

with potential air quality-related environmental justice concerns. The public may contact the South Coast AQMD 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 South Coast AQMD meetings or other meetings where South Coast AQMD 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. 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 was 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 South Coast AQMD'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 South Coast AQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g. special event centers, landfills, goods movement); 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 South Coast AQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "South Coast AQMD 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, 2019 through March 31, 2019, the South Coast AQMD received 67 CEQA documents. Of the total of 84 documents* listed in Attachments A and B:

- 34 comment letters were sent;
- 20 documents were reviewed, but no comments were made;
- 29 documents are currently under review;
- 0 documents did not require comments (e.g., public notices);
- 0 documents were not reviewed; and
- 1 document was screened without additional review.

* These statistics are from March 1, 2019 to March 31, 2019 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 South Coast AQMD’s CEQA webpage at the following internet address:
<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

South Coast AQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, the South Coast AQMD 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 South Coast AQMD, 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 South Coast AQMD 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 South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, the South Coast AQMD continued working on the CEQA documents for three active projects during March.

Attachments

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

ATTACHMENT A*
INCOMING CEQA DOCUMENTS LOG
March 01, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers	The proposed project consists of demolition of a 92,930-square-foot warehouse and construction of a 146,068-square-foot warehouse on 7.17 acres. The project is located on the northwest corner of Carmenita Road and Rosecrans Avenue. Reference LAC190212-03	Response to Comments	City of Santa Fe Springs	Document reviewed - No comments sent
LAC190306-03 Cambridge Distribution Building Project at 13215 Cambridge Street				
	Comment Period: N/A Public Hearing: N/A			
Warehouse & Distribution Centers	The proposed project consists of approval of conditional use permit to conduct interior renovations and installation of a secondary water service line on 188,495 square feet. The project is located on the southwest corner of South Wilmington Avenue and East Dominquez Street. Reference LAC190222-03	Response to Comments	City of Carson	Document reviewed - No comments sent
LAC190320-01 Inland Star Distribution Centers, Inc. Warehouse Conditional Use Permit Application				
	Comment Period: N/A Public Hearing: N/A			
Warehouse & Distribution Centers	The proposed project consists of construction of six warehouses totaling 115,801 square feet on 8.68 acres. The project is located on the northwest corner of Telegraph Road and Freeman Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190322-01.pdf	Mitigated Negative Declaration (received after close of comments)	City of Santa Fe Springs	South Coast AQMD staff commented on 3/26/2019
LAC190322-01 MC&C Commerce Center, Site IV				
	Comment Period: 1/15/2019 - 2/4/2019 Public Hearing: 3/28/2019			
Warehouse & Distribution Centers	The proposed project consists of construction of a 178,861-square-foot warehouse on 10.8 acres. The project is located on the southeast corner of Telegraph Road and Bloomfield Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190322-02.pdf	Mitigated Negative Declaration (received after close of comments)	City of Santa Fe Springs	South Coast AQMD staff commented on 3/26/2019
LAC190322-02 MC&C Commerce Center, Site III				
	Comment Period: 1/15/2019 - 2/4/2019 Public Hearing: 3/28/2019			

**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.

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, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers RVC190301-01 Development Review (DPR) 19-00002	The proposed project consists of construction of a 20,000-square-foot warehouse on 0.93 acres. The project is located on the southeast corner of Nance Street and Patterson Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190301-01.pdf Comment Period: 2/20/2019 - 3/18/2019 Public Hearing: N/A	Site Plan	City of Perris	South Coast AQMD staff commented on 3/12/2019
Warehouse & Distribution Centers SBC190301-04 Five Star Foods	The proposed project consists of demolition of a 13,000-square-foot industrial building and construction of a 58,130-square-foot warehouse on 2.76 acres. The project is located at 10234 Fourth street on the northwest corner of Fourth Street and Center Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190301-04.pdf Comment Period: 2/28/2019 - 4/10/2019 Public Hearing: 4/10/2019	Mitigated Negative Declaration	City of Rancho Cucamonga	South Coast AQMD staff commented on 3/20/2019
Warehouse & Distribution Centers SBC190307-01 Patriot Partners Warehouse - Design Review DRC2018-00553	The proposed project consists of construction of a 117,293-square-foot warehouse on 5.09 acres. The project is located on the northeast corner of 6th Street and Center Avenue. Reference SBC190212-06 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Rancho Cucamonga	Document reviewed - No comments sent
Warehouse & Distribution Centers SBC190307-02 Overton Moore Warehouse (Design Review DRC2018-00119)	The proposed project consists of demolition of 20,000 square feet of buildings and construction of a 174,745-square-foot warehouse on 8.09 acres. The project is located at 9000 Hellman Avenue on the southwest corner of Hellman Avenue and East Eighth Street. Reference SBC190207-02 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Rancho Cucamonga	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, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers SBC190308-03 Oakmont Live Oak Warehouse Project (Master Case No. 18-059, DRP No. 18-012, CUP No. 18-016, and TPM 18-004)	The proposed project consists of construction of a 240,800-square-foot warehouse on 10.89 acres. The project is located at 10156 Live Oak Avenue on the southwest corner of Live Oak Avenue and Washington Drive. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190308-03.pdf Comment Period: 3/8/2019 - 3/27/2019 Public Hearing: 4/2/2019	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Fontana	South Coast AQMD staff commented on 3/22/2019
Warehouse & Distribution Centers SBC190313-05 Slover/Cactus Avenue Warehouse Facility Project	The proposed project consists of construction of a 257,855-square-foot warehouse on 13.27 acres. The project is located on the southwest corner of Slover Avenue and Cactus Avenue in the community of Bloomington. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190313-05.pdf Comment Period: 3/6/2019 - 4/4/2019 Public Hearing: 3/21/2019	Notice of Preparation	County of San Bernardino	South Coast AQMD staff commented on 4/2/2019
Warehouse & Distribution Centers SBC190314-03 Ada Development Expansion	The proposed project consists of construction of a 69,182-square-foot warehouse on 6.15 acres. The project is located at 10830 Ada Avenue on the northwest corner of Mission Boulevard and Ada Avenue. Comment Period: 3/15/2019 - 4/3/2019 Public Hearing: 4/22/2019	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Montclair	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, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers SBC190314-04 Goodman Logistics Center Fontana III	The proposed project consists of construction of three warehouses totaling 1,118,460 square feet on 47.5 acres. The project is located on the northwest corner of Jurupa Avenue and Juniper Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190314-04.pdf Comment Period: 3/13/2019 - 4/11/2019 Public Hearing: 4/3/2019	Notice of Preparation	City of Fontana	South Coast AQMD staff commented on 4/2/2019
Warehouse & Distribution Centers SBC190321-07 P201900120/MUP	The proposed project consists of construction of 31,152 square feet of freight storage uses on 8.52 acres. The project is located at 15550 Arrow Route on the northwest corner of Arrow Route and Lime Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190321-07.pdf Comment Period: 3/15/2019 - 3/29/2019 Public Hearing: N/A	Site Plan	County of San Bernardino	South Coast AQMD staff commented on 3/22/2019
Warehouse & Distribution Centers SBC190322-09 Majestic Chino Heritage Project	The proposed project consists of construction of two warehouses totaling 2,082,750 square feet on 96.9 acres. The project is located on the southwest corner of Mountain Avenue and Bickmore Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190322-09.pdf Comment Period: 3/23/2019 - 4/22/2019 Public Hearing: N/A	Notice of Preparation	City of Chino	South Coast AQMD staff commented on 4/16/2019

- 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, 2019 to March 31, 2019

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Warehouse & Distribution Centers</i> SBC190322-13 Bridge Point North Rialto	The proposed project consists of construction a 382,018-square-foot warehouse on 15.95 acres. The project is located on the northeast corner of North Locust Avenue and West Norwood Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190322-13.pdf Comment Period: 3/20/2019 - 4/8/2019 Public Hearing: 4/10/2019	Mitigated Negative Declaration	City of Rialto	South Coast AQMD staff commented on 4/3/2019
<i>Industrial and Commercial</i> LAC190313-03 Walnut Ranch Park Expansion Project	The proposed project consists of construction of an aquatics center with four buildings totaling 21,000 square feet on 11.3 acres. The project is located at 20101 Amar Road on the northwest corner of Amar Road and Alta Sierra Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190313-03.pdf Comment Period: 3/11/2019 - 4/10/2019 Public Hearing: 3/19/2019	Notice of Preparation	City of Walnut	South Coast AQMD staff commented on 4/2/2019
<i>Industrial and Commercial</i> LAC190315-01 ENV-2017-4825: 15650 W. Sherman Way	The proposed project consists of demolition of existing automobile repair building and construction of a 1,080-square-foot car wash and 500-square-foot food kiosk on 25,298 square feet. The project is located on the southeast corner of Sherman Way and Haskell Avenue in the community of Van Nuys-North Sherman Oaks. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190315-01.pdf Comment Period: 3/14/2019 - 4/3/2019 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	South Coast AQMD staff commented on 4/2/2019

- 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, 2019 to March 31, 2019

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Industrial and Commercial</i> LAC190321-06 The Park at Live Oak Specific Plan	The proposed project consists of construction of 1,550,000 square feet of industrial and commercial uses on 78.3 acres. The project is located on the northeast corner of Arrow Highway and Live Oak Avenue. Comment Period: 3/18/2019 - 5/15/2019 Public Hearing: 4/22/2019	Draft Environmental Impact Report	City of Irwindale	Under review, may submit written comments
<i>Industrial and Commercial</i> RVC190306-01 Newhall Street Cultivation Facility, MAA 3.2848	The proposed project consists of construction of two cannabis cultivation and manufacturing buildings totaling 18,484 square feet on 0.7 acres. The project is located on the southwest corner of 19th Street and Newhall Street. Comment Period: 3/6/2019 - 3/25/2019 Public Hearing: N/A	Mitigated Negative Declaration	City of Palm Springs	Document reviewed - No comments sent
<i>Industrial and Commercial</i> RVC190322-03 Surface Mining Permit No. 162, Revised Permit No. 6	The proposed project consists of inclusion of five parcels totaling 39.59 acres to expand from 426.68 acres to 466.27 acres with annual production rate of up to 4.5 million tons of material. The project is located at 13990 Apache Trail south of Interstate 10 between Apache Trail and Fields Road in the community of Cabazon. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190322-03.pdf Comment Period: 3/18/2019 - 4/4/2019 Public Hearing: N/A	Site Plan	County of Riverside	South Coast AQMD staff commented on 4/2/2019
<i>Industrial and Commercial</i> SBC190301-03 FedEx Parking Lot Project	The proposed project consists of construction of a 31-acre surface parking lot with 1,005 stalls for automobiles and long haul tractors and 556 stalls for trailers on 64.8 acres. The project is located at 12685 Holly Street on the northeast corner of North Holly Street and Wilson Street in the community of Agua Mansa. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190301-03.pdf Comment Period: 2/22/2019 - 3/14/2019 Public Hearing: N/A	Mitigated Negative Declaration	County of San Bernardino	South Coast AQMD staff commented on 3/12/2019

- 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, 2019 to March 31, 2019

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Industrial and Commercial</i> SBC190307-03 Chino Parcel Delivery Facility Project	The proposed project consists of construction of a 476,285-square-foot warehouse and four ancillary structures totaling 26,893 square feet on 74.4 acres. The project will also include a diesel fueling island with six stations. The project is located on the southwest corner of Merrill Avenue and Flight Avenue. Reference SBC170926-02 and SBC161222-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/SBC190307-03.pdf Comment Period: 2/23/2019 - 4/9/2019 Public Hearing: N/A	Draft Environmental Impact Report	City of Chino	South Coast AQMD staff commented on 4/4/2019
<i>Waste and Water-related</i> LAC190313-01 Space Bank Mini Storage	The proposed project consists of development of remedial actions to remove and dispose contaminated soil with arsenic, lead, and mercury. The project is located at 3203 East Foothill Boulevard within the City of Pasadena. Comment Period: 3/6/2019 - 4/8/2019 Public Hearing: 3/28/2019	Draft Remedial Action Workplan	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC190320-02 Biogas Renewable Generation Project	The proposed project consists of construction of a 12-megawatt power generation facility that will use landfill gas as fuel to generate renewable energy, a one-mile natural gas pipeline, a one-mile water pipeline, and two water tanks of 70,000 gallons 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 LAC180309-01, LAC170927-01, and LAC170912-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190320-02.pdf Comment Period: 3/21/2019 - 4/21/2019 Public Hearing: 4/4/2019	Notice of Preparation	City of Glendale	South Coast AQMD staff commented on 4/19/2019

- 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, 2019 to March 31, 2019

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Waste and Water-related</i> LAC190321-01 San Pedro Boat Works	The proposed project consists of development of removal actions to clean up, remove, and dispose contaminated soil with metals, total petroleum hydrocarbons, polynuclear aromatic hydrocarbons, and polychlorinated biphenyls on 3.07 acres. The project is located at Berth 44 on the southwest end of Miners Street within the Port of Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190321-01.pdf Comment Period: 3/18/2019 - 4/17/2019 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control	South Coast AQMD staff commented on 4/16/2019
<i>Waste and Water-related</i> ORC190305-04 Crowther Sewer Pipeline	The proposed project consists of construction of 7,530 linear feet of sewer collection pipelines of 15 inches to 18 inches in diameter. The project is located from Bradford Avenue to West Crowther Avenue and from South Placentia Avenue to East Orangethorpe Avenue. Comment Period: 3/1/2019 - 4/1/2019 Public Hearing: N/A	Mitigated Negative Declaration	City of Placentia	Document reviewed - No comments sent
<i>Waste and Water-related</i> ORC190321-03 East Garden Grove-Wintersburg Channel, Warner to 1,250 Feet Downstream of Goldenwest Street Sheet Pile Project	The proposed project consists of improvements to increase flood conveyance capacity of the channel and reduce erosion. The project is located on existing right-of-way between Warner Avenue and Goldenwest Street within the City of Huntington Beach. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/ORC190321-03.pdf Comment Period: 3/18/2019 - 4/16/2019 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	County of Orange	South Coast AQMD staff commented on 4/16/2019
<i>Waste and Water-related</i> ORC190322-04 Installation Restoration Program Site 1	The proposed project consists of development of remedial actions to clean up and remove munitions in the soil on 20 acres. The project is located within former El Toro Marine Corps Air Station near the intersection of Irvine Boulevard and State Route 133 within the City of Irvine. Comment Period: N/A Public Hearing: N/A	Time-Critical Removal Action	United States Department of the Navy	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, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Waste and Water-related</i>	The proposed project consists of construction of a flow equalization box culvert and failure slopes to protect saddle apron and alleviate safety concerns. The project is located in area between Blue Diamond Basin and Bond Basin on the northeast corner of Prospect Avenue and Bond Avenue within the City of Orange.	Mitigated Negative Declaration	Orange County Water District	Document reviewed - No comments sent
ORC190322-10 Santiago Basin Saddle Repair Project				
	Comment Period: 3/21/2019 - 4/19/2019 Public Hearing: 5/15/2019			
<i>Waste and Water-related</i>	The proposed project consists of construction of a sedimentation tank, three sequencing batch reactors, two filters, and two aerobic digesters on 0.85 acres. The project will also include removal of grit facilities. The project is located on the southeast corner of Temescal Canyon Road and Pulsar Court in the community of Temescal Valley. Reference RVC190201-01	Response to Comments	Temescal Valley Water District	Document reviewed - No comments sent
RVC190314-01 Temescal Valley Water Reclamation Facility Expansion Project				
	Comment Period: N/A Public Hearing: N/A			
<i>Waste and Water-related</i>	The proposed project consists of construction of a potable well system with 2,700 linear feet of pipelines of 12 inches in diameter on 1.5 acres. The project is located at 800 East Washington Street on the southeast corner of RV Center Drive and East Washington Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190301-09.pdf	Mitigated Negative Declaration	City of Colton	South Coast AQMD staff commented on 3/12/2019
SBC190301-09 Riverside Highland Well Company				
	Comment Period: 2/28/2019 - 3/19/2019 Public Hearing: 3/26/2019			
<i>Waste and Water-related</i>	The proposed project consists of removal of a 60,000-gallon reservoir tank and construction of two, 120,000-gallon reservoir tanks on 8,100 square feet. The project is located on the northwest corner of Holly Drive and 26th Street within the City of Upland. Reference SBC190201-02	Response to Comments	State Water Resources Control Board	Document reviewed - No comments sent
SBC190301-10 Holly Drive Reservoir Replacement Project				
	Comment Period: N/A Public Hearing: N/A			

- 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, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Utilities RVC190308-02 IP Athos Renewable Energy Project	<p>The proposed project consists of construction of solar photovoltaic (PV) electrical generating and storage facility and a 11-mile 220 kilovolts (kV) generation tie transmission line on 3,400 acres. The project is located near the northeast corner of Interstate 10 and Rice Road in the community of Desert Center. Reference RVC180516-04</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190308-02.pdf</p> <p>Comment Period: 3/9/2019 - 4/24/2019 Public Hearing: N/A</p>	Notice of Availability of a Draft Environmental Impact Report	County of Riverside	South Coast AQMD staff commented on 4/18/2019
Transportation LAC190321-08 Park Place Extension and Grade Separation Project	<p>The proposed project consists of extension of Park Place from Allied Way to Nash Street with a railroad grade separation for 0.25 miles. The project is located on the northeast corner of Sepulveda Boulevard and Rosecrans Avenue. Reference LAC180927-04 and LAC161101-06</p> <p>Comment Period: N/A Public Hearing: 3/28/2019</p>	Response to Comments	City of El Segundo	Document reviewed - No comments sent
Institutional (schools, government, etc.) LAC190306-02 The Norte Dame High School Facilities Master Plan (ENV-2018-4524: 13500 West Houston Street)	<p>The proposed project consists of construction of a 14,000-square-foot cafeteria, a 13,600-square-foot gymnasium, a 5,200-square-foot classroom building, and 9,700 square feet to be added to existing structures on 727,485 square feet. The project is located on the southeast corner of West Huston Street and Sunnyslope Avenue in the community of Van-Nuys-North Sherman Oaks. Reference LAC190207-01</p> <p>Comment Period: N/A Public Hearing: N/A</p>	Response to Comments	City of Los Angeles	Document reviewed - No comments sent
Institutional (schools, government, etc.) LAC190313-06 California Highway Patrol Santa Fe Springs Area Office Replacement Project	<p>The proposed project consists of construction of four buildings totaling 45,500 square feet, a 3,500-square-foot fuel canopy, and a 12,000-gallon aboveground fuel storage tank with two dispensers on six acres. The project is located on the northwest corner of South Circle and Bloomfield Avenue within the City of Norwalk.</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190313-06.pdf</p> <p>Comment Period: 3/8/2019 - 4/8/2019 Public Hearing: 3/19/2019</p>	Notice of Preparation	California Highway Patrol	South Coast AQMD staff commented on 4/2/2019

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ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2019 to March 31, 2019

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Institutional (schools, government, etc.)</i> LAC190314-05 McKinley Avenue Elementary School Comprehensive Modernization Project	The proposed project consists of demolition of 56,000 square feet of existing structures, construction of 72,478 square feet of new structures, and renovation of 1,850 square feet of existing structures on 4.2 acres. The project is located at 7812 McKinley Avenue on the northeast corner of East 79th Street and McKinley Avenue in the community of Southeast Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190314-05.pdf Comment Period: 3/13/2019 - 4/11/2019 Public Hearing: 3/28/2019	Notice of Intent to Adopt a Mitigated Negative Declaration	Los Angeles Unified School District	South Coast AQMD staff commented on 4/2/2019
<i>Institutional (schools, government, etc.)</i> LAC190319-01 Damien High School Master Plan Updates	The proposed project consists of demolition of existing 5,972-square-foot structure and construction of four buildings totaling 73,100 square feet on 25.8 acres. The project is located at 2280 Damien Avenue on the southeast corner of Damien Avenue and Bonita Avenue. Comment Period: 2/22/2019 - 3/25/2019 Public Hearing: 4/10/2019	Notice of Intent to Adopt a Mitigated Negative Declaration	City of La Verne	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> RVC190305-02 North District Development Plan	The proposed project consists of construction of student housing facilities with a total of 5,200 beds on 51 acres. The project is located at 900 University Avenue near the southwest corner of Aberdeen Drive and North Campus Drive in the City of Riverside. Reference RVC190102-07 and RVC180621-05 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190305-02.pdf Comment Period: 2/25/2019 - 4/15/2019 Public Hearing: 4/4/2019	Notice of Availability of a Revised Draft Environmental Impact Report	Regents of the University of California	South Coast AQMD staff commented on 4/9/2019
<i>Institutional (schools, government, etc.)</i> RVC190319-03 The Expansion of the U.S. Customs and Border Protection Riverside Air and Marine Operation Center at March Air Reserve Base	The proposed project consists of construction of two buildings totaling 45,000 square feet on 15.02 acres. The project is located on the northwest corner of Seventh Street and Z Street within the March Air Reserve Base. Comment Period: 1/30/2019 - 2/15/2019 Public Hearing: N/A	Environmental Assessment (received after close of comments)	The United States Air Force	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, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Retail LAC190301-07 Conditional Use Permit 19-02, Conditional Use Permit 19-03, Design Review 19-01	<p>The proposed project consists of construction of two hotels with 202 rooms totaling 136,000 square feet on 4.01 acres. The project is located on the southeast corner of Montebello Boulevard and Montebello Town Center.</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190301-07.pdf</p> <p>Comment Period: 2/26/2019 - 3/14/2019 Public Hearing: N/A</p>	Site Plan	City of Rosemead	South Coast AQMD staff commented on 3/12/2019
Retail LAC190305-07 Beach Cities Media Campus Project	<p>The proposed project consists of construction of four buildings with office and retail uses totaling 313,000 square feet on 6.39 acres. The project is located at 2021 Rosecrans Avenue on the northeast corner of Rosecrans Avenue and Village Drive. Reference LAC171212-03</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190305-07.pdf</p> <p>Comment Period: 3/1/2019 - 4/15/2019 Public Hearing: N/A</p>	Draft Environmental Impact Report	City of El Segundo	South Coast AQMD staff commented on 4/10/2019
Retail LAC190314-02 Avion Burbank	<p>The proposed project consists of construction of 15,475 square feet of retail uses, 142,250 square feet of office uses, a 101,230-square-foot hotel with 166 rooms, and 1,014,887 square feet of industrial uses on 61 acres. The project is located at 3001 North Hollywood Way on the southwest corner of San Fernando Road and North Hollywood Way. Reference LAC180815-02 and LAC170609-01</p> <p>Comment Period: N/A Public Hearing: 3/26/2019</p>	Response to Comments	City of Burbank	Document reviewed - No comments sent

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INCOMING CEQA DOCUMENTS LOG
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<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Retail RVC190301-06 Shop and Go Commercial Center (TPM 37564, CUP16-008, and VAR18-001)	The proposed project consists of construction of 25,885 square feet of retail uses, a 4,859-square-foot fuel canopy, and a gasoline service station with 16 pumps on 4.06 acres. The project is located at 855 North Sanderson Avenue on the southwest corner of West Fruitvale Avenue and North Sanderson Avenue. Reference RVC180720-01 and RVC180126-04 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190301-06.pdf Comment Period: 2/25/2019 - 3/18/2019 Public Hearing: 3/19/2019	Mitigated Negative Declaration	City of Hemet	South Coast AQMD staff commented on 3/8/2019
Retail RVC190301-11 MA19041 (CUP19003)	The proposed project consists of construction of three restaurants totaling 19,944 square feet, 66,924 square feet of retail uses, a 4,670-square-foot car wash, and a 4,800-square-foot gasoline service station canopy. The project is located on the southwest corner of Van Buren Boulevard and Rutile Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190301-11.pdf Comment Period: 3/1/2019 - 3/22/2019 Public Hearing: N/A	Site Plan	City of Jurupa Valley	South Coast AQMD staff commented on 3/19/2019
Retail RVC190314-06 Shop and Go Commercial Center (TPM 37564, CUP16-008, and VAR18-001)	The proposed project consists of construction of 25,885 square feet of retail uses, a 4,859-square-foot fuel canopy, and a gasoline service station with 16 pumps on 4.06 acres. The project is located at 855 North Sanderson Avenue on the southwest corner of West Fruitvale Avenue and North Sanderson Avenue. Reference RVC190301-06, RVC180720-01, and RVC180126-04 Comment Period: N/A Public Hearing: 3/19/2019	Response to Comments	City of Hemet	Document reviewed - No comments sent

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ATTACHMENT A
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SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Retail RVC190322-06 Vineyard III Retail Development Project	The proposed project consists of construction of up to 59,620 square feet of retail uses on 6.2 acres. The project is located on the northeast corner of Interstate 215 and Clinton Keith Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190322-06.pdf Comment Period: 3/20/2019 - 4/22/2019 Public Hearing: N/A	Notice of Preparation	City of Murrieta	South Coast AQMD staff commented on 4/16/2019
General Land Use (residential, etc.) LAC190305-01 Arts District Center (ENV-2016-4475-EIR)	The proposed project consists of demolition of a 91,000-square-foot industrial building, and construction of a 200,021-square-foot building with 129 residential units, a 97,850-square-foot hotel with 113 rooms, 72,469 square feet of commercial uses, and subterranean parking on 1.05 acres. The project is located on the southeast corner of East 4th Street and South Alameda Street in the community of Central City North. Reference LAC170404-01 Comment Period: 2/28/2019 - 4/15/2019 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC190307-06 Paseo Marina Project (ENV-2016-3343-EIR)	The proposed project consists of demolition of 100,781 square feet of buildings and construction of a 674,329-square-foot building with 658 residential units on 6.06 acres. The project is located on the southwest corner of Maxella Avenue and Glencoe Avenue in the community of Palms-Mar Vista-Del Rey. Reference LAC170627-03 and LAC170614-05 Comment Period: 2/28/2019 - 5/6/2019 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Under review, may submit written comments

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SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>General Land Use (residential, etc.)</i> LAC190319-02 Princessa Crossroads Development Project	The proposed project consists of construction of 710 residential units and 680,000 square feet of business park, retail, and office uses on 189.2 acres. The project is located near the southeast corner of Centre Pointe Parkway and Golden Valley Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190319-02.pdf Comment Period: 2/27/2019 - 3/29/2019 Public Hearing: 3/20/2019	Notice of Preparation	City of Santa Clarita	South Coast AQMD staff commented on 3/20/2019
<i>General Land Use (residential, etc.)</i> LAC190321-02 The Terraces at Walnut Specific Plan	The proposed project consists of construction of 290 residential units, 30,000 square feet of commercial uses, and 15.4 acres of parks and open space on 49 acres. The project is located near the northeast corner of Grand Avenue and Valley Boulevard. Reference LAC180130-01 Comment Period: 3/18/2019 - 5/1/2019 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Walnut	Under review, may submit written comments
<i>General Land Use (residential, etc.)</i> LAC190321-05 Duarte Station Specific Plan Amendment Project	The proposed project consists of construction of 1,400 residential units, 12,500 square feet of retail uses, and 100,000 square feet of office uses on 19.09 acres. The project is located on the northwest corner of Highland Avenue and Duarte Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190321-05.pdf Comment Period: 3/18/2019 - 4/16/2019 Public Hearing: 3/26/2019	Notice of Preparation	City of Duarte	South Coast AQMD staff commented on 4/9/2019

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<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
General Land Use (residential, etc.) LAC190322-05 222 West 2nd Project	The proposed project consists of construction of a 688,401-square-foot building with 107 residential units on 2.71 acres. The project is located on the southeast corner of South Broadway and West 2nd Street in the community of Central City. Comment Period: 3/21/2019 - 5/6/2019 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Under review, may submit written comments
General Land Use (residential, etc.) ORC190322-07 Legacy Sunflower	The proposed project consists of demolition of an existing structure and construction of 185,356 square feet of residential uses with 226 units on 3.59 acres. The project will also include 57,957 square feet of open space. The project is located at 651 West Sunflower Avenue on the northeast corner of Sunflower Avenue and Flower Street. Comment Period: 3/19/2019 - 4/8/2019 Public Hearing: 4/22/2019	Mitigated Negative Declaration	City of Santa Ana	Document reviewed - No comments sent
General Land Use (residential, etc.) ORC190322-11 Tina-Pacific Neighborhood Development Plan Project	The proposed project consists of construction of 161 residential units and a 2,300-square-foot preschool on 10.27 acres. The project will also include 134,208 square feet of open space. The project is located on the southwest corner of Tina Way and Magnolia Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/ORC190322-11.pdf Comment Period: 3/22/2019 - 4/22/2019 Public Hearing: 4/1/2019	Notice of Preparation	City of Stanton	South Coast AQMD staff commented on 4/16/2019
General Land Use (residential, etc.) RVC190301-02 TTM 34760 EOT (TTME2019-0003)	This document consists of a two-year extension of tentative tract map expiration date for the proposed project. The proposed project consists of subdivision of 65.4 acres for future construction of 34 residential units. The project is located on the southwest corner of Jasper Drive and Orange Heights Lane. Reference RVC110204-01 Comment Period: 2/20/2019 - 3/14/2019 Public Hearing: N/A	Site Plan	City of Corona	Document reviewed - No comments sent

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<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
General Land Use (residential, etc.) RVC190301-05 Menifee North Specific Plan 260, Amendment No. (SPA) 3 - "Palomar Crossings"	The proposed project consists of construction of 637 residential units and 246,312 square feet of commercial uses on 64.18 acres. The project is located on the northeast corner of Palomar Road and Highway 74. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190301-05.pdf Comment Period: 2/26/2019 - 3/27/2019 Public Hearing: 3/11/2019	Notice of Preparation	City of Menifee	South Coast AQMD staff commented on 3/19/2019
General Land Use (residential, etc.) RVC190308-01 MA14143 (GPA1408, CZ1497, and TTM36748)	The proposed project consists of subdivision of an 11.09-acre portion of 25.8 acres for future construction of 90 residential units. The project is located at 8601 Limonite Avenue on the northeast corner of Limonite Avenue and Pedley Road. Reference RVC180420-01 and RVC170920-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190308-01.pdf Comment Period: 3/8/2019 - 3/28/2019 Public Hearing: N/A	Site Plan	City of Jurupa Valley	South Coast AQMD staff commented on 3/19/2019
General Land Use (residential, etc.) RVC190313-02 General Plan Amendment (18-2504), Zone Change (18-3503) Design Review (18-7011)	The proposed project consists of construction of 96 residential units on 7.08 acres. The project is located on the southwest corner of Hoffer Street and North Hathaway Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190313-02.pdf Comment Period: 3/8/2019 - 3/28/2019 Public Hearing: 4/9/2019	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Banning	South Coast AQMD staff commented on 3/21/2019

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ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
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SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
General Land Use (residential, etc.) RVC190321-04 Nichols Ranch Specific Plan (Planning Application No. 2017-29 and Specific Plan No. 2018-01)	The proposed project consists of construction of 168 residential units, a hotel with 130 rooms, 49,000 square feet of restaurants, 12,400 square feet of retail uses, 43,000 square feet of office uses, 8.3 acres of recreational uses, 5.5 acres of drainage basin, 5.3 acres of roadways, 1.3 acres of open space, and a gasoline service station with 16 fueling pumps on 72.5 acres. The project is located on the southwest corner of Nichols Road and El Toro Road. Reference RVC180525-01 <p style="text-align: center;">Comment Period: 3/19/2019 - 5/3/2019 Public Hearing: N/A</p>	Draft Environmental Impact Report	City of Lake Elsinore	Under review, may submit written comments
General Land Use (residential, etc.) RVC190322-08 Change of Zone No. 7949, General Plan Amendment No. 1224, Tentative Tract Map No. 37154	The proposed project consists of subdivision of 34 acres for future construction of 18 residential units. The project is located on the southwest corner of Santiago Canyon Road and Mayhew Canyon Road in the community of Temescal Canyon. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/RVC190322-08.pdf <p style="text-align: center;">Comment Period: 3/12/2019 - 4/11/2019 Public Hearing: N/A</p>	Site Plan	County of Riverside	South Coast AQMD staff commented on 4/2/2019
General Land Use (residential, etc.) SBC190313-07 Tentative Tract Map 18-02, Site and Architectural Review 18-09 and Variance 18-02	The proposed project consists of subdivision of 0.8 acres for future construction of 12 residential units. The project is located at 11695 Canal Street near the southwest corner of Canal Street and Mount Vernon Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190313-07.pdf <p style="text-align: center;">Comment Period: 3/7/2019 - 3/25/2019 Public Hearing: N/A</p>	Site Plan	City of Grand Terrace	South Coast AQMD staff commented on 3/19/2019
Plans and Regulations LAC190305-05 City of Santa Monica Climate Action and Adaptation Plan	The proposed project consists of a plan that will reduce 80 percent of citywide carbon emissions below 1990 levels by 2030 and increase resilience to climate change. The project will also develop adaptation measures to achieve carbon neutrality before 2050 in three sectors, including zero net carbon buildings, zero waste, and sustainable mobility. <p style="text-align: center;">Comment Period: 2/25/2019 - 4/1/2019 Public Hearing: N/A</p>	Notice of Intent to Adopt a Negative Declaration	City of Santa Monica	Document reviewed - No comments sent

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ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2019 to March 31, 2019

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Plans and Regulations</i> LAC190307-04 Project No. 2018-000002-(1-5); Advance Planning No. RPPL2017011008; Environmental Assessment No. RPPL20180021095	The proposed project consists of development of community pedestrian plans that will make walking safer and more comfortable. The project will include actions, policies, procedures, and programs to identify pedestrian infrastructure improvements for the communities of Lake Los Angeles, Walnut Park, Westmont/West Athens, and West Whittier-Los Nietos. Comment Period: 3/4/2019 - 4/3/2019 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	County of Los Angeles	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC190313-04 Los Cerritos Wetlands Restoration Plan	The proposed project consists of development of a program to restore wetland, transitional, and upland habitats on 503 acres. The project is located in the East Long Beach and North Seal Beach area along the border of Los Angeles County and Orange County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/april/LAC190313-04.pdf Comment Period: 3/8/2019 - 4/8/2019 Public Hearing: 3/21/2019	Notice of Preparation	Los Cerritos Wetlands Authority	South Coast AQMD staff commented on 4/2/2019
<i>Plans and Regulations</i> RVC190301-08 Murrieta General Plan Update and Draft Supplemental Environmental Impact Report	The proposed project consists of updates to citywide 2011 General Plan, development projections, land use designations, and policy maps. The project will also include updates to citywide climate action plan for 21,511 acres. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190301-08.pdf Comment Period: 2/22/2019 - 3/22/2019 Public Hearing: 3/16/2019	Notice of Preparation	City of Murrieta	South Coast AQMD staff commented on 3/12/2019

- 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 SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Warehouse & Distribution Centers LAC190222-03 Inland Star Distribution Centers, Inc. Warehouse Conditional Use Permit Application	The proposed project consists of approval of a conditional use permit to conduct interior renovations and installation of a secondary water service line on 188,495 square feet. The project is located on the southwest corner of South Wilmington Avenue and East Dominquez Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190222-03.pdf Comment Period: 2/22/2019 - 4/24/2019 Public Hearing: N/A	Mitigated Negative Declaration	City of Carson	South Coast AQMD staff commented on
Warehouse & Distribution Centers SBC190207-02 Overton Moore Warehouse (Design Review DRC2018-00119)	The proposed project consists of demolition of 20,000 square feet of existing buildings and construction of a 174,745-square-foot warehouse on 8.09 acres. The project is located at 9000 Hellman Avenue on the southwest corner of Hellman Avenue and East Eighth Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190207-02.pdf Comment Period: 2/6/2019 - 3/13/2019 Public Hearing: N/A	Mitigated Negative Declaration	City of Rancho Cucamonga	South Coast AQMD staff commented on
Warehouse & Distribution Centers SBC190212-05 Duke Realty Alabama and Palmetto Warehouse Project	The proposed project consists of construction of a 1,192,671-square-foot warehouse on 54.8 acres. The project is located on the northwest corner of Alabama Street and Palmetto Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190212-05.pdf Comment Period: 2/7/2019 - 3/11/2019 Public Hearing: 2/21/2019	Notice of Preparation	County of San Bernardino	South Coast AQMD staff commented on
Warehouse & Distribution Centers SBC190212-06 Patriot Partners Warehouse - Design Review DRC2018-00553	The proposed project consists of construction of a 117,293-square-foot warehouse on 5.09 acres. The project is located on the northeast corner of 6th Street and Center Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190212-06.pdf Comment Period: 2/9/2019 - 3/13/2019 Public Hearing: 3/13/2019	Mitigated Negative Declaration	City of Rancho Cucamonga	South Coast AQMD staff commented on

*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 SOUTH COAST AQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Airports</i>				
LAC190205-01 Bob Hope Airport Replacement Terminal Project	The proposed project consists of demolition of existing passenger terminal and construction of a 14-gate passenger terminal with ancillary and roadway improvements, including a 413,000-square-foot aircraft ramp, replacement airline cargo building, replacement Aircraft Rescue and Firefighting station, a ground-service equipment and passenger terminal maintenance building, a central utility plant, and ground access vehicle storage and staging. The project also includes an extensions of two taxiways. The project is located in the southeast quadrant of the Bob Hope Burbank Airport. Reference LAC160628-07 and LAC160504-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190205-01.pdf Comment Period: 1/10/2019 - 3/1/2019 Public Hearing: N/A	Notice of Intent to Prepare an Environmental Impact Statement	United States Federal Aviation Administration	South Coast AQMD staff commented on
<i>Industrial and Commercial</i>				
ORC190201-08 River Street Marketplace	The proposed project consists of construction of five commercial and office buildings totaling 64,900 square feet on 5.86 acres. The project is located on the southeast corner of Paseo Adelanto and River Street. Reference ORC180118-04 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/ORC190201-08.pdf Comment Period: 1/30/2019 - 3/18/2019 Public Hearing: N/A	Draft Environmental Impact Report	City of San Juan Capistrano	South Coast AQMD staff commented on
<i>Waste and Water-related</i>				
ORC190208-03 Syphon Reservoir Geotechnical Investigations Project	The proposed project consists of evaluation of existing soil and bedrock conditions for future reservoir enlargement and dam expansion on 1.43 acres. The project is located on the northeast corner of Bee Canyon Access Road and Portola Parkway within the boundaries of the Syphon Reservoir. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/ORC190208-03.pdf Comment Period: 2/8/2019 - 3/11/2019 Public Hearing: N/A	Mitigated Negative Declaration	Irvine Ranch Water District	South Coast AQMD staff commented on
<i>Waste and Water-related</i>				
ORC190212-04 Prado Basin Ecosystem Restoration and Water Conservation Integrated Feasibility Study	The proposed project consists of development of feasible alternatives to increase current allowable temporary storage for water conservation and reduce flow release from Prado Dam during flood seasons. The project will also include development of management measures to restore quality and function of aquatic, riparian, and transitional habitats. The project is located within a portion of the Santa Ana River downstream of the Prado Basin reservoir encompassing portions of counties of Riverside, San Bernardino, and Orange. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/ORC190212-04.pdf Comment Period: 2/11/2019 - 3/27/2019 Public Hearing: 3/7/2019	Notice of Availability of Draft Environmental Impact Report/ Environmental Impact Statement	United States Army Corps of Engineers	South Coast AQMD staff commented on

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

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

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Waste and Water-related</i> ORC190221-03 Wells No. 12 and No. 14 and Pipeline Project	The proposed project consists of construction of two potable water wells and 4,500 liner feet of pipelines on 0.89 acres. The project is located at 4011 West Chandler Avenue and 3120 South Croddy Way on the northwest corner of West MacArthur Boulevard and South Harbor Boulevard within the City of Santa Ana. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/ORC190221-03.pdf Comment Period: 2/20/2019 - 3/22/2019 Public Hearing: 4/11/2019	Mitigated Negative Declaration	Mesa Water District	South Coast AQMD staff commented on
<i>Waste and Water-related</i> RVC190220-03 West Valley Water Reclamation Program	The proposed project consists of construction of 61,836 linear feet of pipelines and water reclamation facility. The project is located on the northeast corner of Elm Street and Carmen Avenue within 135 square miles of service area encompassing the City of Desert Hot Springs and the villages of Palm Springs Crest and West Palm Springs in the northwest portion of the Coachella Valley in Riverside County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190220-03.pdf Comment Period: 2/18/2019 - 3/18/2019 Public Hearing: 3/6/2019	Notice of Preparation	Mission Springs Water District	South Coast AQMD staff commented on
<i>Institutional (schools, government, etc.)</i> ORC190221-01 California State University, Fullerton Eastside 2 Parking Structure Project	The proposed project consists of construction of a 586,700-square-foot parking structure on 2.2 acres. The project is located at 800 North State College Boulevard on the northwest corner of Nutwood Avenue and State College Boulevard. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/ORC190221-01.pdf Comment Period: 2/21/2019 - 3/22/2019 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	California State University, Fullerton	South Coast AQMD staff commented on
<i>Retail</i> RVC190115-03 The Exchange	The proposed project consists of construction of a mixed-use development with 482 residential units, a gasoline service station with 12 pumps, 49,500 square feet of retail uses, and two hotels with 229 rooms on 35.4 acres. The project is located on the northeast corner of State Route 60 and North Orange Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190115-03.pdf Comment Period: 1/15/2019 - 3/1/2019 Public Hearing: 3/21/2019	Notice of Availability of a Draft Environmental Impact Report	City of Riverside	South Coast AQMD staff commented on

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

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

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Retail RVC190220-04 Kassab Travel Center Project	The proposed project consists of construction of an 8,360-square-foot convenience store, 6,092 square feet of gasoline dispensing area with 18 pumps, and a 2,543-square-foot restaurant on 2.84 acres. The project is located near the southwest corner of Riverside Drive and Collier Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/RVC190220-04.pdf Comment Period: 2/8/2019 - 3/11/2019 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Lake Elsinore	South Coast AQMD staff commented on
Retail SBC190220-01 Gateway Sign/Station 215 (Mobil)	The proposed project consists of construction of a 1,344-square-foot billboard sign and a gasoline service station on 22,215 square feet. The project is located at 2680 South La Cadena Drive on the northeast corner of South La Cadena Drive and South Iowa Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/SBC190220-01.pdf Comment Period: 2/15/2019 - 3/16/2019 Public Hearing: 3/26/2019	Mitigated Negative Declaration	City of Colton	South Coast AQMD staff commented on
General Land Use (residential, etc.) LAC190221-02 3rd and Fairfax Mixed-Use Project	The proposed project consists of demolition of 151,048 square feet of existing structures and construction of a 490,682-square-foot building with 331 residential units on 327,121 square feet. The project is located at 300-370 South Fairfax Avenue on the southwest corner of Fairfax Avenue and West 3rd Street in the community of Wilshire. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190221-02.pdf Comment Period: 2/20/2019 - 3/22/2019 Public Hearing: 3/6/2019	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on
General Land Use (residential, etc.) ORC181219-04 Magnolia Tank Farm	The proposed project consists of construction of a 211,000-square-foot building with 215 guestrooms and 250 residential units on 28.9 acres. The project is located at 21845 Magnolia Street on the southwest corner of Hamilton Avenue and Magnolia Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/ORC181219-04.pdf Comment Period: 12/17/2018 - 3/18/2019 Public Hearing: N/A	Draft Program Environmental Impact Report	City of Huntington Beach	South Coast AQMD staff commented on

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

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

<u>SOUTH COAST AQMD LOG-IN NUMBER</u>	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Plans and Regulations</i>	<p>The proposed project consists of a plan that will fundamentally to guide future zoo development on 133 acres and operations, including modernization of buildings and infrastructure, animal care and guest amenities, exhibit space, and administrative and services facilities. The project will also include construction of support visitor-serving buildings and parking facilities to accommodate increasing visitation over a 20-year period. The project is located at 5333 Zoo Drive on the southwest corner of Zoo Drive and Western Heritage Way in the community of Hollywood.</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/march/LAC190125-02.pdf</p> <p>Comment Period: 1/24/2019 - 3/11/2019 Public Hearing: 2/7/2019</p>	Notice of Preparation	City of Los Angeles	South Coast AQMD staff commented on
LAC190125-02				
Los Angeles Zoo Vision Plan				

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

ATTACHMENT C
ACTIVE SOUTH COAST AQMD LEAD AGENCY PROJECTS
THROUGH MARCH 31, 2019

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal, state and South Coast AQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the South Coast AQMD had used an inappropriate baseline and directed the South Coast AQMD 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 South Coast AQMD 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. South Coast AQMD staff has reviewed the responses to comments and provided edits.	Environmental Audit, Inc.
Quemetco is proposing to modify existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke, and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.	Quemetco	Environmental Impact Report (EIR)	A Notice of Preparation/Initial Study (NOP/IS) was released for a 56-day public review and comment period from August 31, 2018 to October 25, 2018, and 154 comment letters were received. Two CEQA scoping meetings were held on September 13, 2018 and October 11, 2018 in the community. South Coast AQMD staff is reviewing the comments received.	Trinity Consultants

ATTACHMENT C
ACTIVE SOUTH COAST AQMD LEAD AGENCY PROJECTS
THROUGH MARCH 31, 2019

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
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 South Coast AQMD 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.	Southern California Edison	Addendum to the April 2007 Final Mitigated Negative Declaration for the Southern California Edison Mira Loma Peaker Project in Ontario	South Coast AQMD staff provided revisions to the Draft Addendum for the consultant to incorporate, and the consultant has submitted a revised Draft Addendum, which is undergoing South Coast AQMD staff review.	Yorke Engineering, LLC
Tesoro is proposing to revise the project originally analyzed in the Final Environmental Impact Report for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC) to adjust the construction schedule and to modify its Title V permit to: 1) relocate the propane recovery component of the original project from the Carson Operations Naphtha Isomerization Unit to the Carson Operations C3 Splitter Unit; 2) increase the throughput of the Carson Operations Tank 35; and, 3) update the toxic air contaminant speciation for the six crude oil storage tanks at the Carson crude terminal with additional data.	Tesoro Refining & Marketing Company, LLC (Tesoro)	Addendum to the Final Environmental Impact Report for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)	The consultant provided a Draft Addendum. South Coast AQMD staff provided revisions for the consultant to incorporate.	Environmental Audit, Inc.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 18

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2019.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

PMF:SN:AK

2019 MASTER CALENDAR

The 2019 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for the 2016 AQMP, Toxics, AB 617 BARCT, or Other. Projected emission reductions will be determined during rulemaking. The following symbols next to the rule number indicates if the rulemaking will be a potentially significant hearing, reduce criteria pollutants, or part of the RECLAIM transition.

** Potentially significant hearing*

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

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

Coachella Valley Reclassification	
Despite steadily improving air quality over the years in Coachella Valley, at the June 7, 2019 Board meeting staff will be proposing to reclassify the Coachella Valley from a Severe to an Extreme nonattainment area for the 1997 8-hour ozone standard.	
301	Permitting and Associated Fees
Proposed Amended Rule 301 will be added to July 2019 to incorporate a clarification by U.S. EPA that requires facilities to certify their annual emissions reports. This update requires subsequent public noticing and therefore could not be included in the version Proposed Amended Rule 301 presented at the May 3, 2019 Public Hearing.	
461	Gasoline Transfer and Dispensing
Proposed Amended Rule 461 is being moved from TBD to October 2019 to reflect information from the CARB, corrections, revisions and additions to improve the effectiveness, enforceability, and clarity of the rule.	
1106, 1106.1	Marine and Pleasure Craft Coatings
Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 are added to June 2019 to consider staff's request to submit to U.S. EPA for inclusion into and removal from the SIP, respectively.	
Reg IX, Reg X	Standards of Performance for New Stationary Sources (NSPS) National Emission Standards for Hazardous Air Pollutants (NESHAPS)
Proposed Amended Regulations IX and X are being moved from June to July 2019 to allow additional time to assess implications of recent changes to NSPS and NESHAPS.	
Rule 1138	Control of Emissions from Restaurant Operations
Proposed Rule 1138 is being moved to TBD to provide additional time to analyze testing results to determine if additional testing should be performed.	

2019 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
June		
	Coachella Valley Reclassification Despite steadily improving air quality over the years in Coachella Valley, at the June 7, 2019 Board meeting staff will be proposing to reclassify the Coachella Valley from a Severe to an Extreme nonattainment area for the 1997 8-hour ozone standard.	N/A
1106/1106.1	Marine and Pleasure Craft Coatings This action is for the limited purpose of consideration of staff's request that Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 be submitted to the U.S. EPA for inclusion into and removal from the SIP, respectively, which inadvertently was not noticed for consideration at the May 2019 Board meeting.	Other
July		
301	Permitting and Associated Fees Proposed Amended Rule 301 will add a requirement that facilities submitting annual emissions reports must include a certification that the information contained in the report is accurate to the best knowledge of the individual submitting the report. <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i>	Other
Reg. IX Reg. X	Standards of Performance for New Stationary Sources (NSPS) National Emission Standards for Hazardous Air Pollutants (NESHAPS) Proposed 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: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
Reg XX [#]	RECLAIM Proposed amendments to Regulation XX are needed to modify existing provisions for facilities that are in the RECLAIM program. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

[#] Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
September		
1110.2*+## 1100	<p>Emissions from Stationary Internal Combustion Engines Rule 1110.2 will update the NOx emission standard to reflect Best Available Retrofit Control Technology for RECLAIM and non-RECLAIM facilities. Proposed Rule 1110.2 will also establish an ammonia emission limit for pollution controls with ammonia emissions, and update monitoring, reporting, and recordkeeping requirements.</p> <p>Implementation Schedule for NOx Facilities Proposed Rule 1100 will establish the implementation schedule for NOx RECLAIM facilities that are transitioning to command-and-control. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1147*+## 1147.1 1100	<p>NOx Reductions from Miscellaneous Sources NOx Reductions from Large Miscellaneous Combustion Proposed Rule 1147.1 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for large miscellaneous combustion sources and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.1 and evaluate the existing NOx emission limits.</p> <p>Implementation Schedule for NOx Facilities Proposed Rule 1100 will establish the implementation schedule for NOx RECLAIM facilities that are transitioning to command-and-control. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other/ AB 617 BARCT
1407*	<p>Control of Emissions of Arsenic, Cadmium and Nickel from Non-Ferrous Metal Operations Proposed Amended Rule 1407 will establish additional requirements to minimize point source and fugitive toxic air contaminant emissions from non-chromium metal melting operations. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1480*	<p>Toxics Monitoring Proposed Rule 1480 will establish requirements for ambient monitoring of certain metal toxic air contaminants. Proposed rule will establish applicability, on-ramps and off-ramps for ambient monitoring, and provisions to address high ambient levels. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	Toxics

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
October		
461	Gasoline Transfer and Dispensing Proposed Amendments to Rule 461 will reflect information from CARB, corrections, revisions and additions to improve the effectiveness, enforceability, and clarity of the rule. <i>David De Boer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ Toxics
218* 218.1	Continuous Emission Monitoring Continuous Emission Monitoring Performance Specifications Proposed Amended Rule 218 will revise provisions for continuous emission monitoring systems for facilities exiting RECLAIM and transitioning to a command-and-control regulatory structure. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1109*+ 1109.1	Emissions of Oxides of Nitrogen from Boilers and Process Heaters in Petroleum Refineries Reduction of Emissions of Oxides of Nitrogen from Refinery Equipment Proposed Rule 1109.1 will establish NOx emission limits to reflect Best Available Retrofit Control Technology for NOx emitting equipment at petroleum refineries and related operations. Proposed Rule 1109.1 is an industry-specific rule, will establish an ammonia emission limit for pollution controls with ammonia emissions, and update monitoring, reporting, and recordkeeping requirements. Proposed Rule 1109.1 will replace Rule 1109. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ BARCT (AB 617)
1142	Marine Tank Vessel Operations Proposed Amended Rule 1142 will further address VOC emissions from marine tank vessel operations and provide clarifications. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
November		
N/A	Airports MOU/Ports MOU/Potential Regulation The proposed MOUs with the marine ports and commercial airports will implement the facility-based mobile source measures MOB-01 and MOB-04 from the 2016 AQMP. In the event that the MOU approach with the ports or airports is not agreed on, staff will pursue a regulatory approach. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
November (Continued)		
1147*+ 1147.2	<p>NO_x Reductions from Miscellaneous Sources</p> <p>NO_x Reductions from Metal Melting and Heat Treating Furnaces</p> <p>Proposed Rule 1147.2 will establish NO_x emission limits to reflect Best Available Retrofit Control Technology for metal melting and heat treating furnaces and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.2.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB617 BARCT
1410*	<p>Hydrogen Fluoride Use at Refineries</p> <p>Proposed Rule 1410 will establish requirements including mitigation measures, a performance standard, and potential phase-out of hydrogen fluoride or modified hydrogen fluoride for the use and storage of hydrogen fluoride at petroleum refineries.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
1435*	<p>Control of Emissions from Metal Heat Treating Processes</p> <p>Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
Reg. XIII* Reg. XX	<p>New Source Review</p> <p>RECLAIM</p> <p>Proposed Amendments to Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to command-and-control. Staff may be proposing a new rule within Regulation XIII to address offsets for facilities that transition out of RECLAIM. Proposed Amendments to Regulation XX also are needed to coordinate amendments to Regulation XIII.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
December		
1117+ #	<p>Emissions of Oxides of Nitrogen from Glass Melting Furnaces</p> <p>Proposed Amended Rule 1117 will establish NO_x emission limits to reflect Best Available Retrofit Control Technology for glass melting furnaces and will apply to RECLAIM and non-RECLAIM facilities.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
December (Continued)		
1147*+ 1147.3	<p>NO_x Reductions from Miscellaneous Sources</p> <p>NO_x Reductions for Equipment at Aggregate Facilities</p> <p>Proposed Rule 1147.3 will establish NO_x emission limits to reflect Best Available Retrofit Control Technology for NO_x equipment at aggregate facilities and will apply to RECLAIM and non-RECLAIM facilities. Proposed Amended Rule 1147 will remove equipment that will be regulated under Proposed Rule 1147.3.</p> <p><i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1150.3*+	<p>NO_x Emission Reduction from Combustion Equipment at Landfills</p> <p>Proposed Rule 1150.3 will establish NO_x emission limits for boilers, process heaters, furnaces, and engines to reflect Best Available Retrofit Control Technology at landfills. The proposed rule will also include implementation schedules and monitoring, recordkeeping, and reporting requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1179.1*+	<p>NO_x Emission Reduction from Combustion Equipment at Publicly Owned Treatment Work Facilities</p> <p>Proposed Rule 1179.1 will establish NO_x emission limits for boilers, process heaters, furnaces, and engines to reflect Best Available Retrofit Control Technology at publicly owned treatment works. The proposed rule will also include implementation schedules and monitoring, recordkeeping, and reporting requirements.</p> <p><i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP/ AB 617 BARCT
1426*	<p>Reduction of Toxic Air Contaminants from Metal Finishing Operations</p> <p>Proposed amendments to Rule 1426 will establish requirements to reduce nickel, cadmium, hexavalent chromium, and other air toxics from plating operations. Proposed Amended Rule 1426 will establish requirements to control point source and fugitive toxic air contaminant emissions.</p> <p><i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Toxics
Reg. XXIII*+	<p>Facility-Based Mobile Sources</p> <p>Proposed rules within Regulation XXIII would reduce emissions from indirect sources (e.g., mobile sources that visit facilities). The rule or set of rules that would be brought for Board consideration in this month would reduce emissions from warehouses and distribution centers, consistent with Control Measure MOB-03 from the 2016 AQMP.</p> <p><i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176 Socio: Ian MacMillan 909.396.3244</i></p>	AQMP

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2019 To-Be-Determined

2019	Title and Description	Type of Rulemaking
102	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>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
113*#	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>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
209 301	Transfer and Voiding of Permits; Permitting and Associated Fees Staff may propose amendments to clarify requirements for change of ownership and permits and the assessment of associated fees.	Other
219	Equipment Not Requiring a Written Permit Pursuant to Regulation II Proposed Amended Rule 219 will add or revise equipment not requiring a written permit. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II Proposed Amended Rule 222 will add or revise equipment subject to filing requirements. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
223 1133.3	Emission Reduction Permits for Large Confined Animal Facilities Proposed Amended Rules 223 and 1133.3 will seek additional emission reductions from large confined animal facilities by lowering the applicability threshold. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
416	Odors from Kitchen Grease Processing Proposed Rule 416 will reduce odors from kitchen grease processing operations. The proposed rule will establish best management practices, and examine enclosure requirements for wastewater treatment operations and filter cake storage. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
425	Odors from Cannabis Processing Proposed Rule 425 will establish requirements to control the odors from cannabis processing. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
429	<p>Start-Up and Shutdown Exemption Provisions for Oxides of Nitrogen Proposed Amendments to Rule 429 to address start-up/shutdown provisions related to the transition of NO_x RECLAIM to a command-and-control regulatory program and if U.S. EPA requires updates to such provisions. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
445	<p>Wood Burning Devices (PM 2.5 Contingency) Proposed Amendments to Rule 445 will include provisions for contingency in the event of failure to attain, or make reasonable further progress toward, the PM_{2.5} federal ambient air quality standards and other provisions. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
462	<p>Organic Liquid Loading Proposed Amendments to Rule 462 will improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
463	<p>Organic Liquid Storage Proposed Amendments to Rule 463 will address the current test method and improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
464	<p>Wastewater Separators Proposed Amendments to Rule 464 will improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	Other
1107	<p>Coating of Metal Parts and Products Proposed Amended Rule 1107 will lower VOC emission limits for certain categories of coatings for metal parts and products and improve rule clarity and enforceability. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP
1111.1	<p>Reduction of NO_x Emissions from Natural Gas Fired Commercial Furnaces (CMB-01) Proposed Rule 1111.1 will establish equipment-specific NO_x emission limits and other requirements for the operation of commercial furnaces. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i></p>	AQMP Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1113	Architectural Coatings Proposed Amended Rule 1113 may be needed to remove the tBAC exemption and pCBtF as a VOC exempt compound based on guidance from the Stationary Source Committee. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1118	Refinery Flares Proposed Amended Rule 1118 will revise provisions to improve the enforceability of the rule. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1123	Refinery Process Turnarounds Proposed Amended Rule 1123 will establish procedures that better quantify emission impacts from start-up, shutdown or turnaround activities. <i>Michael Krause 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1135	Emissions of Oxides of Nitrogen from Electricity Generating Facilities Proposed Amended Rule 1135 will revise monitoring, reporting, and recordkeeping provisions to reflect amendments to Proposed Rule 113 and possibly other amendments to address comments from U.S. EPA. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1136	Wood Products Coatings Proposed Amended Rule 1136 will revise VOC limits for wood product coatings and other clarifications. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
1138 ⁺	Control of Emissions from Restaurant Operations Proposed Amended Rule 1138 will reduce PM _{2.5} emissions from establishments utilizing commercial cooking ovens, ranges, fryers, and charbroilers. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1146.2	Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters Proposed Amended Rule 1146.2 may be revised to lower the NO _x emission limit to reflect a Best Available Retrofit Control Technology assessment. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB617 BARCT

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1148.1 1148.2	Oil and Gas Production Wells Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers Proposed Amended Rules 1148.1 and 1148.2 may be revised 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. Other amendments may be proposed to improve the enforceability. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1148.3	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: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1149	Tank Degassing Proposed Amended Rule 1149 will improve the effectiveness, enforceability, and clarity of the rule. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1150.1	Control of Gaseous Emissions from Municipal Solid Waste Landfills Proposed Amended Rule 1150.1 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>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1151	Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Based on input from the Stationary Source Committee, staff is considering removing the tBAc exemption and is evaluating the impact from removing pCBtF as a VOC exempt compound in Proposed Amended Rule 1151. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1153.1	Emissions of Oxides of Nitrogen from Commercial Food Ovens Proposed Amendments to Rule 1153.1 may be needed to address applicability and technological feasibility of low-NOx burner technologies for new commercial food ovens. <i>Michael Krause 909.396.2706 CEQA: Jillian Wong 909.396.3176 and Socio: Ian MacMillan 909.396.3244</i>	AQMP/ AB 617 BARCT
1157	PM10 Emission Reductions from Aggregate Related Operations Proposed Amended Rule 1157 will remove outdated language, revise opacity requirements, and improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1159.1	Nitric Acid Units – Oxides of Nitrogen Proposed Rule 1159.1 will address NOx emissions from processes using nitric acid and is needed as part of the transition of RECLAIM to command-and-control. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP AB 617 BARCT
1166	VOC Emissions from Decontamination of Soil Proposed Amended Rule 1166 will revise notification provisions, improve the effectiveness, enforceability, and clarity of the rule. <i>Michael Morris 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1173	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 and revisions to improve the effectiveness, enforceability, and clarity of the rule. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1190, 1191, 1192, 1193, 1194, 1195, 1196, & 1186.1	Fleet Vehicle Requirements Proposed amendments to fleet rules may be necessary to improve rule implementation. In addition, the current fleet rules may be expanded to achieve criteria pollutant and air toxic emission reductions pending new legislative authority. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1304.2	California Public Utilities Commission Regulated Electrical Local Publicly Owned Electrical Utility Fee for Use of SOx, PM10 and NOx Offsets	Other
1304.3	Local Publicly Owned Electrical Generating Facility Fee for Use of SOx, PM10 and NOx Offsets Proposed Rules 1304.2 and 1304.3 would allow new greenfield facilities and additions to existing electricity generating facilities conditional access to SCAQMD internal offset accounts for a fee, for subsequent funding of qualifying improvement projects consistent with the AQMP. <i>TBD; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1401	New Source Review of Toxic Air Contaminants Proposed Amended Rule 1401 may be revised to add, remove, or revise toxic air contaminants based on changes from OEHHA. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1402	Control of Toxic Air Contaminant Emissions from Existing Sources Proposed Amended Rule 1402 may be revised based on implementation of other toxic rules or programs. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1403	Asbestos Emissions from Demolition/Renovation Activities Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary. <i>David De Boer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1407.1	Control of Toxic Air Contaminant Emissions from Chromium Alloy Melting Operations Proposed Rule 1407.1 will establish requirements to reduce point source and fugitive toxic air contaminant emissions from metal melting operations. <i>Michael Morris 909.396.2706; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1415 1415.1	Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems Amendments will align with the proposed CARB Refrigerant Management Program and U.S. EPA's Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1430	Control of Emissions from Metal Grinding Operations at Metal Forging Facilities Proposed Amended Rule 1430 may be needed to establish requirements to reduce toxic air contaminant emissions from metal forging operations. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1445	Control of Toxic Emissions from Laser Arc Cutting Proposed Rule 1445 will establish requirements to reduce toxic metal particulate emissions from laser arc cutting. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1450	Control of Methylene Chloride Emissions Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements. <i>Michael Morris 909.396.3282; CEQA: Jillian Wong 909.396.3176; and Socio: Ian MacMillan 909.396.3244</i>	Toxics
1469.1	Spraying Operations Using Coatings Containing Chromium Proposed Amended Rule 1469.1 will establish additional requirements to address fugitive emissions from facilities that are conducting spraying operations using chromium primers or coatings to further reduce hexavalent chromium emissions. <i>Jillian Wong 909.396.3176; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
1470	Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines Proposed Amended Rule 1470 will establish additional provisions to reduce the exposure to diesel particulate from new and existing small (≤ 50 brake horsepower) diesel engines located near sensitive receptors. <i>David DeBoer 909.396.2329; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Toxics
1902	Transportation Conformity Proposed Amended Rule 1902 may be necessary to align the rule with current U.S. EPA requirements. <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
1905	Pollution Controls for Automotive Tunnel Vents Proposed Rule 1905 will address emissions from proposed roadway tunnel projects that could have air quality impacts. <i>Ian MacMillan 909.396.3244; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
2202	On-Road Motor Vehicle Mitigation Options Proposed Rule 2202 may be amended to address program streamlining for regulated entities, as well as reduce review and administration time for SCAQMD staff. Proposed Rule amendment concepts may include program components to facilitate the obtainment of average vehicle ridership (AVR) targets. <i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
Reg. XVI	Mobile Source Offset Programs Proposed Amendments to Regulation XVI rules will 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. <i>Zorik Pirveysian 909.396.2431; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	AQMP
Reg. XVII	Prevention of Significant Deterioration (PSD) Proposed Amendments to Regulation XVII are being considered for possible revisions based on information from U.S. EPA. <i>Carol Gomez 909.396.3264; CEQA: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other
Reg. XXVII	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: Jillian Wong 909.396.3176; Socio: Ian MacMillan 909.396.3244</i>	Other

2019 To-Be-Determined (Continued)

2019	Title and Description	Type of Rulemaking
Reg. II, IV, XIV, XI, XXIII, XXIV, XXX and XXXV	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 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, 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 adoption amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, U.S. EPA's National Emission Standards for Hazardous Air Pollutants, or implementation of AB 617.	Other/ AQMP

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 19

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 South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, April 12, 2019; Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

RMM:MAH:XC:agg

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD 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 and Board-approved amendments to the Budget specify 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 3, 2019 Board Meeting
Information Management Status Report on Major Ongoing and
Upcoming Projects During the Next Six Months

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Renewal of OnBase Software Support	Authorize the sole source purchase of OnBase software subscription and support for one year.	\$140,000		<ul style="list-style-type: none"> • Board approval May 3, 2019 • Execute contract July 15, 2019
Telecommunications Services	Select vendor(s) to provide local, long distance, telemetry, internet, cellular services, and phone system maintenance for a three-year period	\$750,000	<ul style="list-style-type: none"> • Released RFP October 5, 2018 • Board approval January 4, 2019 • Migrated and upgraded services 	
Office 365 Implementation	Acquire and implement Office 365 for South Coast AQMD staff	\$350,000	<ul style="list-style-type: none"> • Pre-assessment evaluation and planning completed • Board- approved funding on October 5, 2018 • Developed implementation and migration plan • Acquired Office 365 licenses • Implemented Office 365 email (Exchange) and migrated all users 	<ul style="list-style-type: none"> • Implement Office 365 file storage (OneDrive for Business) and migrate users • Implement Office 365 internal website (SharePoint) and migrate existing content

Project	Brief Description	Estimated Project Cost	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, Gas Stations and Automotive Spray Booths	\$694,705	<ul style="list-style-type: none"> • Phase 1 Automated 400A form filing, application processing, and online permit generation for Dry Cleaner module deployed to production completed • Facility ID Creation Module deployed to production completed • Phase 1.1 Automated 400A form filing, application processing, and online permit generation for Automotive Spray Booth and Gas Station Modules deployed to production completed • Enhanced calculations of sensitive receptor distances • Enhanced processing of school locations with associated parcels • Upgraded GIS Map integration and enhanced sensitive receptor identification and distance measurement work • Enhanced calculations of sensitive receptor distances • Deployed new version of system to production 	<ul style="list-style-type: none"> • Continue Phase 1.1 project outreach support

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2	Enhanced Web application to automate filing process of Permit Applications, Rule 222 equipment, and registration process for IC Engines; implement electronic permit folder and workflow for internal South Coast AQMD users	\$525,000	<ul style="list-style-type: none"> December 2017 Board-approved initial Phase 2 funding May 2018 Phase 2 project startup and detail planning completed Business process model approved Development of Negative Air Machines, Boilers/Water Heaters/Process Heaters, Cooling Towers, Portable Heaters, and Food Ovens filing process completed October 5, 2018 Board- approved remaining Phase 2 funding Code development for Boilers, Heaters, Ovens, Baghouses, and IC Engines completed Application submittals, and form filing of Negative Air Machines, Boilers/Water Heaters/Process Heaters, Cooling Towers, Portable Heaters, and Food Ovens, Char Broilers, Small Boilers, and Oil Wells processing completed 	<ul style="list-style-type: none"> Wireframes, user stories, and code development for new set of Rule 222 forms including Diesel Fueled Boilers, Fuel Cell with a Non-Electric Supplemental Heater, Facilities with No Written Permit and Emits Four Tons or More of VOC Emissions Per Year Equipment, Internal Combustion Engines at Remote Radio Transmission Towers, Printing, Coating & Drying Equipment, Oil & Gas Production Wells, Natural Gas Well Heads, Well Pumps, Transfer Pumps & Re-pressurizing Equipment, and Agricultural Engine.

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 2 (Continued)			<ul style="list-style-type: none"> • Application submittals, and form filing of Tar Pots/Tar Kettles, Asphalt Day Tankers, and Asphalt Pavement Heaters completed • Engines, IC Engines at Radio Tower, Diesel Fuel Boiler, and Fuel Cell with Heater completed • Application submittals, and form filing of Agricultural Engines, IC Engines at Radio Tower, Diesel Fuel Boiler, and Fuel Cell with Heater completed 	
Information Technology Review Implementation	Complete Board requested Information Technology review and initiate work on implementation of key recommendations	\$75,000 (cost part of \$350,000 Office 365 implementation-project)	<ul style="list-style-type: none"> • Initiated Implementation Planning and Resource Requirements for key recommendations • Completed Microsoft Project Plan training for all IM Managers, Supervisors and Secretaries • Established Information Technology Steering Committee, members and charter • Configured and deployed Project Management software for IM team 	<ul style="list-style-type: none"> • Office 365 deployment

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
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	\$100,000	<ul style="list-style-type: none"> • December 2017 Board -approved funding • April 2018 project startup and detail planning completed • June 2018 wireframe and user story approved for Release 1 • User story and wireframe approved for application search module • User stories approved and coding completed for Dashboard Data Entry screens • Code development for Release 1 completed • Code development for application search module completed • User acceptance testing for data capture module completed • User acceptance testing for user reports completed • Internal deployment of application for engineers to populate application related data completed 	<ul style="list-style-type: none"> • User data input for all open applications • Deployment of External application (and linked to FIND) for regulated community to view application related data

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
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, South Coast AQMD'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 • Revised project scope to include custom user interface • Developed plan and schedule for revised scope 	Identify funding source
Document Conversion Services	Document Conversion Services to convert paper documents stored at South Coast AQMD facilities to electronic storage in OnBase	\$83,000	<ul style="list-style-type: none"> • Released RFQ October 5, 2018 • Approved qualified vendors January 4, 2019 • Converted over 350,000 rule administrative record documents for Planning and Rules 	<ul style="list-style-type: none"> • Execute purchase orders for scanning services • Convert over 1,000,000 contract documents for Technology Advancement Office
Replace Your Ride (RZR)	New Web application to allow residents to apply for incentives to purchase newer, less polluting vehicles	\$301,820	<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 user approval for production • Implementation of Electric Vehicle Service Equipment and alternative mode of transportation in the RZR application

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Replace Your Ride (RZR) (continued)			<ul style="list-style-type: none"> • Final Phase 2 user requested enhancements: VIN Number, Case Manager, Auto e-mail and document library updates deployed to production • Phase 3 Data Migration development work completed 	<ul style="list-style-type: none"> • Approval of data migration • Approval of Phase 3 move to production
South Coast AQMD Mobile Application for Android devices Phase 1	New mobile application for Android devices which will have the same functionality as the new iOS application	\$133,010	<ul style="list-style-type: none"> • Project Charter released • Proposal received • Task order issued • System design completed • System development 	<ul style="list-style-type: none"> • User testing
South Coast AQMD Mobile Application for iOS devices Phase 2	Enhancement of Mobile application with addition of Enhanced Notifications, Complaint Filing and Facility Information Detail	\$100,000	<ul style="list-style-type: none"> • Project Charter released • Proposal received 	<ul style="list-style-type: none"> • Identifying funding source
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"> • Task order issued, evaluated and awarded • Project initiated and project charter finalized • Business Process Model completed • Business Process Model completed • Sprint 1 functional and system design completed • Sprint 1 data model received • Sprint 1 mock-up reviewed 	<ul style="list-style-type: none"> • Code development and testing for Sprint 1 • Data model approval for Sprint 1 • Sprint 2 functional requirements

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
Flare Event Notification – Rule 1118	Develop new web-based application to comply with Rule 1118 to improve current flare notifications to the public and staff	\$100,000	<ul style="list-style-type: none"> • Vision and Scope issued • Charter Document and proposal approved • Task order to be issued • Requirement gathering for Sprint 1 & 2 completed • System Design for Sprint 1 & 2 completed • Requirement gathering for Sprint 3 completed • System design for Sprint 3 completed • Compliance integration design completed • Data model approval for Sprint 1, 2, and 3 	<ul style="list-style-type: none"> • Continuation of Sprint 4: Implementation of Sprint 1 and 2 • Beginning Sprint 5: Public Portal Implementation
VW Environmental Mitigation Action Plan Project	CARB has assigned South Coast AQMD to develop web applications for two projects: Zero-Emission Class 8 Freight and Port Drayage Truck Project & Combustion Freight and Marine Project. South Coast AQMD is responsible for developing a web application for both incentive programs, and maintaining a database that will be queried for reporting perspectives for CARB	\$355,000	<ul style="list-style-type: none"> • Draft Charter Document issued • Project Initiation completed • Task order issued 	<ul style="list-style-type: none"> • Detailed system design for Phase 1

Project	Brief Description	Estimated Project Cost	Completed Actions	Upcoming Milestones
AQ-SPEC Cloud Platform	Develop a cloud-based platform to manage and visualize data collected by low-cost sensors	\$385,500	<ul style="list-style-type: none"> • Task Order Issued • Proposals Received • Task Order Awarded • Business Requirements Gathering Completed • Sprint 1 Completed (System Architecture, Data Storage Design, Data Ingestion) Completed. • Sprint 2 Requirements Gathering Completed 	<ul style="list-style-type: none"> • Sprint 2 Implementation • Sprint 3 Requirements Gathering
PeopleSoft Electronic Requisition	South Coast AQMD is implementing electronic requisition for PeopleSoft Financials. This will allow submittal of requisitions online. Additional benefits include tracking of multiple levels of approval, electronic archival of requisition documents, pre-encumbrance of budget, and streamlined workflow.	\$75,800	<ul style="list-style-type: none"> • Project Charter Approved • Task Order Issued • Proposal Received • Task Order Awarded • Requirement Gathering for Sprint 1 Completed • Design for Sprint 1 Completed • Code Development for Sprint 1 • User Acceptance Testing (UAT) for Sprint 1 • Design for Sprint 2 	<ul style="list-style-type: none"> • Code Development for Sprint 2 • UAT for Sprint 2
Renewal of HP Server Maintenance & Support	Purchase of maintenance and support services for servers and storage devices	\$120,000	<ul style="list-style-type: none"> • Board approval March 1, 2019 • Executed contract April 30, 2019 	

Projects that have been completed within the last 12 months are shown below.

Completed Projects	
Project	Date Completed
Renewal of HP Server Maintenance & Support	April 6, 2018
Implementation of Enterprise Geographic Information System (EGIS) Phase I	May 30, 2018
Fiber Cable Network Infrastructure Upgrade	May 30, 2018
Air Quality Index Rewrite and Migration	June 29, 2018
South Coast AQMD Mobile Application for iOS devices Phase 1	November 2, 2018
CLASS Database Software Licensing and Support	November 30, 2018
Implementation of Enterprise Geographic Information System (EGIS) Phase II	March 11, 2019

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 21

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting on Friday, April 12, 2019. 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)
Council Member Ben Benoit/Vice Chair
Mayor Judith Mitchell
Dr. Clark E. Parker, Sr. (videoconference)
Council Member Michael Cacciotti
Supervisor Janice Hahn (appointed for Item #18 only)

Absent: None

Call to Order

Chair Burke called the meeting to order at 10:02 a.m. and appointed Supervisor Hahn to the committee to participate in Agenda Item #18.

ACTION ITEM:

This item was taken out of order.

18. **Appoint Members to SCAQMD Hearing Board:** Clerk of the Boards Denise Garzaro reported that this item is to interview candidates to fill the new terms for two Hearing Board public members and their alternates. Terms will expire on June 30, 2019, and the new terms will begin on July 1, 2019. The Advisory Committee reviewed the resumes and letters of the qualified candidates, conducted interviews and recommended the top candidates to the Administrative Committee.

The Administrative Committee members conducted interviews for the public members and recommended Nate Holden be reappointed as a public member with appointment of Gideon Kracov as his alternate. The committee also recommended appointment of Cynthia Verdugo-Peralta as a public member and recommended that Robert Copeland be reappointed as her alternate.

Moved by Cacciotti; seconded by Benoit, unanimously approved.

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

DISCUSSION ITEMS:

1. **Board Members' Concerns:** None to report.
2. **Chairman's Report of Approved Travel:** As noted on the travel report, Mayor Mitchell will attend the CARB/CTC joint meeting in Sacramento on April 9, 2019; and the monthly CARB Board meeting in Sacramento on April 24-26, 2019.
3. **Report of Approved Out-of-Country Travel:** None to report.
4. **Review May 3, 2019 Governing Board Agenda:** None to report.
5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** Council Member Cacciotti recommended a stipend increase for his Board Consultants: Frank Cardenas, William Glazier, Tim Sandoval, Sho Tay and Ben Wong; and Council Member Benoit recommended adding an additional Board Consultant, Thomas Gross, at no cost.

Moved by Mitchell; seconded by Cacciotti, unanimously approved.

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

6. **Bid Evaluation Panel for RFP to Select Consultant Evaluating Meteorological Factors and Trends Contributing to Recent Poor Air Quality in South Coast Air Basin:** Deputy Executive Officer/Planning, Rule Development & Area Sources Dr. Philip Fine reported that pursuant to the direction from a previous Administrative Committee, a list of reviewers will be provided for an RFP that was previously released for a study to look at meteorological factors that have led to recent poor air quality. Six bids were

received and the proposed review panel will consist of four scientists; two internal, one from CARB, and one from Bay Area Air Quality Management District.

7. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Assistant Deputy Executive Officer/Chief Information Officer Ron Moskowitz reported that email has migrated to Microsoft Cloud resulting in mailbox sizes being increased from 250 MB to 99 GB. The next phase will include moving all of the Microsoft Suite to the Cloud, which is scheduled for July. Our Mobile App continues to gain momentum with users and was recently promoted at the Downtown Earth Day event with over 100 people signing up. The Android version is set for beta testing in May and all other projects are proceeding as planned. Dr. Parker inquired about the records retention policy. Mr. Moskowitz responded that it varies depending upon the type of record. Chief Deputy Counsel Barbara Baird clarified that we are required by Government Code to adopt a Records Retention Policy with some records kept on a permanent basis, and other documents are destroyed after a period of time. The average period of time for destruction is seven years. Mr. Nastri added with larger email storage capacity overall efficiency has been increased.
8. **Improving Communication During Major Incidents and Review of Recent Refinery Fire:** Deputy Executive Officer/Legislative, Public Affairs & Media Derrick Alatorre reported that at the April Board meeting, direction was given to reach out to companies who can provide emergency and non-emergency notifications and staff has already contacted potential companies. Staff has also looked at existing internal capabilities to determine their feasibility on how to get notifications out and will make recommendations at a future Administrative Committee meeting.

ACTION ITEMS:

9. **Transfer Funds and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services:** Mr. Moskowitz reported that this request is to transfer funds for development of application projects, including enhancing our PeopleSoft payroll system and for a security portal that supports Title V and other compliance reporting needs. Funds are available in the budget. Dr. Burke inquired about the amount of transfer. Mr. Moskowitz responded that the total amount is \$524,050.

Moved by Benoit; seconded by Cacciotti, unanimously approved.

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

10. **Authorize Purchase of OnBase Software Support:** Mr. Moskowitz reported that this request is to purchase OnBase support and subscription for one year. OnBase is the document management system which supports most of South Coast AQMD's systems including permitting, compliance, CLASS, Finance and Public Records. Funds are available in the budget.

Moved by Mitchell; seconded by Benoit, unanimously approved.

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

11. **Authorize Transfer of Monies from General Fund to Health Effects Research Fund:** Assistant Deputy Executive Officer/Finance Sujata Jain reported that this action is to transfer the first of five installments per year of \$841,353 from the General Fund Unreserved Fund Balance to the Health Effects Fund for a total of \$4,206,765 for the five-year period. Dr. Burke clarified that this is the adjustment that was not made prior to when the funds were due to be transferred.

Moved by Parker; seconded by Mitchell, unanimously approved.

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

12. **Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2019-20:** Ms. Jain reported that this action is to approve Board Member Consultants and Assistants compensation for FY 2019-20.

Moved by Parker; seconded by Cacciotti, unanimously approved.

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

13. **Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend SCAQMD Salary Resolution and Class Specification:** This item was deferred to the Governing Board Budget Workshop following the Administrative Committee.

- 14. Revise Procurement Policy and Procedure:** Ms. Jain reported that this item is to approve amendments to the procurement policy which will revise the definition of businesses using low emissions vehicles to businesses using zero to near-zero emissions vehicles to conduct deliveries to the South Coast AQMD.

Moved by Mitchell; seconded by Parker, unanimously approved.

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

- 15. Transfer Funds for Enhanced Particulate Monitoring Program:** Assistant Deputy Executive Officer/Science & Technology Advancement Dr. Jason Low reported that this action is to transfer up to \$160,000 for the Enhanced Particulate Monitoring Program. This is to realign expenditures from salaries and benefits to temporary services.

Moved by Mitchell; seconded by Benoit, unanimously approved.

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

- 16. Recommendation to Appoint Member to SCAQMD Home Rule Advisory Group:** Dr. Fine reported that this item is to replace Bill Quinn on the Home Rule Advisory Group with Frances Keeler who was recently hired by California Council for Environmental and Economic Balance (CCEEB).

Moved by Mitchell; seconded by Benoit, unanimously approved.

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

- 17. Execute Contract for Engineering Consultant to Review BARCT Assessment for Proposed Rule 1109.1 – NOx Emission Reduction for Refinery Equipment:** Dr. Fine explained that this item is to request approval to award contracts to two qualified engineering firms to assist in reviewing the BARCT analysis of refinery equipment under Proposed Rule 1109.1 pursuant to an approved RFP, and to increase the funding from \$100,000 to \$200,000, financed from AB 617 funding.

Mr. Harvey Eder, Public Solar Power Coalition, stated that solar conversion is cost-effective and BARCT for refineries. Dr. Fine responded that solar would

not be applicable in this case as the BARCT being evaluated is for equipment that primarily burns refinery gas. Dr. Burke agreed but added that solar needs more attention in our overall program, and the Board needs the opportunity to hear the debate as to why not require solar. Executive Officer Wayne Natri commented that solar is supported where applicable.

Moved by Benoit; seconded by Cacciotti, unanimously approved.

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

WRITTEN REPORT:

- 19. Local Government & Small Business Assistance Advisory Group Minutes for the February 8, 2019 Meeting:** Mr. Alatorre reported that this item is a written report.

OTHER MATTERS:

- 20. Other Business:**

There was no other business.

- 21. Public Comment:**

Mr. Eder commented that he had submitted Public Records Requests and was advised that it would take 30-60 days, and that policy items should be prioritized.

- 22. Next Meeting Date**

The next regular Administrative Committee meeting is scheduled for May 10, 2019 at 10:00 a.m.

Adjournment

The meeting adjourned at 12:00 p.m.

Attachment

Local Government & Small Business Assistance Advisory Group Minutes for the February 8, 2019 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 8, 2019 MEETING MINUTES

MEMBERS PRESENT:

V. Manuel Perez, Supervisor
Janice Rutherford, Supervisor, Second District, San Bernardino County
Felipe Aguirre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
John DeWitt, JE DeWitt, Inc.
LaVaughn Daniel, DancoEN
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Roofing Contractors Association
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Ben Benoit, Council Member and LGSBA Chairman
Dr. Clark E. Parker, Sr., Senate Rules Committee Appointee
Rachelle Arizmendi, Mayor Pro Tempore, City of Sierra Madre
Cynthia Moran, Council Member, City of Chino Hills

OTHERS PRESENT:

Mark Abramowitz, Board Member Consultant
Andy Silva, San Bernardino County

SCAQMD STAFF:

Derrick Alatorre, Deputy Executive Officer
Nancy Feldman, Principal Deputy District Counsel
Michael Krause, Planning & Rules Manager
Vicki White, Technology Implementation Manager
De Groeneveld, Sr. Information Technology Specialist
Elaine-Joy Hills, AQ Inspector II
Stacy Garcia, Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Supervisor Janice Rutherford called the meeting to order at 11:31 a.m.

Agenda Item #2 – Approval of December 14, 2018 Meeting Minutes/Review of Follow-Up/Action Items

Supervisor Rutherford called for approval of the December 14, 2018 meeting minutes. The minutes were approved, with Supervisor Perez and Supervisor Rutherford abstaining.

Agenda Item #3 – Review of Follow Up/Action Items

Mr. Derrick Alatorre stated that there were no follow up or action items.

Agenda Item #4 – 2019 Rule Forecast and Implementation of 2016 AQMP

Mr. Michael Krause presented on upcoming work on rules and programs in 2019 to implement the measures in the 2016 Air Quality Management Plan (AQMP) that comprise the strategy to meet the ambient air quality standards.

Mr. Bill LaMarr inquired about areas that are unachievable for air quality. Mr. Krause stated that we are not in compliance with the ozone standard or the PM_{2.5} standard. Mr. LaMarr asked if a list of the 26 projects on slide 4 that were awarded the \$48 million existed. Mr. Krause stated he will send Mr. LaMarr a link to the Board agenda containing the list. Mr. Krause indicated that some of the 26 projects are emission reductions projects and some are technology demonstration projects. Out of the 26 projects, around half of them are technology demonstration projects and those are not counted in the projections. Mr. LaMarr questioned the cost-effectiveness of the projects. Mr. Krause stated that we have to start investing in the businesses somewhere. Mr. LaMarr stated that small businesses are going to have to depend on incentive dollars for new technologies to lower emissions because of their cost.

Mr. David Rothbart asked if there is a running total of rules the SCAQMD is looking to adopt. Mr. Krause directed Mr. Rothbart to the January rule forecast calendar.

Mr. Rothbart asked if the reductions are statewide to which Mr. Krause responded that they are regional. Mr. Rothbart asked what the goal is from the mobile source side to reach attainment. Mr. Krause responded that the goals are in the AQMP. Mr. Rothbart requested a status of attainment at the State and Federal levels. Mr. Krause stated he will get that information to Mr. Rothbart.

Ms. Rita Loof stated that the requirements of Rule 1106 (Marine Coating Operations) act as a disincentive because of the amount of recordkeeping required. Mr. Krause said that recordkeeping will be addressed in the future and suggested Ms. Loof participate in any meetings held.

Mr. Paul Avila asked if SCAQMD knows where stationary pollutants are, and if fence monitors will be installed around these areas. Mr. Krause stated that it is a step by step process beginning with community monitoring, analyzing the community monitoring data, making determinations on the readings, identifying sources, and then placing the monitors.

Mr. LaMarr asked who will be paying for the fence line monitoring. Mr. Krause stated fence line monitoring is paid for by AB 617 funds.

Agenda Item #5 – Update on SCAQMD Incentive Programs

Ms. Vicki White presented on SCAQMD's incentive programs.

Mr. Avila asked if there is demand for heavy diesel engines. Ms. White stated diesel engines would fall under a program called Engine Repower, where diesel engines are replaced with cleaner engines.

Ms. Loof asked where she can find information about the SB 856 process. Ms. White said CARB wants to do a public process to determine how to allocate the funds. CARB knows they need guidelines for stationary sources. Ms. White suggested that Ms. Loof get in touch with CARB, as she is not aware of workshop dates. Ms. Loof asked about the CalCards for Replace Your Ride (RYR), to which Ms. White responded that people can scrap old cars and receive a CalCard to pay for Uber, Lyft, or a transit pass.

Mr. Todd Campbell asked if there is funding left in Proposition 1B. Ms. White stated it is an ongoing program, but the funds have been fully allocated with the exception of some fall through funds due to fleet switches, which a solicitation will be going out for. Mr. Campbell asked how long the applicants get to sit on their funds. Ms. White stated they have 3 years or the funds may be reallocated and that legislation requires the funds be liquidated in 4 years. Mr. Campbell asked about the Hybrid and Zero Emission Truck and Bus Voucher Incentive Project (HVIP) and stacking. Ms. White stated with the Carl Moyer Program through SB 513, there was acknowledgment to open the program up to stacking. There are no restrictions on stacking of funds in the Carl Moyer program, except that it expects the private investment to pay a minimum of 15%. Whereas, HVIP has restrictions. CARB is starting to look at co-funding HVIP with other programs. For HVIP, electric technologies can stack.

Mr. LaMarr asked for clarification of the RYR program and the purchase of less polluting cars. Ms. White stated that the RYR program allows for eligible motorists to scrap their old car and either get the CalCard or receive funds to purchase a vehicle 8 years old or newer.

Mr. Campbell asked about the VW funds. Ms. White stated that, as project administrator for the two categories SCAQMD has been assigned, staff will be preparing an implementation plan, which will specify a criteria, and is subject to CARB's approval.

Ms. Loof asked, besides the SB 856 funding, if the rest of the programs in Ms. White's presentation were restricted to mobile sources. Ms. White responded yes.

Agenda Item #6 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #7 - Other Business

Ms. Loof announced that RadTech is having a conference on March 19-20 in Redondo Beach.

Mr. Avila mentioned a newspaper article about the SCAQMD sales tax and requested a presentation.

Action Item: Provide a presentation on proposed sales tax.

Agenda Item #8- Public Comment

None.

Agenda Item #9 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, March 8, 2019 at 11:30 a.m.

Adjournment

The meeting adjourned at 12:41 p.m.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 22

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, April 12, 2019. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
*AB 836 (Wicks) Bay Area <u>Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Program</u>	Support
AB 1500 (Carrillo) Hazardous substances	Support with Amendments
*SB 44 (Skinner) Medium-duty and heavy-duty vehicles: comprehensive strategy	Support with Amendments
SB 633 (Stern) Santa Susana Field Laboratory: monitoring program	Support
S 747 (Carper) To Reauthorize the Diesel Emissions Reduction Program, and for Other Purposes	Support

*The bill title and language of AB 836 (Wicks) and SB 44 (Skinner) were amended.

RECOMMENDED ACTION:

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

Judith Mitchell, Chair
Legislative Committee

Committee Members

Present: Mayor Judith Mitchell/Chair

Council Member Joe Buscaino/Vice Chair (videoconference)

Dr. William A. Burke (videoconference)

Dr. Clark E. Parker, Sr. (videoconference)

Supervisor V. Manuel Perez (videoconference)

Supervisor Janice Rutherford (videoconference)

Call to Order

Chair Mitchell called the meeting to order at 9:01 a.m.

DISCUSSION ITEMS:

1. Update on Federal Legislative Issues

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

Mr. Dave Ramey of Kadesh & Associates reported on the Congressional process to set spending levels through a budget resolution and the ensuing appropriations bills. He reported that the Appropriations Committees are likely to begin work on their spending bills in anticipation that agreement will be reached on the overall budget caps.

Mr. Gary Hoitsma of Carmen Group reported that President Trump and House Speaker Pelosi are supposed to meet in the next few weeks to discuss a potential infrastructure bill. He also reported that U.S. EPA Administrator Andrew Wheeler has indicated that the rule for Corporate Average Fuel Economy standards is undergoing changes based on comments received and may be out in mid-June.

Council Member Joe Buscaino asked how the infrastructure bill would impact South Coast AQMD. He further inquired if the border wall proposed by the Administration would have an impact on the infrastructure bill.

Mr. Hoitsma responded that there is no infrastructure bill yet, so impacts are unknown. He added that the border wall would not likely affect an infrastructure bill as they are separate issues. The challenge is how to fund the estimated \$1 to \$2 trillion infrastructure bill as it is not likely that action on a federal gas tax would occur before the 2020 election.

Ms. Amelia Jenkins of Cassidy & Associates added that the House Ways and Means Committee is beginning to look at funding mechanisms, but that it is early in the discussions. An infrastructure bill will likely include issues such as how to tax electric vehicles and heavy-duty trucks. She said there is also discussion on whether cleaner trucks should be taxed differently.

Mayor Mitchell asked if the infrastructure bill would rely on the initial concept of heavy leveraging with matching local funding. Mr. Hoitsma replied that it would more likely be a federal funding approach.

Ms. Jenkins concluded her report as the information was included in the previous discussion and in written format.

2. Update on State Legislative Issues

South Coast AQMD's state legislative consultants (Joe A. Gonsalves & Son, Quintana, Watts and Hartman, and California Advisors, LLC) each provided written reports on various key issues in Sacramento.

Mr. Paul Gonsalves of Joe A. Gonsalves & Son stated that the state legislative spring recess began on April 11, with legislators returning to Sacramento on Monday, April 22. The deadline for fiscal bills to be passed out of policy committees to the appropriations committees is April 26, and the deadline for all non-fiscal bills to be passed out of policy committees to the floor is May 3.

Ms. Caity Maple of Quintana of Watts and Hartman informed the Committee that SB 1 (Atkins) has passed through two policy committees and has most recently been referred to the Senate Judiciary Committee. Further, AB 210 (Voepel) was set for hearing, but the author pulled it from Committee and has made it a two-year bill due to opposition.

Mr. Ross Buckley of California Advisors LLC reported that the budget process is in progress with budget subcommittee meetings taking place. This effort is in anticipation of the Governor's May Revise Budget which will be released next month with updated revenue forecasts. This overall process leads up to the June 15th budget passage deadline.

3. Update on Legislation Regarding Voting District Authorization for Clean Air

Mr. Philip Crabbe, Public Affairs Manager, provided an update regarding the South Coast AQMD-sponsored Voting District Authorization for Clean Air bill.

SB 732 (Allen) was amended from its spot bill form into more substantive content on March 27. Consequently, the bill was referred to the Senate Governance and Finance Committee and was set for an April 24 hearing.

Mr. Crabbe informed the Committee that as staff has continued to communicate with interested stakeholders regarding this effort, negative feedback continued, particularly from local governments and transportation agencies regarding concerns about diverting sales tax revenue from other interests.

As a result, staff believes it is best to put a pause on the bill, and focus more on collaboration and education with stakeholders regarding the air quality problem and the dire need for funding, weigh pros and cons and build more consensus on how this problem can be addressed. Staff has asked Senator Allen to pull the bill from Committee and are currently awaiting confirmation regarding this course of action.

Supervisor Rutherford stated that she is providing bill language regarding the inclusion of a tax oversight committee to staff and indicated that she is interested in having such language included in any future related legislation.

Mayor Mitchell directed staff to review and assess the provided bill language for possible inclusion in any future related bill, and provide recommendations to the Committee at the appropriate time. Dr. Burke expressed an interest in having staff review the proposed language, but has no objection to the language being added. Supervisor Perez also expressed support for adding the accountability language to the bill. Supervisor Perez also commended the staff for adjusting their approach to this effort based on feedback to the bill.

ACTION ITEMS:

4. Recommend Position on State and Federal Bills:

AB 836 (Wicks) Bay Area Clean Air Incentive Program

Ms. Denise Peralta Gailey, Public Affairs Manager, presented AB 836 to the Committee. The bill would establish a statewide program that would identify ventilation spaces which the bill refers to as “clean air centers” – public centers like schools, community centers, senior centers, etc. - that would be accessible to the public during wildfires or other smoke events. This would be done through an incentive program that provides funding for these facilities to improve their indoor air filtration systems. This bill aligns with the goals of South Coast AQMD in protecting public health during wildfires.

Mayor Mitchell commented that the bill was originally going to target the Bay Area and has now been expanded to be statewide.

Mr. Wayne Nastri, Executive Officer, commented that with regard to clean air centers, South Coast AQMD has, through the IQAir Program, installed a number of clean air filtration systems for schools. The intent of the legislation is consistent with what South Coast AQMD has been working on and why staff supports.

Mayor Mitchell commented that wildfires will continue to be a concern and there is good reason to think about clean air centers especially for vulnerable communities.

Staff recommended a position of SUPPORT on this item.

Moved by Perez; seconded by Parker; unanimously approved

Ayes: Burke, Buscaino, Mitchell, Parker, Perez, Rutherford

Noes: None

Abstain: None

Absent: None

AB 1500 (Carrillo) Hazardous substances

Ms. Peralta Gailey presented AB 1500 to the Committee. The bill would expand the authority of a Certified Unified Program Agency or Local Health Officer to temporarily suspend the permit, including the shutdown of a facility, if conditions at the facility pose an imminent or substantial endangerment to public health and safety. Under AB 1132, South Coast AQMD has the authority to take immediate action on air quality issues when an imminent and substantial danger to the public has been identified. She added that staff recommends the addition of amendments to ensure that AB 1500 does not conflict with South Coast AQMD's existing authority.

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

Moved by Burke; seconded by Parker; unanimously approved

Ayes: Burke, Buscaino, Mitchell, Parker, Perez, Rutherford

Noes: None

Abstain: None

Absent: None

SB 44 (Skinner) Medium-duty and heavy-duty vehicles: comprehensive strategy

Mr. Crabbe presented SB 44 to the Committee. This bill would require that CARB develop a comprehensive strategy for the deployment of medium- and heavy-duty vehicles in the state in order to bring the state into compliance with federal air quality standards, and to reduce motor vehicle greenhouse gas (GHG) emissions by 40 percent by 2030, and by 80 percent by 2050.

Recent amendments altered this bill. Rather than requiring a 10% allocation of Greenhouse Gas Reduction Funds (GGRF), the bill now provides for funding upon appropriation by the Legislature, from the GGRF and other sources to CARB for the California Clean Truck, Bus, and Off-Road Vehicle Program to support commercialization and deployment of medium- and heavy-duty vehicles that reduce GHG emissions.

This bill is aligned with South Coast AQMD's priorities to reduce criteria pollutant and toxic emissions, facilitate attainment of federal air quality standards within the South Coast region, as well as reduce GHG emissions within the South Coast region and the state.

Staff would like to work with the author to suggest adjustments to the bill, as follows:

- Specifically reference “local air districts”;
- Seek a 20 percent allocation of GGRF funds rather than 10 percent; and
- Direct funds to support the commercialization and deployment of medium and heavy-duty vehicles that reduce criteria pollutant and toxic emissions, in addition to reducing GHG emissions.

Dr. Parker inquired about the funding source for the bill. Mr. Crabbe explained that the funding source was left flexible to include both the GGRF and other sources, subject to appropriation by the Legislature. Dr. Parker also inquired as to whether the goals of the bill were changed when the funding allocation language was amended. Mr. Crabbe responded that the purpose is the same.

Mr. Nastri commented that the biggest challenges with respect to air pollution are in the mobile source sector. The ability to commercialize and deploy clean trucks through investments is needed to reach attainment of federal air standards. This bill proposes actions that support implementation of the AQMP. Staff recommends seeking amendments to include reference to the reduction of criteria toxic pollutant emissions, along with GHG emissions, as well as adding back in a request for a specific funding allocation.

Mr. Harvey Eder with the Public Solar Power Coalition provided public comment regarding building decarbonization and expressed support for solar renewables. He also advocated for solar tax credits.

Staff recommended a position of SUPPORT on this item. After discussion the Committee recommended a position of SUPPORT WITH AMENDMENTS on this item.

Moved by Perez; seconded by Rutherford; unanimously approved

Ayes: Burke, Buscaino, Mitchell, Parker, Perez, Rutherford

Noes: None

Abstain: None

Absent: None

SB 633 (Stern) Santa Susana Field Laboratory: monitoring program

Mr. Crabbe presented SB 633 to the Committee. This bill would require the Office of Environmental Health Hazard Assessment, on or before July 1, 2020, in coordination with entities, including the South Coast AQMD, to develop and implement a monitoring program to collect data on contaminants from the Santa Susana Field Laboratory that could migrate to and pollute surrounding areas.

Mr. Crabbe explained that although the Santa Susana Field Laboratory is located primarily within Ventura County, it is near the border and may be upwind of Los Angeles County. Staff believes that there is a possibility of air impacts with respect to the West San Fernando and Santa Clarita Valley area.

Given the potential impact on the South Coast region, a technical consultation role by South Coast AQMD would be appropriate. This bill is in line with South Coast AQMD's mission to protect public health and air quality as it impacts communities within the South Coast region.

Staff recommended a position of SUPPORT on this item.

Moved by Perez; seconded by Parker; unanimously approved

Ayes: Burke, Buscaino, Mitchell, Parker, Perez, Rutherford

Noes: None

Abstain: None

Absent: None

S 747 (Carper) To Reauthorize the Diesel Emissions Reduction Program, and for Other Purposes

Ms. Lisa Tanaka O'Malley, Senior Public Affairs Manager, presented on S 747 to the Committee. The bill would reauthorize the Diesel Emissions Reduction Act (DERA) program for five years until 2024 at a level of \$100 million per year. The bill also would clarify that typical vehicles, engines, equipment and fleet use varies throughout the United States. Additionally, S 747 would reallocate unused state funds to the National Competitive DERA grant program.

Dr. Parker inquired if it would be possible to seek an amendment that would reallocate the unused state funds to areas with extreme or severe attainment issues.

Mr. Nastri responded that in order to garner Congressional passage for the original authorization of DERA, there was a broad coalition of stakeholders from all over the nation. In order to maintain support for the program the approach has been to maintain the nationwide coalition of interests.

Staff recommended a position of SUPPORT on this item.

Moved by Parker; seconded by Rutherford; unanimously approved

Ayes: Burke, Buscaino, Mitchell, Parker, Perez, Rutherford

Noes: None

Abstain: None

Absent: None

OTHER MATTERS:

5. Other Business

There was no other business.

6. Public Comment Period

Mr. Eder expressed support for an equitable and just solar transition as soon as possible. He recommended that all relevant legislation should require solar and be equitable for people with low income. He also expressed opposition to the use of natural gas in vehicles.

7. Next Meeting Date

Mayor Mitchell mentioned that there is no meeting in May. The next regular Legislative Committee meeting is scheduled for Friday, June 14, 2019 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:51 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 Bills

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – April 12, 2019

Mayor Judith Mitchell.....	SCAQMD Board Member
Council Member Joe Buscaino (videoconference)	SCAQMD Board Member
Dr. William A. Burke (videoconference).....	SCAQMD Board Member
Dr. Clark E. Parker, Sr. (videoconference).....	SCAQMD Board Member
Supervisor V. Manuel Perez (videoconference)	SCAQMD Board Member
Supervisor Janice Rutherford (videoconference).....	SCAQMD Board Member
Ron Ketcham	Board Consultant (McCallon)
Andy Silva	Board Consultant (Rutherford)
Gary Hoitsma (teleconference)	Carmen Group, Inc.
Amelia Jenkins (teleconference).....	Cassidy & Associates
Dave Ramey (teleconference).....	Kadesh & Associates
Caity Maple (teleconference).....	Quintana, Watts and Hartman
Ross Buckley (teleconference).....	California Advisors, LLC
Paul Gonsalves (teleconference).....	Joe A. Gonsalves & Son
Curtis Coleman	Southern California Air Quality Alliance
Harvey Eder	Public Solar Power Coalition
Thomas Gross	Southern California Edison
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech
Bridget McCann.....	Western States Petroleum Association
David Rothbart.....	Los Angeles County Sanitation Districts
Tammy Yamasaki	Southern California Edison
Derrick Alatorre	SCAQMD Staff
Barbara Baird.....	SCAQMD Staff
Philip Crabbe	SCAQMD Staff
Amir Dejbakhsh	SCAQMD Staff
Philip Fine.....	SCAQMD Staff
Denise Peralta Gailey.....	SCAQMD Staff
Stacy Garcia	SCAQMD Staff
Jack Cheng	SCAQMD Staff
Monika Kim.....	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Nahal Mogharabi	SCAQMD Staff
Ron Moskowitz.....	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Robert Paud.....	SCAQMD Staff
Sarah Rees.....	SCAQMD Staff
Mary Reichert	SCAQMD Staff
Jeanette Short.....	SCAQMD Staff
Lisa Tanaka O'Malley	SCAQMD Staff
Todd Warden	SCAQMD Staff
Kim White.....	SCAQMD Staff
Jill Whynot.....	SCAQMD Staff
Paul Wright	SCAQMD Staff

ATTACHMENT 2

SCAQMD Report for the April 2019 Legislative Meeting covering March 2019 Kadesh & Associates

Overview-

March was focused on follow-up to the trip to Washington by the SCAQMD Board and senior staff and the release of the Administration's Fiscal Year 2020 Federal Budget.

Federal Budget for Fiscal Year 2020-

The Trump Administration released its Fiscal Year (FY) 2020 Budget for the Federal government the week of March 10, a six-week delay from the planned original release date. The Administration rolled out its FY20 budget request over the course of two weeks; top line numbers and skeletal information was released on March 4, followed by a deeper dive on March 11. Technically, the President's budget request adheres to the Budget Control Act or "BCA11" sequester spending limits for FY20: \$576 billion for defense and \$542 billion for non-defense discretionary. If enacted, this would mean cuts of 11 percent to defense and 9.2 percent to non-defense accounts. The budget request, however, proposes using about \$165 billion in the Overseas Contingency Operations account to increase defense spending to \$750 billion while at the same time holding non-defense accounts to the BCA11 level. The House and Senate appropriations committee have started their FY20 hearings, but no clear path forward in terms of spending levels for FY20 have been established.

Congressional Action on the FY20 Budget-

As of the close of March, lawmakers continue to put off decisions about FY 2020 spending levels, as the Senate's budget resolution effectively takes no stance on the matter and House Budget Chairman John Yarmuth (D-Ky.) delayed a decision on whether to produce his own resolution.

The Senate Budget Committee advanced Chairman Mike Enzi's (R-Wyo.) budget resolution on a party-line 11-9 vote, punting on the question of discretionary spending levels. The resolution lists the Budget Control Act (Public Law 112-25) spending levels, though Enzi has said he expects a deal to raise the caps to significantly higher levels. Senator Patty Murray (D-Wash.) unsuccessfully pushed for a measure in the resolution calling for a roughly equal increase in defense and non-defense discretionary spending, making explicit the committee's support for a caps deal that lawmakers in both parties say they want. That measure was rejected in a 9-11 vote. Without a caps deal, non-defense discretionary spending would be cut 9 percent and defense spending would be cut 11 percent.

Senate lawmakers did agree to add 18 nonbinding measures calling for additional legislation on health care, taxes, defense spending and disaster response, among other topics. Fourteen of those amendments had bipartisan support. The amendments added deficit-neutral reserve funds into the budget resolution. These non-binding measures could make it easier to pass legislation, if the budget resolution is adopted, by exempting the bills from points of order on the floor. They mostly serve as a messaging document.

Senate Budget Committee members agreed to add deficit-neutral reserve funds calling for the following legislation:

- Health-care coverage for those with pre-existing conditions;

- Funds for Homeland Security to address an influx of families at the southern border;
- Prescription drugs cost reduction;
- A requirement for the Defense Department to pass an audit;
- An analysis of climate threats to military installations, among others;
- A block on the use of crime-victim grant money for unrelated purposes;
- Establishment of a federal debt-to-GDP goal;
- Permission for Senators to opt out of the pension plan while using a Senate health-care plan;
- The promotion of affordable housing;
- Ensured access to safe and healthy housing for military service members and families;
- A requirement for more cooperation among agencies with state governments in responding to disasters, and a call for a greater focus on Missouri River flooding;
- Restoration of the Everglades, which Senator Rick Scott (R-Fla.) said he hoped would lead to a bill to provide \$200 million.

House Budget Outlook-

House Budget Chairman Yarmuth's decision on whether to produce his own budget resolution will wait until the first week of April. Chairman Yarmuth told reporters he hopes to mark up the budget and take it to the House floor a week later, because the Appropriations Committee wants to mark up its bills soon after the next congressional recess, which begins the week of April 15. Lawmakers return from that break April 29. Democrats agree a non-defense spending increase should be larger than for defense spending, Chairman Yarmuth said, but are divided over how much. Yarmuth said he's proposed calling for an additional \$2 trillion in revenue over the next 10 years, but some moderate Blue Dog Democrats don't want to vote for a tax increase.

Air Quality and Environmental Budget News-

Climate Policy Costs: Republicans tried — and failed — to require the House Select Committee on the Climate Crisis to include cost analysis alongside any policy recommendations it makes. But the back-and-forth, during the first meeting of the new Committee, were the opening shots in a fight likely to persist between Republicans and Democrats on the panel over the cost of climate policies versus the cost of inaction on climate change. The panel is tasked with making policy and other recommendations related to climate change by March 31, 2020.

Senate Democrats say they'll create their own informal panel on climate change that will hear from witnesses and do other work to put a focus on greenhouse gas emissions. The group will be chaired by Democratic Senator Brian Schatz of Hawaii and its more than half-dozen members will include Jeff Merkley, Tina Smith, Ed Markey, Michael Bennet and others. The group is part of an effort by Minority Leader Schumer to let Democrats support an initiative after most of them voted "present" on a political vote forced by Senate Majority Leader Mitch McConnell on the Green New Deal. The informal climate committee will have no staff or ability to use hearing rooms or other official resources, so it's work will be messaging opportunities.

Washington, DC Advocacy Trip follow up-

Follow up on three days of successful meetings both on and off Capitol Hill that were carried out by three members of the SCAQMD Board, the Executive Officer and leadership staff in February included scoping out possible site visits and field hearings as well as legislative issues in conjunction with SCAQMD staff.

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MEMORANDUM

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: March 28, 2019

Re: Federal Update -- Executive Branch

Trump's Proposed Budget Cuts at EPA, DOE and DOT: In a repeat scenario from last year and the year before, the release in March of the President's annual budget proposal -- including drastic proposed budget cuts to agencies such as the Environment Protection Agency, the Department of Energy and the Department of Transportation -- was not met with enthusiasm on Capitol Hill where there is full knowledge that in almost all cases, nothing of the kind is going to be approved, especially in the current divided Congress. This includes the \$2.7 billion (31 percent) cut to the EPA's budget -- the largest cut to any agency -- incorporating drastic cuts to DERA and the elimination of the Targeted Airshed Grant program, for example. It also includes a \$2 billion proposed cut to the DOE's Energy Efficiency and Renewable Energy (EERE) office, the proposed elimination of the ARPA-E program and the complete elimination of the tax credit for electric vehicles. In all these cases and more, Congress will be working throughout the year in the appropriations cycle to put its own very different stamp on all these programs and more.

FTA Announces Funding Opportunity for "Low-No" Transit Buses: In a Federal Register notice on March 20, the US Department of Transportation's Federal Transit Administration (FTA) announced that \$85 million will be available in FY 2019 for the Low or No-Emission (Low-No) Bus Program. The program helps fund bus fleet turnovers to low- and no-emission buses and related charging infrastructure, and has helped bus programs in cities across the country (including several in California) over the past few years. Projects are evaluated by criteria that include the applicant's demonstration of need, the project's benefits, the project implementation strategy, and capacity for implementing the project. Proposals are due on May 14, 2019.

EPA Issues Proposed Rule on Year-Round E15: On March 12, the EPA proposed regulatory changes to allow gasoline blended with up to 15 percent ethanol (E15) to be sold year-round rather than just eight months of year as is currently the case. The action, which had been promised by President Trump largely to help the ethanol industry, puts the agency on schedule to finalize and implement the rule in time for this year's heavy summer months' driving season.

U.S. Driving and Freight Volumes Setting Records: The U.S. Department of Transportation's Federal Highway Administration (FHWA) released new data in March showing that total U.S. driving in 2018 surged to a record-setting 3.225 trillion vehicle-miles traveled (VMT), which is more than 12 billion miles over the previous year. The data also show that demand for cargo and delivery services are also setting records. In 2017 and 2018, the U.S. saw more demand for freight than ever before. In December 2018, the Freight Transportation Services Index (TSI) was up 2.9 percent from December 2017 and up 9.8 percent from December 2016, according to the Bureau of Transportation Statistics. The new data published in FHWA's latest "Traffic Volume Trends" report – a monthly estimate of U.S. road travel—show that, combined, all miles driven on public roads and highways in 2018 is the highest on record. It is also the fifth year in a row to top 3 trillion miles traveled.

EPA and Customs Announce Vehicle Emission Enforcement Actions at CA Ports:

In March, the U.S. Environmental Protection Agency (EPA) and U.S. Customs and Border Protection (CBP) announced major enforcement actions at the Ports of Los Angeles and Long Beach targeting over 10,000 engines and vehicles being imported into the United States that lacked proper emissions controls. Under the joint initiative, EPA cited companies that had imported engines and vehicles without certification or proper emissions controls, including five companies being fined a total of \$363,000 and an additional 19 companies paying fines totaling an additional \$168,000 for importing almost 5,000 illegal products from China, including motorcycles, scooters, marine engines, ATVs, generators, engines and jackhammers. The EPA has been conducting regular inspections with CBP at California ports of entry since 2014. The Clean Air Act prohibits the importation or sale of any new engines or vehicles unless they are certified by EPA to meet federal emission standards.

Fiat Chrysler Agrees to Major Emissions Recall: Fiat Chrysler Automobiles (FCA) has voluntarily agreed to recall over 800,000 vehicles in the United States as a result of in-use emissions investigations conducted by the EPA and by FCA as required by EPA regulations. Due to the large number of vehicles involved and the need to supply replacement components—specifically to the vehicle's catalytic converter—the recall will be implemented in phases during 2019 beginning with the oldest vehicles first. EPA and car manufacturers conduct routine testing of vehicles that are approximately one year old and four years old to look for potential defects that could lead to excess emissions. In 2017, manufacturers conducted 85 emissions recalls covering over 5.3 million vehicles.

Recent Administration Personnel Changes of Special Interest:

EPA: Anne Idsal will be **Principal Deputy Assistant Administrator for Air and Radiation**, transferring from her post as EPA Regional Administrator for Region 6. She previously served as chief clerk and deputy land commissioner for the Texas General Land Office.

FHWA: Nicole Nason was confirmed by the Senate to be **Administrator of the Federal Highway Administration** on a vote of 95-1. She previously served as Administrator of the National Highway Traffic Safety Administration in the GWBush Administration.

CASSIDY&ASSOCIATES

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(202) 347-0773
www.cassidy.com

To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: March 27, 2019

Re: Federal Update

New Legislation:

Rep. Doris Matsui (D-Calif.), joined by three other lawmakers, introduced legislation to reauthorize the Diesel Emissions Reduction Act (DERA) through Fiscal Year 2024. Like S. 747, a Senate version introduced by Sen. Tom Carper (D-Del.) earlier this week, Matsui's H.R. 1768 would authorize up to \$100 million in annual spending for the program, which provides funding to replace or retrofit locomotives, school buses and other diesel-powered equipment with cleaner-burning models. Unlike the Senate bill, however, it would not seek to change application guidelines nor address the issue of unspent state funds.

Appropriations:

The White House's proposed fiscal year 2020 budget would reduce the Environmental Protection Agency's spending by 31%. Among reductions, the administration would decrease funding for the DERA grant program, which provides money to retrofit or replace diesel-powered vehicles with cleaner models, from \$87 million to \$10 million.

The House Appropriations Committee FY2020 EPA Budget hearing is scheduled for April 2.

Committee Activity:

House Science, Space, and Technology Committee

House Science, Space, and Technology Committee issued a letter to EPA Administrator Wheeler, requesting information related to the decision-making process that prevented NASA from measuring air quality particulate matter in the aftermath of Hurricane Harvey.

Representative Paul Tonko, who chairs the Energy and Commerce Subcommittee on Environment and Climate Change, introduced a climate action plan that urges Congress to set "certain and enforceable" targets for net zero greenhouse gas emissions by mid-century. It calls for the creation of a clean energy economy with new green jobs and strong labor standards. It also demands that the federal government invest in energy efficiency, research and development in clean energy technologies such as carbon capture, increased electrification across all sectors of the economy and a cleaner transportation sector.

House Transportation and Infrastructure Committee

On February 26, the House Committee on Transportation and Infrastructure held a full committee hearing examining how the federal infrastructure policy could help mitigate and adapt to the impacts of climate change. The hearing featured testimony from nine climate experts, including Dr. Daniel Sperling who represented the California Air Resources Board. Dr. Sperling touted the good work being done to reduce greenhouse gas (GRG) emissions in the State of California. This hearing signaled a significant shift for the Committee, which has largely ignored greenhouse gas emissions from the transportation and aviation sectors. Chairman DeFazio indicated in his written statement that the Committee will work to mitigate emissions and provide funding for resilient infrastructure this Congress. We presume that he intends to address GRG and carbon mitigation in the upcoming infrastructure bill and with the highways reauthorization in 2020.

On March 27, the Transportation and Infrastructure Committee held a legislative markup and passed a bill to require a report on the impacts of climate change on the U.S. Coast Guard. While a minor bill, it signals a commitment from the Committee to examine its role in addressing climate change, mitigation, and resilient infrastructure in all areas under its jurisdiction.

House Select Committee on the Climate Crisis

On March 28 the House Select Committee on the Climate Crisis had the first meeting to establish the organization and rules of the Select Committee. At this organization meeting, the Chair of the Select Committee, Kathy Castor (D-FL) announced the first hearing would be the week of April 2nd.

Senate Democrats' Special Committee on the Climate Crisis

On March 27, in the wake of the Green New Deal vote, Senate Democratic Leader Schumer established the Senate Democrats' Special Committee on the Climate Crisis. The purpose of the Senate Democrats' Special Committee on the Climate Crisis is to examine how climate change is affecting the country and the planet and to mobilize action and support for bold climate solutions. The Special Committee's duties are to:

- Prioritize oversight and investigation of the efforts of special interests to foster climate denial;
- Convene meetings and conduct outreach with frontline communities impacted by climate change, as well as experts from the environmental, national security, and finance and economic development communities; and,
- Hold a series of hearings through 2019 and 2020, including expert witnesses and testimonials.

The members of this Senate Democrats' Special Committee on the Climate Crisis are Schatz (HI), Baldwin (WI), Bennet (CO), Cortez Masto (NV), Duckworth (IL), Heinrich (NM), Markey (MA), Merkley (OR), Smith (MN), and Whitehouse (DE).

Senate Committee on Environment and Public Works

On March 13, the Environment and Public Works Committee examined the Diesel Emissions Reduction Act of 2019. The legislation would reauthorize DERA through Fiscal Year 2024. The hearing panel consisted of representatives from the American Association of Port Authorities, Corning Incorporated, and the Krapf School Bus Company (via the National School Transportation Association) in support of reauthorizing the law. The committee also noted its support for reauthorization of the law from the DERA Coalition and the Diesel

Technology Forum. The hearing was characterized by a range of positive statements from Chairman Barrasso, Ranking Member Carper, and Senators Whitehouse. The positive hearing sets the stage for the Environment and Public Works Committee

On March 6, the Environment and Public Works Committee heard from state air officials (Craig Segal with CARB, Becky Keogh with the Arkansas Department of Air Quality, and Dave Glatt with the North Dakota Department of Health). Among other items, Segal focused his remarks on the “contempt” which the Trump Administration has treated California’s ability to exercise its right under the Clean Air Act related to enact stricter air pollution standards for motor vehicles.

Senate Committee on Energy and Natural Resources

On March 5, the Senate Committee on Energy and Natural Resources held a hearing on the intersection of the electricity sector and climate change. Chairman Murkowski focused her remarks on the impact climate change is having on communities in Alaska. Senator Manchin, the new ranking member of the Committee, noted his interest in working to support rural communities and seek to use this Committee as a means of identifying and legislating pathways to ensure those communities have a role in the cleaner energy future.

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 2019

DATE: Friday, March 29, 2019

February 22, 2019 marked the deadline for the Legislature to introduce bills for this legislative year. The Legislature introduced over 2100 bills between the Assembly and Senate, with a majority of them being introduced as spot bills. All bills must be in print for 30-days before they can be heard in a Legislative Committee. Both houses have begun hearing bills in their policy Committee's, which will require spot bills to be substantially amended in order to be heard.

Over the next few weeks, many bills will be amended prior to and coming out of Committee's. We will continue to monitor all bills and amendments of interest to the District and keep you apprised as they progress.

CAP AND TRADE

The California Air Resources Board (CARB) recently released a new report details how cap-and-trade investments are reducing climate-changing emissions while pumping money into local economies and improving public health and the environment across the state, especially in disadvantaged and low-income communities.

Roughly \$1.4 billion in funding in 2018 went to projects across all of California's 58 counties, almost double the \$720 million spent in 2017. Projects ranged from creating more fire-resilient communities and ecosystems to installing water-efficient irrigation systems on farms to building more affordable housing and new public transit lines.

The state's cap-and-trade program was renewed in 2017 to ensure California continues to meet its ambitious climate change goals and that billions of dollars in auction proceeds keep flowing to communities across the state through California Climate Investments. To date, \$9.3 billion in cap-and-trade proceeds has been appropriated to 20 state agencies that have distributed \$3.4 billion to projects that are either completed or under way across the state.

Projects funded to date are achieving the overall goal of California Climate Investments by reducing greenhouse gas emissions by more than 36.5 million metric tons, roughly equivalent to taking eight million cars off the road for a year. Nearly \$2 billion of the \$3.3 billion (57%) in implemented investments is benefiting the state's Disadvantaged Communities, exceeding the 35% investment minimum required under SB 535.

LEGISLATION

AB 142 (C. GARCIA)

AB 142 extends the Manufacturer Battery Fee indefinitely and increases the fee from \$1 to \$2 on April 1, 2022. Specifically, the bill allows an out-of-state lead-acid battery manufacturer, not subject to the Manufacturer Battery Fee, to pay the fee on behalf of an importer and claim the associated credits to offset potential hazardous waste liability.

The bill exempts new motor vehicle dealers that sell or lease a used vehicle containing a lead-acid battery from the California Battery Fee and requires the California Department of Tax and Fee Administration (CDTFA) to report to the Legislature by January 1, 2021, relating to out-of-state manufacturers who opted to pay the Manufacturer Battery fee.

AB 142 specifies the repayment of the \$176.6 million General Fund loan or any other loan provided to the Department of Toxic Substance Control (DTSC) to cleanup the Exide remediation site will not be paid back until the cleanup of Exide and all other areas of the state contaminated by lead-acid batteries is completed.

Our office attended the March 12, 2019, Assembly Environmental Safety and Toxic Materials Committee where we testified in support of the bill on behalf of the District. The bill passed out of Committee on a 5-2 vote. The bill is currently in the Assembly Appropriations Committee on the suspense file.

SB 210 (LEYVA) Heavy-Duty Vehicle Inspection and Maintenance Program.

This bill directs CARB to work in coordination with multiple state agencies in order to develop and implement a Heavy-Duty Inspection and Maintenance Program for non-gasoline, heavy-duty, on-road trucks.

The purpose of of this bill is to reduce pollution from the big diesel trucks that travel on the roads and highways across California by applying similar responsibilities to truck operators to maintain their emission controls, just like the state already requires for everyone else. As new trucks with modern technology hit the roads, it creates a unique opportunity to ensure long lasting air quality improvements.

SB 210 was heard in the Senate Environmental Quality Committee on March 20, 2019. Our office attended the hearing and testified in support on behalf of the district. The bill passed out of Committee on a 5-2 vote. SB 210n was double referred and will be heard next in the Senate Transportation Committee.

2019 LEGISLATIVE CALENDAR

- Feb. 22 Last day for bills to be introduced
- Apr. 11 Spring Recess begins upon adjournment
- Apr. 22 Legislature reconvenes from Spring Recess
- Apr. 26 Last day for policy committees to meet and report to fiscal committees fiscal bills introduced in their house
- May 3 Last day for policy committees to meet and report to the floor non-fiscal bills introduced in their house
- May 10 Last day for policy committees to meet prior to June 3
- May 17 Last day for fiscal committees to meet and report to the floor bills introduced in their house. Last day for fiscal committees to meet prior to June 3
- May 28-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees
- May 31 Last day for each house to pass bills introduced in that house
- June 3 Committee meetings may resume
- June 15 Budget Bill must be passed by midnight
- July 10 Last day for policy committees to hear and report fiscal bills to fiscal committees
- July 12 Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment
- Aug. 12 Legislature reconvenes from Summer Recess
- Aug. 30 Last day for fiscal committees to meet and report bills
- Sept. 3-13 Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees
- Sept. 6 Last day to amend bills on the floor
- Sept. 13 Last day for any bill to be passed. Interim Recess begins upon adjournment



March 28, 2019

TO: South Coast Air Quality Management District
FROM: Quintana, Watts & Hartmann
RE: February 2019 Report

GENERAL UPDATE:

- April 11th – Spring Legislative Recess Begins
- April 26th – Last Day for Policy Committees to Pass Fiscal Bills
- May 3rd – Last Day for Policy Committees to Pass Non-Fiscal Bills

LEGISLATIVE UPDATE:

- **Senate Bill 1 (Atkins)** passed through the Senate Environmental Quality Committee with a 5-2 vote. It is now headed to the Senate Natural Resources and Water Committee on April 9th. Quintana, Watts & Hartmann is communicating with the author and staff to ensure that SCAQMD's questions and concerns are addressed.
- **Assembly Bill 210 (Voepel)** was set to be heard in Assembly Transportation Committee on March 25th, but was then pulled from the agenda and postponed at the author's request. Quintana, Watts & Hartmann has submitted SCAQMD's opposition and is communicating with the author, committee members and staff on that position.



CALIFORNIA ADVISORS, LLC

SCAQMD Report
California Advisors, LLC
April 12, 2019 Legislative Committee Hearing

General Update

On Tuesday, March 26th, special primary elections were held in Senate District 1, where two Assembly Republicans are vying for the seat Ted Gaines vacated to join the Board of Equalization, and in Senate District 33, which was left open after Ricardo Lara was elected Insurance Commissioner. The elections are not likely to change the partisan makeup of the Senate.

In Senate District 1, GOP Assemblymembers Brian Dahle and Kevin Kiley are projected to advance to the general election. According to the Secretary of State's website, Dahle received 28.9 percent of the vote and Kiley received 28.3 percent. The sole Democrat in the race garnered 25.8 percent. In Senate District 33, Democrat Lena Gonzalez and Republican Jack Guerrero were first and second respectively atop a field of 12 candidates. For this contest, the Secretary of State's website shows Gonzalez with 30.6 percent and Guerrero with 14.9 percent. As Democratic voters outnumber Republicans by a ratio of more than 4 to 1 in this district, Gonzalez is considered the frontrunner. The general elections are scheduled for June 4th.

In the Legislature, the Assembly and Senate budget committees have started working on the budget proposal that must be adopted by June 15th. We will continue to work with the appropriate committee staff to ensure that the district's priorities are reflected in the final budget.

New appointments

Serena McIlwain (D-Sacramento): Was appointed as the Undersecretary of the California Environmental Protection Agency. McIlwain has been director of the Office of Continuous Improvement at the U.S Environmental Protection Agency since 2017.

Val Dolcini (D-Washington, D.C.): Was appointed as the Deputy Secretary for Agriculture at the California Environmental Protection Agency. Dolcini has been president and chief executive officer at Pollinator Partnership since 2017.

2019 Legislative Update

Voting District Authorization for Clean Air Legislation

California Advisors continues to work on SCAQMD's priority legislation in 2019 related to a voting district authorization. SB 732 (Allen) was recently amended and is currently pending referral to the appropriate policy committees. We will continue to build support for this legislation and work to advance this priority.

AB 40 (Ting) would require by January 1, 2021 the Air Resources Board to develop a comprehensive strategy to ensure that the sale of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles by 2040.

AB 126 (Cooper) would require the state board, for the purposes of the Clean Vehicle Rebate Project and until January 1, 2022, to offer rebates only to applicants who purchase an eligible vehicle and have a specified maximum gross annual income, to increase rebate payments by \$500 for low-income applicants, and to only offer rebates for plug-in hybrids that have an electric range of at least 20 miles.

AB 142 (Garcia, C) would increase the amount of the manufacturer battery fee from \$1 to \$2 and would provide that the fee would continue indefinitely.

AB 210 (Voepel) would exempt from the smog check program all motor vehicles manufactured prior to the 1983.

AB 254 (Quirk-Silva) would authorize the Joint Legislative Committee on Climate Change Policies to recommend that the Air Resources Board provide education and support to local government regarding their local government climate action plans, such as ensuring the use of E85 in flexible fuel vehicles, expanding infrastructure for zero-emission vehicles, and enabling active transportation. The bill would also require the Air Resources Board to develop a simple, factual summary on the distribution of E85 and flexible fuel vehicle registration by April 1, 2020 and would require them to post that summary on their website. The bill also requires the state board to develop policy recommendations to maximize the use of E85 in flexible fuel vehicles.

AB 285 (Friedman) would require the Department of Transportation to address in the California Transportation Plan how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emission of 40% below 1990 levels by the end of 2030 and attain the air quality goals required by the federal Clean Air Act.

AB 293 (Garcia, E) would require the Compliance Offsets Protocol Task Force to consider the development and adoption of additional offset protocols, including, but not limited to,

protocols for the enhanced management or conservation of agricultural and natural lands, and for the enhancement and restoration of wetlands.

AB 296 (Cooley) would establish the Climate Innovation Grant Program which would award grants in the form of matching funds for the development and research of new innovations and technologies to address issues related to emissions of greenhouse gases and impacts caused by climate change.

AB 315 (Garcia, C) would require the State Air Resources Board, as appropriate, to require a stationary source to verify or certify the accuracy of its annual emissions reports by a 3rd-party verifier or certifier that is accredited by the state board.

AB 352 (Garcia, E) would require state agencies administering competitive grant programs that allocate moneys from the Greenhouse Gas Reduction Fund to give specified communities preferential points during application scoring for programs intended to improve air quality, to allow applicants from Counties of Imperial and San Diego to include daytime population numbers in their grant applications.

AB 409 (Limon) would establish a competitive grant program to include planning tools for adapting to climate change in the agricultural sector for three pilot programs in the state.

AB 423 (Gloria) would require the San Diego County Air Pollution Control District to expand their membership to include members from various city councils and the public.

AB 464 (Garcia, C) would indefinitely define district to mean an air pollution control or air quality management district under The California Global Warming Solutions Act of 2006.

AB 470 (Limon) would establish the California Green Business Program within the California Environmental Protection Agency. The bill would require sector specific environmental standards for programs operated by local governments. The bill would also certify small and medium sized businesses and public agencies for voluntarily adopting environmentally preferable business practices.

AB 639 (Cervantes) would authorize the Infrastructure and Economic Development Bank to develop criteria and guidelines for harbor agencies to purchase and install equipment that would reduce carbon emissions at seaports.

AB 661 (McCarty) would require air districts to prepare a wildfire smoke air pollution emergency plan as an informational source for local agencies and the public during a wildfire smoke air pollution emergency, as specified. The bill would authorize air districts to conduct

public education, marketing, demonstration, monitoring, research, and evaluation programs or projects with respect to wildfire smoke impact control measures.

AB 735 (Melendez) would require the Air Resources Board to require a manufacturer of a vehicle eligible under the Clean Vehicle Rebate Projects to certify in writing that the vehicle's supply chain is free of materials acquired using child labor.

AB 745 (Petrie-Norris) would exempt from sales and use taxes the gross receipts for the storage, use, or other consumption of retail hydrogen vehicle fuel.

AB 753 (Garcia, E) would require the state board to allocate at least 30% of the moneys available for allocation as part of the Alternative and Renewable Fuel and Vehicle Technology Program for projects to produce alternative and renewable low-carbon fuels in the state and to projects to develop stand-alone alternative and renewable fuel infrastructure, fueling stations, and equipment.

AB 836 (Wicks) would establish the Bay Area Clean Air Incentive Program to be administered by the Bay Area Air Quality Management District to provide funding through a grant program to retrofit ventilation systems to create a network of clean air centers.

AB 839 (Mullin) would require the Secretary of the Natural Resources Agency, no later than July 1, 2021, to develop, adopt, and implement a comprehensive, coordinated, and proactive strategy for the state to adapt to the unavoidable impacts of climate change, with the intent to ensure the state is prepared for climate change impacts modeled for 2050 and beyond, as specified.

AB 935 (Rivas) would define the term "sensitive production facility" for those purposes to mean a production facility that is located within certain areas, including, among others, an area containing a building intended for human occupancy that is located within 2,500 feet of the production facility. The bill would require the division, on or before January 1, 2021, to review and evaluate, and update as appropriate, its existing regulations regarding sensitive production facilities, as specified.

AB 938 (Rivas) would exclude from the terms "gross receipts" and "sales price" the value of a qualified trade-in motor vehicle that is traded in for a qualified motor vehicle, as defined, if the value of the qualified trade-in motor vehicle is separately stated on the invoice or bill of sale or similar document provided to the purchaser.

AB 939 (Frazier) would require the California Environmental Protection Agency and any department, board, commission, or office within the EPA to provide to the public, not later than

72 hours prior to involvement of the public through workshops or any other proceedings, all material and presentations relevant to a complex or large proposal.

AB 1038 (Muratsuchi) would authorize an air district to impose a charge equal to the costs the air district expends in contracting with a third party to review the scientific or engineering information provided to the air district at the air district's request by a facility regulated pursuant to specified provisions in order to verify the information provided is accurate

AB 1115 (Quirk-Silva) would require the state board to amend the Low-Carbon Fuel Standard regulations to consider the attainment of standards under the federal Clean Air Act, consider specified climate goals, complement existing oxides of nitrogen reductions programs to ensure value-added support to meet 2023 and 2031 federal nonattainment deadlines, and apply performance-based metrics.

AB 1195 (O'Donnell) would require the state board to recognize as generating an innovative crude production method credit under the Low-Carbon Fuel Standard regulations the use of renewable natural gas to displace the existing use of natural gas by oil and natural gas companies that are otherwise eligible to opt in to the innovative crude provisions of the regulations.

AB 1237 (Aguiar-Curry) would require an agency that receives an appropriation from the Greenhouse Gas Reduction Fund to post on its internet website the agency's guidelines, as specified, for how moneys from the fund are allocated.

AB 1406 (O'Donnell) would require the State Energy Resources Conservation and Development Commission, for the moneys available for allocation as part of the program, to allocate no less than 20% for alternative fuel production and no less than 25% for alternative fuel and advanced technology vehicles.

AB 1445 (Gloria) would declare that that it is the policy of the State to restore an optimal safe climate and to provide maximum protection to all people and species. It would declare that it is the intent of the Legislature to undertake immediate and large-scale efforts to reduce greenhouse gas emissions and immediately phaseout fossil fuels.

AB 1500 (Carrillo) would authorize a unified program agency to suspend, revoke, or withhold issuance of a unified program facility permit if conditions exist at the unified program facility that the unified program agency considers an imminent or substantial threat to public health, safety, or the environment. The bill would require the permittee to immediately discontinue operating that facility or function of the facility to which the permit or permit element applies until the threat is abated and the permit or permit element is issued, reinstated or reissued.

AB 1589 (Salas) would authorize as an eligible project under the Carl Moyer Memorial Air Quality Standards Attainment Program equipment powered by a diesel engine certified to the cleanest available emission level to replace the baseline equipment for a heavy-duty off-road equipment replacement project that involves farm equipment and the baseline equipment is powered by an uncontrolled gasoline engine.

AB 1594 (Bauer-Kahan) would require the state board to ensure at least 2 electric vehicle charging stations for heavy-duty vehicles are installed at each of the Ports of Long Beach, Los Angeles, and Oakland.

AB 1744 (Salas) would require the state board to develop and implement an emissions reduction credit program, as specified, for any regulation to reduce emissions of diesel particulate matter, oxides of nitrogen, and other criteria air pollutants from in-use, heavy-duty diesel-fueled vehicles.

SB 1 (Atkins) would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species

SB 43 (Allen) would require the Air Resources Board to submit a report to the Legislature on the results of a study, to propose, and to determine the feasibility and practicality of a system to replace the tax imposed pursuant to the Sales and Use Tax Law with an assessment on retail products sold or used in the state based on the carbon intensity of the product. The bill would require the state board to revise their 2017 scoping plan to reflect the carbon emission reduction benefits that may be realized through this assessment based on carbon intensities of products.

SB 210 (Leyva) would authorize the state board to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for nongasoline heavy-duty onroad motor vehicles.

SB 216 (Galgiani) would add as an eligible project under the Carl Moyer Memorial Air Quality Standards Attainment Program a used heavy-duty truck exchange.

SB 535 (Moorlach) would require the state board to include greenhouse gas emissions from wildfires and forest fires, as specified, in the scoping plan.

SB 629 (McGuire) would require hearing board under The State Air Resources Board to send a notice of the hearing not less than 72 hours before the hearing to any person who requests the notice.

AB 836 (Wicks)
Bay Area Clean Air Incentive Program

Summary: This bill would establish the Bay Area Clean Air Incentive Program, to be administered by the Bay Area Air Quality Management District (BAAQMD), to provide funding through a grant program to retrofit ventilation systems to create a network of clean air centers within the boundaries of the Bay Area District in order to mitigate the adverse public health impacts due to wildfires and other smoke events.

Background: Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law establishes the BAAQMD which is vested with the authority to regulate air emissions located in the boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara and portions of the Counties of Solano and Sonoma.

Status: 3/25/2019 - In Assembly Natural Resources Comm.: Hearing postponed by committee.

Specific Provisions: Specifically, this bill would:

Establish the Bay Area Clean Air Incentive Program to be administered by the BAAQMD to provide funding through a grant program to retrofit ventilation systems to create a network of clean air centers within the boundaries of the BAAQMD in order to mitigate the adverse public health impacts due to wildfires and other smoke events. Moneys for the program shall be available upon appropriation by the Legislature. Qualified applicants shall include, but need not be limited to:

- (1) Schools;
- (2) Community centers;
- (3) Senior centers;
- (4) Sports centers; and,
- (5) Libraries.

The BAAQMD shall develop guidelines for the program in consultation with the cities, counties, public health agencies, school districts, and other stakeholders located within the boundaries of the BAAQMD. The guidelines shall address:

- (1) Location of the applicant;
- (2) Size of the applicant's facility; and,
- (3) Facility ventilation characteristics that could provide healthier indoor air quality in the event of a localized smoke impact.

Impacts on SCAQMD’s Mission, Operations or Initiatives: This bill is in line with SCAQMD’s goals to protect public health during wildfires. However, the bill does not directly affect SCAQMD’s jurisdiction.

Recommended Position: SUPPORT

AMENDED IN ASSEMBLY APRIL 11, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 836

Introduced by Assembly Member Wicks
(Principal coauthor: Assembly Member Kalra)
(Coauthor: Assembly Member Chiu)

February 20, 2019

An act to add Article 6 (commencing with Section 40280) to Chapter 4 of Part 3 of Division 26 Chapter 9.5 (commencing with Section 39960) to Part 2 of Division 26 of the Health and Safety Code, relating to the Bay Area Air Quality Management District, *nonvehicular air pollution*.

LEGISLATIVE COUNSEL'S DIGEST

AB 836, as amended, Wicks. *Bay Area Wildfire Smoke Clean Air Centers for Vulnerable Populations* Incentive Program.

~~(1) Existing~~

Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law establishes the Bay Area Air Quality Management District, which is vested with the authority to regulate air emissions located in the boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara and portions of the Counties of Solano and Sonoma.

This bill would establish the *Bay Area Wildfire Smoke Clean Air Centers for Vulnerable Populations* Incentive Program, to be administered by the ~~district~~, *state board*, to provide funding through a

grant program to retrofit ventilation systems to create a network of clean air centers ~~within the boundaries of the district~~ in order to mitigate the adverse public health impacts due to wildfires and other smoke events, as specified. The bill would specify that moneys for the program would be available upon appropriation. ~~By adding to the duties of the Bay Area Air Quality Management District, the bill would impose a state-mandated local program.~~

(2) ~~This bill would make legislative findings and declarations as to the necessity of a special statute for the Bay Area Air Quality Management District.~~

(3) ~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Article 6 (commencing with Section 40280) is~~
2 ~~added to Chapter 4 of Part 3 of Division 26 of the Health and Safety~~
3 ~~Code, to read:~~

4
5 ~~Article 6. Bay Area Clean Air Incentive Program~~

6
7 ~~40280.—~~

8 ~~SECTION 1. Chapter 9.5 (commencing with Section 39960)~~
9 ~~is added to Part 2 of Division 26 of the Health and Safety Code,~~
10 ~~to read:~~

11
12 ~~CHAPTER 9.5 WILDFIRE SMOKE CLEAN AIR CENTERS FOR~~
13 ~~VULNERABLE POPULATIONS INCENTIVE PROGRAM~~

14
15 ~~39960. (a) (1) The Bay Area Wildfire Smoke Clean Air~~
16 ~~Centers for Vulnerable Populations Incentive Program is hereby~~
17 ~~established to be administered by the bay district state board to~~
18 ~~provide funding through a grant program to retrofit ventilation~~

1 systems to create a network of clean air centers ~~within the~~
2 ~~boundaries of the bay district~~ in order to mitigate the adverse public
3 health impacts due to wildfires and other smoke events.

4 (2) Moneys for the program shall be available upon
5 appropriation by the Legislature.

6 (b) Qualified applicants shall include, but need not be limited
7 to, all of the following:

8 (1) Schools.

9 (2) Community centers.

10 (3) Senior centers.

11 (4) Sports centers.

12 (5) Libraries.

13 (c) ~~The bay district~~ *state board* shall develop guidelines for the
14 program in consultation with ~~the districts, cities, counties, public~~
15 ~~health agencies, school districts, and other stakeholders located~~
16 ~~within the boundaries of the bay district.~~ *stakeholders.* The
17 guidelines shall address all of the following:

18 (1) Location of the applicant.

19 (2) Size of the applicant's facility.

20 (3) Facility ventilation characteristics that could provide
21 healthier indoor air quality in the event of a localized smoke
22 impact.

23 (d) *The state board shall prioritize applications to the program*
24 *where the project is located in an area with a high cumulative*
25 *smoke exposure burden.*

26 ~~SEC. 2. The Legislature finds and declares that a special statute~~
27 ~~is necessary and that a general statute cannot be made applicable~~
28 ~~within the meaning of Section 16 of Article IV of the California~~
29 ~~Constitution because of the unique circumstances that the Bay~~
30 ~~Area was significantly affected by smoke impacts during the~~
31 ~~wildfires of the last several years.~~

32 ~~SEC. 3. If the Commission on State Mandates determines that~~
33 ~~this act contains costs mandated by the state, reimbursement to~~
34 ~~local agencies and school districts for those costs shall be made~~
35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
36 ~~4 of Title 2 of the Government Code.~~

AB 1500 (Carrillo) **Hazardous substances**

Summary: This bill would expand the authority of a Certified Unified Program Agency (CUPA) and local health officer as it pertains to hazardous materials. This bill would allow for the immediate suspension of activities that these local entities determine are an imminent or substantial threat to public health, safety or the environment.

Background: Existing law requires the Secretary for Environmental Protection to implement a unified hazardous waste and hazardous materials management regulatory program, known as the unified program. Existing law requires every county to apply to the secretary to be certified to implement the unified program, and authorizes a city or local agency that meets specified requirements to apply to the secretary to be certified to implement the unified program, as a Certified Unified Program Agency, or CUPA. Existing law authorizes a state or local agency that has a written agreement with a CUPA to implement or enforce one or more of the unified program elements as a participating agency.

Status: 3/28/2019 - Read second time and amended.

Specific Provisions: Specifically, this bill would:

- 1) Authorize a CUPA to suspend, revoke, or withhold issuance of a unified program facility permit if conditions exist at the facility that the CUPA considers an imminent or substantial threat to public health, safety, or the environment;
- 2) Require the owner or operator of a unified program facility to be liable for a civil or administrative penalty of not less than \$500 or more than \$5,000 per day for failure to obtain or keep a permit as required by the provisions governing the unified program; and
- 3) Require the director or local health officer, if taking an action against a facility causing an imminent or substantial endangerment to public health, to consult with the state or local regulatory agency that has primary jurisdiction to regulate the entity that caused the release, spill, escape, or entry, in order to ensure that efforts are coordinated.

Impacts on SCAQMD's Mission, Operations or Initiatives: The bill is sponsored by the County of Los Angeles and the California Association of Health Administrators. Under, AB 1132 (C. Garcia), SCAQMD has the authority to take immediate action on air quality issues when an imminent and substantial danger to the public has been identified. Staff recommends clarifying amendments to ensure that AB 1500 does not conflict with existing SCAQMD authority.

Recommended Position: SUPPORT WITH AMENDMENTS

SCAQMD Proposed Amendment:

SCAQMD suggests the following amendments:

(o) This section does not do any of the following:

- Add new Section 25404.1.1 subdivision (o) paragraph (3): “Restrict or limit in any way the authority of an air district as defined in section 39025 of this code.”

Re-number existing paragraphs (3) and (4) as (4) and (5).

AMENDED IN ASSEMBLY MARCH 28, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1500

Introduced by Assembly Member Carrillo

February 22, 2019

An act to amend Sections 25404.1.1 and 25510 of, and to add Section 101080.1 to, the Health and Safety Code, relating to hazardous substances.

LEGISLATIVE COUNSEL’S DIGEST

AB 1500, as amended, Carrillo. Hazardous substances.

(1) Existing law requires the Secretary for Environmental Protection to implement a unified hazardous waste and hazardous materials management regulatory program, known as the unified program. Existing law requires every county to apply to the secretary to be certified to implement the unified program, and authorizes a city or local agency that meets specified requirements to apply to the secretary to be certified to implement the unified program, as a certified unified program agency, or CUPA. Existing law authorizes a state or local agency that has a written agreement with a CUPA, and is approved by the secretary, to implement or enforce one or more of the unified program elements as a participating agency. Existing law defines “unified program agency,” or UPA, to mean the CUPA or its participating agencies, as provided.

Existing law authorizes the UPA, if the UPA determines that a person has committed, or is committing, a violation of any law, regulation, permit, information request, order, variance, or other requirement that the UPA is authorized to enforce or implement, to issue an administrative enforcement order requiring that the violation be

corrected and imposing an administrative penalty. Existing law authorizes a ~~unified program agency~~ UPA to suspend or revoke any unified program facility permit, or an element of a unified program facility permit, for not paying the permit fee or a fine or penalty associated with the permit in accordance with specified procedures. Existing law authorizes a ~~unified program agency~~, UPA, if a permittee does not comply with a written notice from the ~~unified program agency~~ UPA to the permittee to make those payments by a specified date, to suspend or revoke the permit or permit element. Existing law requires the permittee, if the permit or permit element is suspended or revoked, to immediately discontinue operating that facility or function of the facility to which the permit element applies until the permit is reinstated, or reissued.

This bill would repeal the provision authorizing a UPA to suspend or revoke a unified program facility permit, or an element of a unified program facility permit, for not paying the permit fee or a fine or penalty associated with the permit. The bill would authorize the UPA, if a permittee does not comply with a written notice from the UPA to make those payments by the specified date, in addition to suspending or revoking the permit or permit element, to withhold issuance of the permit or permit element.

The bill would authorize a ~~unified program agency~~ UPA to suspend, revoke, or withhold issuance of a unified program facility permit if conditions exist at the unified program facility that the ~~unified program agency~~ UPA considers an imminent or substantial threat to public health, safety, or the environment. The bill would require the permittee to immediately discontinue operating that facility or function of the facility to which the permit or permit element applies until the threat is abated and the permit or permit element is issued, ~~reinstated~~ *reinstated*, or reissued.

The bill would require the owner or operator of a unified program facility to be liable for a civil or administrative penalty of not less than \$500 or more than \$5,000 per day for failure to obtain or keep a permit as required pursuant to the provisions governing the unified program.

The bill would provide that the provisions authorizing a UPA to issue an administrative enforcement order or to withhold issuance, or to suspend or revoke, a permit do not prevent the UPA from issuing an administrative enforcement order for the release of a hazardous substance, as defined, for any violation of specified provisions relating

to, among other things, business and area plans and risk management plans.

(2) Existing law requires a business that handles a hazardous material, or an employee, authorized representative, agent, or designee of that business, to, upon discovery, immediately report any release or threatened release of a hazardous material, or an actual release of a hazardous substance, as defined, to the UPA and the Office of Emergency Services, as provided.

This bill would require that reporting of the release or threatened release to the UPA and the Office of Emergency Services only if the release or threatened release results in an emergency response.

(3) Under existing law, whenever a release, spill, escape, or entry of waste occurs, as specified, and the Director of Health Care Services or the local health officer makes specified determinations as to that waste, the director is authorized to declare a health emergency and the local health officer is authorized to declare a local health emergency in the jurisdiction or any area thereof affected by the threat to the public health.

This bill would authorize the director or local health officer, if a release, spill, escape, or entry of hazardous waste or of a hazardous substance occurs, which the director or local health officer reasonably determines poses an imminent or substantial endangerment to public health due to specified factors, to take ~~specified actions~~ *actions, in consultation with certain state or local regulatory agencies*, to protect the health and safety of the public, including, among others, issuing an order to the responsible party to immediately suspend or discontinue the activity causing or contributing to the release, spill, escape, or entry of the hazardous waste or hazardous substance. The bill would require a responsible party to be liable for the costs incurred by the local health officer pursuant to these provisions.

(4) Because the bill would make changes to provisions enforced by unified program agencies, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 25404.1.1 of the Health and Safety Code is amended to read:

25404.1.1. (a) If the unified program agency determines that a person has committed, or is committing, a violation of any law, regulation, permit, information request, order, variance, or other requirement that the UPA is authorized to enforce or implement pursuant to this chapter, the UPA may issue an administrative enforcement order requiring that the violation be corrected and imposing an administrative penalty, in accordance with the following:

(1) Except as provided in paragraph (5), if the order is for a violation of Chapter 6.5 (commencing with Section 25100), the violator shall be subject to the applicable administrative penalties provided by that chapter.

(2) If the order is for a violation of Chapter 6.7 (commencing with Section 25280), the violator shall be subject to the applicable civil penalties provided in subdivisions (a), (b), (c), and (e) of Section 25299.

(3) If the order is for a violation of Article 1 (commencing with Section 25500) of Chapter 6.95, the violator shall be subject to a penalty that is consistent with the administrative penalties imposed pursuant to Section 25515.2.

(4) If the order is for a violation of Article 2 (commencing with Section 25531) of Chapter 6.95, the violator shall be subject to a penalty that is consistent with the administrative penalties imposed pursuant to Section 25540 or 25540.5.

(5) If the order is for a violation of Section 25270.4.5, the violator shall be liable for a penalty of not more than five thousand dollars (\$5,000) for each day on which the violation continues. If the violator commits a second or subsequent violation, a penalty of not more than ten thousand dollars (\$10,000) for each day on which the violation continues may be imposed.

(b) In establishing a penalty amount and ordering that the violation be corrected pursuant to this section, the UPA shall take into consideration the nature, circumstances, extent, and gravity of the violation, the violator's past and present efforts to prevent, abate, or clean up conditions posing a threat to the public health or safety or the environment, the violator's ability to pay the

1 penalty, and the deterrent effect that the imposition of the penalty
2 would have on both the violator and the regulated community.

3 (c) Any order issued pursuant to this section shall be served by
4 personal service or certified mail and shall inform the person served
5 of the right to a hearing. If the UPA issues an order pursuant to
6 this section, the order shall state whether the hearing procedure
7 specified in paragraph (2) of subdivision (e) may be requested by
8 the person receiving the order.

9 (d) Any person served with an order pursuant to this section
10 who has been unable to resolve any violation with the UPA, may
11 within 15 days after service of the order, request a hearing pursuant
12 to subdivision (e) by filing with the UPA a notice of defense. The
13 notice shall be filed with the office that issued the order. A notice
14 of defense shall be deemed filed within the 15-day period provided
15 by this subdivision if it is postmarked within that 15-day period.
16 If no notice of defense is filed within the time limits provided by
17 this subdivision, the order shall become final.

18 (e) Except as provided in subparagraph (B) of paragraph (2), a
19 person requesting a hearing on an order issued by the UPA under
20 this section may select the hearing officer specified in either
21 paragraph (1) or (2) in the notice of defense filed with the UPA
22 pursuant to subdivision (d). If a notice of defense is filed but no
23 hearing officer is selected, the UPA may select the hearing officer.
24 Within 90 days of receipt of the notice of defense by the UPA, the
25 hearing shall be scheduled using one of the following:

26 (1) An administrative law judge of the Office of Administrative
27 Hearings of the Department of General Services, who shall conduct
28 the hearing in accordance with Chapter 4.5 (commencing with
29 Section 11400) of Part 1 of Division 3 of Title 2 of the Government
30 Code, and the UPA shall have all the authority granted to an agency
31 by those provisions.

32 (2) (A) A hearing officer designated by the UPA, who shall
33 conduct the hearing in accordance with Chapter 4.5 (commencing
34 with Section 11400) of Part 1 of Division 3 of Title 2 of the
35 Government Code, and the UPA shall have all the authority granted
36 to an agency by those provisions. When a hearing is conducted by
37 a UPA hearing officer pursuant to this paragraph, the UPA shall
38 issue a decision within 60 days after the hearing is conducted. Each
39 hearing officer designated by a UPA shall meet the requirements

1 of Section 11425.30 of the Government Code and any other
2 applicable restriction.

3 (B) A UPA, or a person requesting a hearing on an order issued
4 by a UPA, may select the hearing process specified in this
5 paragraph in a notice of defense filed pursuant to subdivision (d)
6 only if the UPA has, as of the date the order is issued pursuant to
7 subdivision (c), selected a designated hearing officer and
8 established a program for conducting a hearing in accordance with
9 this paragraph.

10 (f) The hearing decision issued pursuant to paragraph (2) of
11 subdivision (e) shall be effective and final upon issuance by the
12 UPA. A copy of the decision shall be served by personal service
13 or by certified mail upon the party served with the order, or their
14 representative, if any.

15 (g) Any provision of an order issued under this section, except
16 the imposition of an administrative penalty, shall take effect upon
17 issuance by the UPA if the UPA finds that the violation or
18 violations of law associated with that provision may pose an
19 imminent and substantial endangerment to the public health or
20 safety or the environment. A request for a hearing shall not stay
21 the effect of that provision of the order pending a hearing decision.
22 However, if the UPA determines that any or all provisions of the
23 order are so related that the public health or safety or the
24 environment can be protected only by immediate compliance with
25 the order as a whole, the order as a whole, except the imposition
26 of an administrative penalty, shall take effect upon issuance by
27 the UPA. A request for a hearing shall not stay the effect of the
28 order as a whole pending a hearing decision.

29 (h) A decision issued pursuant to paragraph (2) of subdivision
30 (e) may be reviewed by a court pursuant to Section 11523 of the
31 Government Code. In all proceedings pursuant to this section, the
32 court shall uphold the decision of the UPA if the decision is based
33 upon substantial evidence in the record as a whole. The filing of
34 a petition for writ of mandate shall not stay any action required
35 pursuant to this chapter or the accrual of any penalties assessed
36 pursuant to this chapter. This subdivision does not prohibit the
37 court from granting any appropriate relief within its jurisdiction.

38 (i) All administrative penalties collected from actions brought
39 by a UPA pursuant to this section shall be paid to the UPA that
40 imposed the penalty, and shall be deposited into a special account

1 that shall be expended to fund the activities of the UPA in enforcing
2 this chapter.

3 (j) The UPA shall consult with the district attorney, county
4 counsel, or city attorney on the development of policies to be
5 followed in exercising the authority delegated pursuant to this
6 section as it relates to the authority of the UPA to issue orders.

7 (k) (1) A permittee shall pay a permit fee and any fine or penalty
8 associated with the permit in accordance with the procedures
9 specified in this subdivision.

10 (2) If a permittee does not comply with a written notice from
11 the ~~unified program agency~~ UPA to the permittee to make the
12 payments specified in paragraph (1) by the required date provided
13 in the notice, the ~~unified program agency~~ UPA may withhold
14 issuance, or may suspend or revoke, the permit or permit element.

15 (l) (1) If the permittee does not have a valid unified program
16 facility permit or if the permit or permit element is suspended or
17 revoked, the permittee shall immediately discontinue operating,
18 as applicable, that facility or function of the facility to which the
19 permit or permit element applies until the permit is issued,
20 reinstated, or reissued.

21 (2) A permittee may request a hearing to appeal the withholding
22 of the issuance of, or the suspension or revocation of, a permit or
23 element of a permit pursuant to this subdivision by requesting a
24 hearing using the procedures provided in subdivision (d).

25 (m) The owner or operator of a unified program facility shall
26 be liable for a civil or administrative penalty of not less than five
27 hundred dollars (\$500) or more than five thousand dollars (\$5,000)
28 per day for failure to obtain or keep a permit as required pursuant
29 to this chapter.

30 (n) A ~~unified program agency~~ UPA may suspend, revoke, or
31 withhold issuance of any unified program facility permit, if
32 conditions exist at the unified program facility that the ~~unified~~
33 ~~program agency~~ UPA considers an imminent or substantial threat
34 to public health, safety, or the environment. The permittee shall
35 immediately discontinue operating that facility or function of the
36 facility to which the permit or permit element applies until the
37 threat is abated and the permit or permit element is issued,
38 reinstated, or reissued.

39 (o) This section does not do any of the following:

1 (1) Otherwise affect the authority of a UPA to take any other
2 action authorized by any other provision of law, except the UPA
3 shall not require a person to pay a penalty pursuant to this section
4 and pursuant to a local ordinance for the same violation.

5 (2) Restrict the power of a city attorney, district attorney, county
6 counsel, or the Attorney General to bring, in the name of the people
7 of California, any criminal proceeding otherwise authorized by
8 law.

9 (3) Prevent the UPA from cooperating with, or participating in,
10 a proceeding specified in paragraph (2).

11 (4) Prevent the UPA from issuing an administrative enforcement
12 order for the release of a hazardous substance, as defined in
13 subdivision (b) of Section 374.8 of the Penal Code, for any
14 violation of Chapter 6.95 (commencing with Section 25500).

15 SEC. 2. Section 25510 of the Health and Safety Code is
16 amended to read:

17 25510. (a) Except as provided in subdivision (b), if a release
18 or threatened release of a hazardous material, or an actual release
19 of a hazardous substance, as defined in Section 374.8 of the Penal
20 Code, results in an emergency response, the handler, or an
21 employee, authorized representative, agent, or designee of the
22 handler, shall immediately report the release or threatened release
23 upon its discovery to the UPA, and to the office, in accordance
24 with the regulations adopted pursuant to this section. The handler
25 or an employee, authorized representative, agent, or designee of
26 the handler shall provide all state, city, or county fire or public
27 health or safety personnel and emergency response personnel with
28 access to the handler's facilities.

29 (b) Subdivision (a) does not apply to a person engaged in the
30 transportation of a hazardous material on a highway that is subject
31 to, and in compliance with, the requirements of Sections 2453 and
32 23112.5 of the Vehicle Code.

33 (c) On or before January 1, 2016, the office shall adopt
34 regulations to implement this section. In developing these
35 regulations, the office shall closely consult with representatives
36 from regulated entities, appropriate trade associations, fire service
37 organizations, federal, state, and local organizations, including
38 unified program agencies, and other interested parties.

39 (d) The UPA shall maintain one or more nonemergency contact
40 numbers for release reports that do not require immediate agency

1 response. The UPA shall promptly communicate changes to this
2 information to regulated facilities and to the office.

3 SEC. 3. Section 101080.1 is added to the Health and Safety
4 Code, to read:

5 101080.1. (a) (1) If a release, spill, escape, or entry of
6 hazardous waste or a hazardous substance, as defined in Section
7 25316, occurs and the director or local health officer reasonably
8 determines that the release, spill, escape, or entry poses an
9 imminent or substantial endangerment to public health, due to
10 factors including, but not limited to, carcinogenicity, acute toxicity,
11 chronic toxicity, bioaccumulative properties, or persistence in the
12 air or environment, the director or local health officer may take
13 the following actions to protect the health and safety of the public:

14 ~~(1)~~

15 (A) Issue an order to the responsible party to immediately
16 suspend or discontinue the activity causing or contributing to the
17 release, spill, escape, or entry of the hazardous waste or hazardous
18 substance. The order may be issued in coordination with the
19 appropriate regulatory agency, including the unified program
20 agency, as defined in Section 25404, if applicable, and shall remain
21 in effect until the director or local health officer determines that
22 the imminent or substantial endangerment to public health has
23 been abated.

24 ~~(2)~~

25 (B) Take any other action necessary to protect the public health,
26 including, but not limited to, environmental investigations and
27 temporary relief to, or relocation of, affected individuals.

28 (2) *The director or local health officer, if taking an action*
29 *pursuant to paragraph (1), shall consult with the state or local*
30 *regulatory agency that has primary jurisdiction to regulate the*
31 *entity that caused the release, spill, escape, or entry, in order to*
32 *ensure that efforts are coordinated.*

33 (b) A responsible party shall be liable for the costs incurred by
34 the local health officer pursuant to this section.

35 (c) Providing resident assistance and reimbursement for local
36 health officer expenses shall not relieve a responsible party from
37 liability for damages, and any responsible party shall not condition
38 assistance on, or request, a waiver of liability from a recipient of
39 assistance.

1 SEC. 4. No reimbursement is required by this act pursuant to
2 Section 6 of Article XIII B of the California Constitution because
3 a local agency or school district has the authority to levy service
4 charges, fees, or assessments sufficient to pay for the program or
5 level of service mandated by this act, within the meaning of Section
6 17556 of the Government Code.

O

SB 44 (Skinner)
Medium-duty and heavy-duty vehicles: comprehensive strategy

Summary: This bill would:

- 1) Require the CARB, no later than January 1, 2021, to develop a comprehensive strategy for the deployment of medium-duty and heavy-duty vehicles in the state that results in bringing the state into compliance with federal ambient air quality standards, and a reduction of motor vehicle greenhouse gas (GHG) emissions by 40% by 2030, and by 80% by 2050.
- 2) Provide that 10% of the annual proceeds of the Greenhouse Gas Reduction Fund (GGRF) be appropriated in each annual Budget Act through the 2024–25 fiscal year to CARB for the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (Program) to support the commercialization and deployment of medium-duty and heavy-duty vehicles that reduce GHG emissions.

Background: The author states that decades after California passed the Clean Air Act, diesel trucks continue to pollute California’s communities. Diesel-fueled trucks are responsible for 33 percent of statewide oxides of nitrogen (NOx) emissions annually, 20 percent of statewide GHG emissions, and emit more particulate matter than all of the state’s power plants combined.

Since 1998, CARB has recognized particulate matter as a toxic air contaminant based on the relationship between diesel exhaust and lung cancer. California has 7 of the 10 geographic areas with the worst particulate matter pollution. Particulate matter from diesel-fueled vehicles can exacerbate asthma and other respiratory problems. Children are at particular risk, because they breathe faster than adults and therefore suffer from increased exposure to toxic air pollutants. Kids exposed to high levels of diesel exhaust are five times more likely than other children to have underdeveloped lungs.

The Program, upon appropriation from the GGRF, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects.

Status: 3/26/2019 - Set for hearing in Sen. E.Q. April 10.

Specific Provisions: Specifically, this bill would:

- 1) Require CARB, no later than January 1, 2021, to develop a comprehensive strategy for the deployment of medium-duty and heavy-duty vehicles in the state that results in bringing the state into compliance with federal ambient air quality standards, a reduction of motor vehicle GHG emissions by 40% by 2030, and reduction of motor vehicle GHG emissions by 80% by 2050.
- 2) Authorize CARB to establish a process to identify medium-duty and heavy-duty vehicle segments that can more quickly reduce motor vehicle emissions.

- 3) If CARB identifies such segments, the bill would require CARB to implement additional emissions reduction strategies and motor vehicle deployment goals consistent with the comprehensive strategy.
- 4) Provide that 10% of the annual proceeds of the GGRF will be appropriated in each annual Budget Act through the 2024–25 fiscal year to CARB for the Program to support the commercialization and deployment of medium-duty and heavy-duty vehicles that reduce GHG emissions.

Impacts on SCAQMD’s Mission, Operations or Initiatives: This bill would potentially establish a sustainable source of funding through the 2024-25 state fiscal year, from the GGRF, that appears to be a percentage of the overall monies in that fund, rather than just a part of the 40% discretionary portion of the fund that is debated each year.

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 medium and heavy-duty vehicles (both of which are funded through the Program) within the South Coast region, which would support the 2016 AQMP and facilitate attainment of federal air quality standards. The bill also supports SCAQMD’s policy priority to significantly reduce GHG emissions within the South Coast region and the state.

SCAQMD Suggestions:

- 1) Page 4, line 14: Specifically reference “local air districts”;
- 2) Page 4, line 32: Seek a 20% allocation of GGRF funds rather than 10%; and
- 3) Page 5, line 1-2: Direct GGRF funds to support the commercialization and deployment of medium-duty and heavy-duty vehicles that reduce criteria pollutant and toxic emissions, in addition to GHG emissions.

Recommended Position: SUPPORT

AMENDED IN SENATE APRIL 11, 2019
AMENDED IN SENATE MARCH 21, 2019
AMENDED IN SENATE MARCH 7, 2019

SENATE BILL

No. 44

Introduced by Senator Skinner

December 3, 2018

An act to add Section 43024.2 to the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 44, as amended, Skinner. ~~Medium-duty~~ *Medium-* and heavy-duty vehicles: comprehensive strategy.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related ~~projects~~. *projects, including, but not limited to, medium- and heavy-duty truck technology.*

This bill would require the state board, no later than January 1, 2021, to develop a comprehensive strategy for the deployment of ~~medium-duty~~ *medium-* and heavy-duty vehicles in the state that results in bringing the state into compliance with federal ambient air quality standards, a reduction of motor vehicle greenhouse gas emissions by 40% by 2030, and a reduction of motor vehicle greenhouse gas emissions by 80% by 2050, as specified. The bill would authorize the state board to establish a process to identify ~~medium-duty~~ *medium-* and heavy-duty vehicle segments that can more quickly reduce motor vehicle emissions, consistent with the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program ~~and with a beachhead market analysis~~. The bill, if the state board does that identification, would require the state board to implement additional emissions reduction strategies and motor vehicle deployment goals consistent with the comprehensive strategy.

~~This bill would state that 10% of the annual proceeds of the Greenhouse Gas Reduction Fund will be appropriated in each annual Budget Act through the 2024-25 fiscal year to the state board for the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program to support the commercialization and deployment of medium-duty and heavy-duty vehicles that reduce greenhouse gas emissions.~~

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) Diesel-fueled trucks are responsible for 33 percent of
- 4 statewide oxides of nitrogen emissions annually. These same trucks
- 5 emit more particulate matter than all of the state's powerplants.
- 6 (b) People who live near freeways and busy roadways are at
- 7 high risk for exposure to these health-threatening air pollutants
- 8 emitted by these medium- and heavy-duty vehicles.
- 9 (c) In 1998, the State Air Resources Board identified diesel
- 10 particulate matter as a toxic air contaminant based on published
- 11 evidence of a relationship between diesel exhaust exposure and
- 12 lung cancer.

1 (d) Diesel particulate matter also contributes to noncancer health
2 effects, like premature death, hospitalizations, and emergency
3 department visits for exacerbated chronic heart and lung disease,
4 including asthma, increased respiratory symptoms, and decreased
5 lung function in children.

6 (e) Children are particularly vulnerable to the negative effect
7 of diesel because they have higher respiration rates than adults and
8 this can increase their exposure to air pollutants relative to their
9 body weight.

10 (f) Children exposed to high levels of diesel exhaust are five
11 times more likely than other children to have underdeveloped
12 lungs.

13 (g) Increased respiratory symptoms, such as cough wheeze,
14 runny nose, and doctor-diagnosed asthma, have been linked to
15 traffic exposure.

16 (h) Studies have shown that children who live in high-density
17 traffic areas have higher rates of doctor visits for asthma and
18 increased use of asthma medication than children who live near
19 low-density traffic areas.

20 (i) Reducing emissions of these pollutants can have an
21 immediate beneficial impact on air quality and on public health.

22 (j) The largest source of the state's greenhouse gas emissions
23 comes from the transportation sector, accounting for nearly 50
24 percent of statewide emissions.

25 (k) While diesel-fueled trucks and buses make up just 3 percent
26 of the vehicles on the state's roads, they produce 23 percent of
27 greenhouse gas emissions from the transportation sector.

28 (l) The state can effectively reduce health-threatening criteria
29 air pollution and climate-threatening greenhouse gas emissions by
30 outlining a clear path to convert ~~medium-duty~~ *medium-* and
31 heavy-duty vehicle segments, as well as off-road equipment, to
32 cleaner technologies and fuels.

33 (m) Providing consistent, multiyear funding is imperative to
34 reduced emissions of criteria air pollutants and greenhouse gases
35 associated with ~~medium-duty~~ *medium-* and heavy-duty vehicles
36 where this technology is commercially available but still costs a
37 premium and to help support commercialization paths for new
38 technologies that are not currently market ready.

39 SEC. 2. Section 43024.2 is added to the Health and Safety
40 Code, to read:

1 43024.2. (a) No later than January 1, 2021, the state board
2 shall develop a comprehensive strategy for the deployment of
3 ~~medium-duty~~ *medium-* and heavy-duty vehicles in the state to meet
4 the following:

5 (1) Bringing the state into compliance with federal ambient air
6 quality standards.

7 (2) A reduction of motor vehicle greenhouse gas emissions by
8 40 percent by 2030.

9 (3) A reduction of motor vehicle greenhouse gas emissions by
10 80 percent by 2050.

11 (b) In developing the comprehensive strategy, the state board
12 shall do all of the following:

13 (1) Seek to maximize the reduction of criteria air pollutants.

14 (2) Identify regulation that could improve market acceptance,
15 spur technology advancements, and reduce technology costs.

16 (3) Identify research needs to address any data gaps.

17 (4) Identify areas where the state should coordinate with other
18 state agencies, districts, utilities providers, and technology
19 providers to implement measures identified as part of the
20 comprehensive strategy.

21 (5) Identify benefits to low-income communities and
22 communities disproportionately impacted by diesel pollution.

23 (6) Identify policies that provide advantages to fleets that reduce
24 greenhouse gas emissions early.

25 (c) (1) The state board, through a public process, may establish
26 a process to identify ~~medium-duty~~ *medium-* and heavy-duty vehicle
27 segments that can more quickly reduce motor vehicle emissions,
28 consistent with the state board's three-year heavy-duty vehicle
29 investment strategy required pursuant to the California Clean
30 Truck, Bus, and Off-Road Vehicle and Equipment Technology
31 Program, established pursuant to Section 39719.2, ~~and~~ with a
32 beachhead market analysis.

33 (2) Following the process described in paragraph (1), the state
34 board shall implement additional emissions reduction strategies
35 and motor vehicle deployment goals consistent with subdivision
36 (a).

37 ~~SEC. 3.—Ten percent of the annual proceeds of the Greenhouse~~
38 ~~Gas Reduction Fund, created pursuant to Section 16428.8 of the~~
39 ~~Government Code, shall be appropriated in the annual Budget Act~~
40 ~~beginning in the 2019–20 fiscal year through the 2024–25 fiscal~~

1 year, inclusive, to the State Air Resources Board for programs
2 established pursuant to the California Clean Truck, Bus, and
3 Off-Road Vehicle and Equipment Technology Program, established
4 pursuant to Section 39719.2 of the Health and Safety Code, to
5 support the commercialization and deployment of medium-duty
6 and heavy-duty vehicles that reduce greenhouse gas emissions.

7 *SEC. 3. Upon appropriation by the Legislature, moneys,*
8 *including, but not limited to, moneys from the Greenhouse Gas*
9 *Reduction Fund created pursuant to Section 16428.8 of the*
10 *Government Code, shall be available to the state board for*
11 *programs established pursuant to the California Clean Truck, Bus,*
12 *and Off-Road Vehicle and Equipment Technology Program*
13 *established pursuant to Section 39719.2 of the Health and Safety*
14 *Code to support the commercialization and deployment of medium-*
15 *and heavy-duty vehicles that reduce emissions of greenhouse gases.*

O

SB 633 (Stern)

Santa Susana Field Laboratory: monitoring program

Summary: This bill would require the Office of Environmental Health Hazard Assessment (OEHHA), on or before July 1, 2020, in coordination with specified entities, to develop and implement a monitoring program to collect data on contaminants from the Santa Susana Field Laboratory that could migrate to and pollute surrounding areas.

Background: Existing law authorizes the Department of Toxic Substances Control (DTSC) to compel a responsible party or parties to take or pay for appropriate removal or remediation action, as prescribed, necessary to protect public health and safety and the environment at the Santa Susana Field Laboratory site in the County of Ventura. Existing law prohibits the sale, lease, sublease, or other transfer of any land presently or formerly occupied by the Santa Susana Field Laboratory unless the DTSC certifies that the land has undergone complete remediation pursuant to specified protective standards.

Status: 3/15/2019 - Set for Sen. E.Q. Comm. Hearing April 24.

Specific Provisions: Specifically, this bill would require that on or before July 1, 2020, OEHHA, in coordination with the State Water Resources Control Board, relevant regional water boards, the South Coast Air Quality Management District, and DTSC, shall develop and implement a monitoring program to collect data on contaminants from the Santa Susana Field Laboratory that could migrate to and pollute surrounding areas.

Impacts on SCAQMD's Mission, Operations or Initiatives: One concern is that although the Santa Susana Field Laboratory is likely located primarily in Ventura County, it is near the border and may be downwind of Los Angeles County. Staff believes that this is more likely to be a groundwater contamination issue, however, there is a small possibility of air impacts with respect to the West San Fernando/Santa Clarita Valley area.

It may be appropriate for the Ventura Air Pollution Control District to be involved as well, however, given the potential impact on the South Coast region, a technical consultation role by SCAQMD would also be appropriate.

This bill is in line with SCAQMD's mission to protect public health and air quality in communities.

Recommended Position: SUPPORT

Introduced by Senator Stern

(Principal coauthors: Assembly Members Gabriel and Smith)

February 22, 2019

An act to amend the heading of Article 5.5 (commencing with Section 25359.20) of Chapter 6.8 of Division 20 of, and to add Section 25359.21 to, the Health and Safety Code, relating to hazardous materials.

LEGISLATIVE COUNSEL'S DIGEST

SB 633, as introduced, Stern. Santa Susana Field Laboratory: monitoring program.

Existing law authorizes the Department of Toxic Substances Control to compel a responsible party or parties to take or pay for appropriate removal or remediation action, as prescribed, necessary to protect public health and safety and the environment at the Santa Susana Field Laboratory site in the County Ventura. Existing law prohibits the sale, lease, sublease, or other transfer of any land presently or formerly occupied by the Santa Susana Field Laboratory unless the Director of Toxic Substances Control certifies that the land has undergone complete remediation pursuant to specified protective standards.

This bill would require the Office of Environmental Health Hazard Assessment, on or before July 1, 2020, in coordination with specified entities, to develop and implement a monitoring program to collect data on contaminants from the Santa Susana Field Laboratory that could migrate to and pollute surrounding areas.

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 heading of Article 5.5 (commencing with
2 Section 25359.20) of Chapter 6.8 of Division 20 of the Health and
3 Safety Code is amended to read:

4
5 Article 5.5. ~~Cleanup of~~ Santa Susana Field Laboratory

6
7 SEC. 2. Section 25359.21 is added to the Health and Safety
8 Code, to read:

9 25359.21. On or before July 1 2020, the Office of
10 Environmental Health Hazard Assessment, in coordination with
11 the State Water Resources Control Board, relevant regional water
12 boards, the South Coast Air Quality Management District, and the
13 department, shall develop and implement a monitoring program
14 to collect data on contaminants from the Santa Susana Field
15 Laboratory that could migrate to and pollute surrounding areas.

S 747 (Carper)

To Reauthorize the Diesel Emissions Reduction Program, and for Other Purposes

Summary: This bill would reauthorize the Diesel Emissions Reduction Act (DERA) program through 2024 at the current level of \$100 million per year.

Background: The DERA program was first authorized in 2005 under the bi-partisan leadership of Senators George Voinovich (R-OH) and Tom Carper (D-DE). The DERA program provides grants and rebates through a national program and a state allocation. DERA funds are specifically utilized to improve air quality and protect public health through the reduction of diesel emissions. The U.S. EPA estimates that for every dollar of federal funding invested in DERA, an additional \$3 is matched by local, private or non-profit organizations to finance the voluntary replacement of or installation of retrofits for existing heavy-duty diesel vehicles and engines. Additionally, the U.S. EPA cites that every dollar spent on diesel emissions reduction returns \$13 in health benefits.

Status: Introduced on 03/12/19.

Specific Provisions: This bill would reauthorize the DERA program through Fiscal Year (FY) 2024 at a level of \$100 million per year. The bill also recognizes differences in “typical vehicles, engines, equipment and fleet use throughout the United States” under the National Grant, Rebate and Loan programs that prioritizes projects. The bill further redirects funds that states are unable to expend back to the National program rather than reallocate the unused monies back to the State program.

Impacts on SCAQMD’s Mission, Operations or Initiatives: SCAQMD receives DERA funding on an annual basis for replacement of older more polluting diesel heavy-duty trucks and recently switch locomotives. The total amount received from the DERA program from FY 2016 through FY 2018 is approximately \$4 million. The application process for the current year has been extended to close on March 26, 2019.

Recommended Position: SUPPORT

116TH CONGRESS
1ST SESSION

S. 747

To reauthorize the diesel emissions reduction program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 2019

Mr. CARPER (for himself, Mr. INHOFE, Mr. BARRASSO, Mr. WHITEHOUSE, Mr. SULLIVAN, Mr. BOOKER, Mrs. CAPITO, Mrs. GILLIBRAND, Mr. CRAMER, and Mr. VAN HOLLEN) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To reauthorize the diesel emissions reduction program, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Diesel Emissions Re-
5 duction Act of 2019”.

1 **SEC. 2. REAUTHORIZATION OF DIESEL EMISSIONS REDUC-**
2 **TION PROGRAM.**

3 Section 797(a) of the Energy Policy Act of 2005 (42
4 U.S.C. 16137(a)) is amended by striking “2016” and in-
5 serting “2024”.

6 **SEC. 3. RECOGNIZING DIFFERENCES IN DIESEL VEHICLE,**
7 **ENGINE, EQUIPMENT, AND FLEET USE.**

8 (a) NATIONAL GRANT, REBATE, AND LOAN PRO-
9 GRAMS.—Section 792(c)(4)(D) of the Energy Policy Act
10 of 2005 (42 U.S.C. 16132(c)(4)(D)) is amended by insert-
11 ing “, recognizing differences in typical vehicle, engine,
12 equipment, and fleet use throughout the United States”
13 before the semicolon.

14 (b) STATE GRANT, REBATE, AND LOAN PRO-
15 GRAMS.—Section 793(b)(1) of the Energy Policy Act of
16 2005 (42 U.S.C. 16133(b)(1)) is amended—

17 (1) in subparagraph (B), by striking “; and”
18 and inserting a semicolon; and

19 (2) by adding at the end the following:

20 “(D) the recognition, for purposes of im-
21 plementing this section, of differences in typical
22 vehicle, engine, equipment, and fleet use
23 throughout the United States, including ex-
24 pected useful life; and”.

1 **SEC. 4. REALLOCATION OF UNUSED STATE FUNDS.**

2 Section 793(c)(2)(C) of the Energy Policy Act of
3 2005 (42 U.S.C. 16133(c)(2)(C)) is amended beginning
4 in the matter preceding clause (i) by striking “to each re-
5 maining” and all that follows through “this paragraph”
6 in clause (ii) and inserting “to carry out section 792”.

○

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 23

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, April 19, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:cr

Committee Members

Present: Council Member Ben Benoit/Chair (videoconference)
Supervisor Janice Hahn (videoconference)
Mayor Judith Mitchell (arrived at 10:34 a.m.)
Supervisor V. Manuel Perez (videoconference)

Absent: Supervisor Janice Rutherford

Call to Order

Chair Benoit called the meeting to order at 10:30 a.m.

INFORMATIONAL ITEMS:

1. Update on Implementation of Rule 1180- Refinery Fenceline and Community Air Monitoring

Dr. Jason Low, Assistant Deputy Executive Officer/Science & Technology Advancement, provided an update on Rule 1180 implementation, including an overview of the fenceline air monitoring plan requirements, plan review and approval process, approved fenceline air monitoring coverage, upcoming activities, future milestones and partial refinery approval letters.

Mayor Mitchell asked if there were any pollutants that would not be included in monitoring. Dr. Low replied that all required Rule 1180 pollutants will be monitored, and that additional pollutants may be also measured in the areas around refineries under other South Coast AQMD monitoring efforts such as AB 617.

Mayor Mitchell also asked if staff is satisfied with the quality of the fenceline air monitoring equipment to be installed by the refineries. Dr. Low replied that staff worked with each refinery to assure that instruments selected satisfied strict detection capability criteria. He also added that important quality assurance details will be addressed during the approval of the QA/QC portion of the plans.

Supervisor Hahn stated that she had received questions from her constituents about the refinery fenceline air monitoring plans, approval process, and capabilities of air monitoring equipment to detect hydrogen fluoride (HF) at Torrance and Valero refineries. She expressed concern about apparent gaps in fenceline air monitoring coverage of Valero refinery. Dr. Low explained that staff conducted multiple visits to the Valero refinery and confirmed the refinery's assessment that installation of open-path monitors was not possible along those portions of the refinery fenceline. Dr. Low also pointed out that these gaps were located away from predominant wind direction. Supervisor Hahn also expressed concern that HF would not be monitored along Crenshaw Blvd., which is a public road cutting through the Torrance refinery and runs near the HF unit. Dr. Low and Executive Officer Wayne Nastri explained that Rule 1180 focuses on fenceline monitoring, but the refinery maintains a number of sensors directly at the HF alkylation unit, upwind, downwind of the alkylation unit, and at Crenshaw Blvd., that are designed to notify of HF release. Council Member Benoit suggested generating a map outlining all current and future HF monitors at the Torrance and Valero refineries. Dr. Low also clarified that HF monitoring equipment approved by staff is capable of detecting both very low and high concentrations of HF. All partial approval letters have been posted on the South Coast AQMD website along with public comments and staff responses. Supervisor Hahn also requested that ample notice be given for the upcoming Rule 1180 public meetings, and for meetings to be held in areas that are easy for the public to access. She offered her office's assistance with organizing the meetings.

Oscar Espino-Padron, Earthjustice, thanked staff for working with the refineries on improving the air monitoring plans, but asked for greater community involvement. Mr. Padron echoed Supervisor Hahn's request for increased community involvement, asked for a 30-day notice for upcoming community meetings, convenient locations to hold the meetings, and to involve the community in organizing the meetings.

2. Compliance Update on Rule 1403 – Asbestos Emissions from Demolition/Renovation Activities

Terrence Mann, Assistant Deputy Executive Officer/Compliance & Enforcement, presented an update on the recently issued Advisory Notice for Rule 1403 - Asbestos Emissions from Demolition/Renovation Activities.

Mayor Mitchell asked whether general contractors performing work on residences are aware of the current requirements of Rule 1403. Mr. Mann responded that general contractors should be aware of the requirements and, in the course of their training, would have been informed of the existence of special regulatory requirements for asbestos.

Peter Whittingham, Buried Utilities Coalition (BUC), expressed concern about proposed amendments to Rule 1403. Mr. Whittingham thanked staff for taking the time to meet with BUC and advised that the coalition would be seeking a buried utilities provision. He requested that provisions of concern to buried utility pipelines be added to the proposed rule, including training requirements for asbestos handling. Mr. Whittingham stated that water districts had never been involved in asbestos accidents resulting in public exposure. He also noted staff's recent identification of asbestos contained in asphalt and commented that the BUC had not received any data in support of that finding. Mr. Whittingham advised that the BUC agreed with the "Call & Go" provision currently being considered for the amended rule, but indicated that survey requirements would interfere with water utilities' ability to address imminent threats and provide essential services to the public.

WRITTEN REPORTS:

3. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the Transition of RECLAIM Facilities to a Command and Control Regulatory Program

The report was acknowledged by the Committee.

4. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

5. Twelve-month and Three month Rolling Price RTCs for Compliance Years 2018 and 2019

The report was acknowledged by the Committee.

OTHER MATTERS:

6. Other Business

There was no other business.

7. Public Comment Period

There were no public comments.

8. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, May 17, 2019.

Adjournment

The meeting was adjourned at 11:16 a.m.

Attachments

1. Attendance Record
2. Monthly Update of Staff's Work with U.S. EPA on New Source Review Issues for the Transition of RECLAIM Facilities to a Command and Control Regulatory Program
3. Draft Notice of Violation Penalty Summary
4. Twelve-month and Three-month Rolling RTCs for Compliance Years 2018 and 2019

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT STATIONARY SOURCE COMMITTEE

Attendance – April 19, 2019

Council Member Ben Benoit (videoconference)..... South Coast AQMD Governing Board
Supervisor Janice Hahn (videoconference) South Coast AQMD Governing Board
Mayor Judith Mitchell South Coast AQMD Governing Board
Supervisor V. Manuel Perez (videoconference)..... South Coast AQMD Governing Board

Marisa Perez Board Consultant (Mitchell)
Andy Silva Board Consultant (Rutherford)

Curtis Coleman Southern California Air Quality Alliance
Rita Loof RadTech
Bill Pearce Boeing
David Rothbart Los Angeles County Sanitation Districts
Susan Stark Marathon Petroleum
Peter Whittingham Whittingham Public Affairs Advisors
Tammy Yamasaki Southern California Edison

Barbara Baird South Coast AQMD staff
Amir Dejbakhsh South Coast AQMD staff
Marian Coleman South Coast AQMD staff
Philip Fine South Coast AQMD staff
Bayron Gilchrist South Coast AQMD staff
Jason Low South Coast AQMD staff
Terrence Mann South Coast AQMD staff
Matt Miyasato South Coast AQMD staff
Susan Nakamura South Coast AQMD staff
Wayne Nastri South Coast AQMD staff
Sarah Rees South Coast AQMD staff
Laki Tisopulos South Coast AQMD staff
Jill Whynot South Coast AQMD staff

April 2019 Update on Work with U.S. EPA on New Source Review Issues for the RECLAIM Transition

Staff has been working with U.S. EPA to resolve New Source Review (NSR) issues as RECLAIM facilities exit to a command and control regulatory structure. At the October 5, 2018 Governing Board Meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command and control regulatory structure. The table below summarizes key activities over the past month.

Item	Discussion
Teleconference with U.S. EPA – March 7, 2019	<ul style="list-style-type: none"> Discussed agenda items for the March 14, 2019 in person meeting at U.S. EPA Region IX
In person meeting with U.S. EPA – March 14, 2019	<ul style="list-style-type: none"> Staff presented the following three key NSR issues with the RECLAIM transition <ul style="list-style-type: none"> Offsetting obligations Permitting Offset availability Discussed NSR and Federal Clean Air Act requirements for an equivalency demonstration Discussed calculation methodologies for NSR events. U.S. EPA expressed concerned with retaining only some provisions of Regulation XX, since RECLAIM was approved as a whole program U.S. EPA recommends that facilities remain in RECLAIM until NSR, Regulation XX, and command and control rules are amended/adopted and SIP approved <ul style="list-style-type: none"> Will require amendment to Rule 2001 in order to remove RECLAIM opt-out provisions
Teleconference with U.S. EPA – April 9, 2019	<ul style="list-style-type: none"> Follow-up discussion from the March 14, 2019 meeting at U.S. EPA Region IX U.S. EPA provided additional guidance on exiting facilities
RECLAIM Working Group Meeting – April 11, 2019	<ul style="list-style-type: none"> Provided an overview of the meeting with U.S. EPA Discussed approach for demonstrating equivalency for the 12 tpd RECLAIM shave and RECLAIM NSR Discussed concept for amendments to Rule 2001 to remove the opt-out provision

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

**March 2019 Settlement Penalty Report
DRAFT**

Total Penalties

Civil Settlements:	\$132,250.00
Self-Reported Settlements:	\$6,000.00
MSPAP Settlements:	\$21,890.00
Hearing Board Settlements:	\$24,000.00

Total Cash Settlements:	\$184,140.00
Total SEP Value:	\$0.00

Fiscal Year through 3 / 2019 Cash Total:	\$5,578,181.50
Fiscal Year through 3 / 2019 SEP Value Only Total:	\$265,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
115394	AES ALAMITOS, LLC	2012(c)(3)(A)	3/13/2019	SH	P62083	\$1,000.00
118406	CARSON COGENERATION COMPANY	2004 2012	3/27/2019	VKT	P65804	\$2,500.00
800030	CHEVRON PRODUCTS CO.	1176	3/8/2019	TRB	P64039	\$2,500.00
136128	DALLAS CLEANERS, JESUS CRISTAL	203(a) 1421	3/5/2019	SMP	P64464	\$5,000.00
181072	FLYERS #4422	461 H&S 41960	3/13/2019	KCM	P68404	\$1,800.00
184354	GEMTECH COATINGS	203(b)	3/26/2019	DH	P64091	\$500.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
129816	INLAND EMPIRE ENERGY CENTER, LLC	2004 2012 Appen A	3/13/2019	VKT	P64409	\$4,000.00
147371	INLAND EMPIRE UTILITIES AGENCY	3002 3004	3/1/2019	KCM	P65034	\$9,850.00
16338	KAISER ALUMINUM FABRICATED PRODUCTS, LLC	2004 2012 2012 Appen A 3002(c)(1)	3/26/2019	SH	P60280 P61611 P61735 P62067 P64381 P64384 P64410	\$60,500.00
58563	MERCURY PLASTICS INC	3002 3003	3/26/2019	BST	P65383	\$24,000.00
20203	RECONSERVE OF CALIFORNIA LOS ANGELES INC	2004 2012	3/8/2019	TRB	P57875 P57879 P57880 P66207	\$9,000.00
52517	REXAM BEVERAGE CAN COMPANY	2004(f)(1) 2012 Appen A 3002(c)(1)	3/13/2019	SH	P61731 P67360	\$5,000.00
105277	SULLY MILLER CONTRACTING CO	2004 2012	3/19/2019	ML	P60576 P66851	\$6,600.00

Total Civil Settlements: \$132,250.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Self-Reported Settlements						
89127	TRI-STAR ELECTRONICS INTERNATIONAL INC <i>Self-Reported Violation# SRV2018-5</i>	203	3/1/2019	DH		\$6,000.00

Total Self-Reported Settlements: \$6,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
122876	ALL AMERICAN ASPHALT	403(d)(1)	3/27/2019	GC	P65214	\$3,060.00
179811	ASEPTIC TECHNOLOGY LLC	201 203 1415	3/8/2019	GC	P65763	\$1,600.00
186472	CLEANSTREET	403	3/8/2019	GC	P66302	\$800.00
116146	COSTCO WHOLESALE	203	3/8/2019	GC	P68407	\$1,530.00
171881	EMBASSY SUITES SANTA ANA	222 1415	3/27/2019	GC	P63866	\$1,300.00
154407	GREEN VALLEY MARKET	461	3/27/2019	GC	P64923	\$1,100.00
183372	H & M INC DBA ARCO OF FULLERTON	461	3/27/2019	GC	P65746	\$400.00
186575	IMPERIAL VALLEY CLEANERS	203	3/27/2019	GC	P65768	\$400.00
178873	LOS ANGELES COMMUNITY HOSPITAL AT BELLFL	203(a)	3/8/2019	TF	P65219	\$800.00
187773	PIONEER COACH INC.	13 CCR 2485	3/27/2019	TF	P66812	\$1,200.00
187197	RC HOBBS	403	3/27/2019	TF	P67654	\$800.00
19390	SULLY-MILLER CONTRACTING CO.	2004	3/8/2019	TF	P66161	\$500.00
187774	TAYLOR TOURS LLC.	13 CCR 2485	3/27/2019	TF	P66809	\$1,200.00
62986	TTM TECHNOLOGIES INC	203(b)	3/8/2019	TF	P64092	\$7,200.00
Total MSPAP Settlements: \$21,890.00						

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Hearing Board Settlements						
118389	ARCO AM/PM, NYGREN/CARR PROPERTIES,INC	203 461 H&S 41960.2	3/19/2019	NAS	6130-1	\$4,000.00
104234	MISSION FOODS CORPORATION	202 203(b) 1153.1 1303	3/7/2019	KCM	5400-4	\$15,000.00
117807	SERFAS SERVICE STN/ARCO #81851	461 H&S 41960.2	3/14/2019	NAS	6129-1	\$5,000.00

Total Hearing Board Settlements: \$24,000.00

**DISTRICT'S RULES AND REGULATIONS INDEX
FOR MARCH 2019 PENALTY REPORT**

REGULATION II - PERMITS

Rule 201	Permit to Construct
Rule 202	Temporary Permit to Operate
Rule 203	Permit to Operate
Rule 218	Continuous Emission Monitoring
Rule 222	Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II

REGULATION IV - PROHIBITIONS

Rule 403	Fugitive Dust - Pertains to solid particulate matter emitted from man-made activities
Rule 461	Gasoline Transfer and Dispensing

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1153.1	Emissions of Oxides of Nitrogen from Commercial Food Ovens
Rule 1176	Sumps and Wastewater Separators

REGULATION XIII - NEW SOURCE REVIEW

Rule 1303	Requirements
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REGULATION XIV - TOXICS

Rule 1415	Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems
Rule 1421	Control of Perchloroethylene Emissions from Dry Cleaning Operations

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004	RECLAIM Program Requirements
Rule 2012	Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO _x) Emissions
Appendix A	
Rule 2012	Protocol for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO _x) Emissions

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements for Title V Permits
Rule 3003 Applications
Rule 3004 Permit Types and Content

CALIFORNIA HEALTH AND SAFETY CODE

41960 Certification of Gasoline Vapor Recovery System
41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

13 CCR 2485 Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor
Vehicle Idling



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 2018 and 2019 NOx and SOx RTCs

April 2019 Quarterly Report to Stationary Source Committee

Table I

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
May-18	May-17 to Apr-18	56.6	\$527,075	8	\$9,320
Jun-18	Jun-17 to May-18	53.1	\$502,575	7	\$9,473
Jul-18	Jul-17 to Jun-18	72.6	\$625,883	14	\$8,618
Aug-18	Aug-17 to Jul-18	80.0	\$660,279	19	\$8,251
Sep-18	Sep-17 to Aug-18	86.8	\$698,621	28	\$8,050
Oct-18	Oct-17 to Sep-18	104.3	\$759,871	29	\$7,287
Nov-18	Nov-17 to Oct-18	196.3	\$1,069,361	47	\$5,447
Dec-18	Dec-17 to Nov-18	167.5	\$706,811	49	\$4,219
Jan-19	Jan-18 to Dec-18	270.4	\$1,023,944	57	\$3,786
Feb-19	Feb-18 to Jan-19	521.6	\$1,460,268	87	\$2,800
Mar-19	Mar-18 to Feb-19	625.6	\$1,534,266	97	\$2,452
Apr-19	Apr-18 to Mar-19	636.4	\$1,581,537	98	\$2,485

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 2019 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2019 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-19	Jan-18 to Dec-18	18.2	\$103,000	5	\$5,646
Feb-19	Feb-18 to Jan-19	19.0	\$108,200	6	\$5,682
Mar-19	Mar-18 to Feb-19	19.0	\$108,200	6	\$5,682
Apr-19	Apr-18 to Mar-19	29.6	\$181,921	8	\$6,153

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 2018 NO_x RTCs
 (Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2018 NO _x 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
May-18	Feb-18 to Apr-18	15.0	\$102,483	6	\$6,855
Jun-18	Mar-18 to May-18	5.8	\$35,984	5	\$6,160
Jul-18	Apr-18 to Jun-18	24.6	\$153,137	10	\$6,235
Aug-18	May-18 to Jul-18	27.0	\$157,704	12	\$5,848
Sep-18	Jun-18 to Aug-18	33.7	\$196,046	21	\$5,813
Oct-18	Jul-18 to Sep-18	31.7	\$133,988	15	\$4,233
Nov-18	Aug-18 to Oct-18	116.3	\$409,081	28	\$3,517
Dec-18	Sep-18 to Nov-18	118.9	\$408,282	22	\$3,435
Jan-19	Oct-18 to Dec-18	204.3	\$664,165	29	\$3,251
Feb-19	Nov-18 to Jan-19	363.4	\$790,999	41	\$2,177
Mar-19	Dec-18 to Feb-19	467.2	\$893,954	49	\$1,914
Apr-19	Jan-19 to Mar-19	375.9	\$630,248	44	\$1,677

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2019 NO_x RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2019 NO _x 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-19	Oct-18 to Dec-18	18.2	\$102,300	4	\$5,621
Feb-19	Nov-18 to Jan-19	19.0	\$107,500	5	\$5,658
Mar-19	Dec-18 to Feb-19	14.0	\$80,000	4	\$5,714
Apr-19	Jan-19 to Mar-19	11.3	\$78,922	3	\$6,969

Please Note:

Table listing “Twelve-Month Rolling Average Price Data for Infinite-Year Block NO_x RTCs” is removed pursuant to October 5, 2018 amendment to Rule 2002, which eliminated the requirement to calculate infinite-year block NO_x RTC prices and report to the Governing Board if prices fall below \$200,000 per ton.

Table V

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 Price¹ (\$/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	-	-	-
May-18	May-17 to Apr-18	None	-	-	-
Jun-18	Jun-17 to May-18	34.2	\$23,974	3	\$700
Jul-18	Jul-17 to Jun-18	34.2	\$23,974	3	\$700
Aug-18	Aug-17 to Jul-18	80.2	\$57,354	5	\$715
Sep-18	Sep-17 to Aug-18	95.2	\$67,854	6	\$713
Oct-18	Oct-17 to Sep-18	163.3	\$135,429	10	\$829
Nov-18	Nov-17 to Oct-18	173.3	\$165,429	11	\$955
Dec-18	Dec-17 to Nov-18	173.3	\$165,429	11	\$955
Jan-19	Jan-18 to Dec-18	173.3	\$165,429	11	\$955
Feb-19	Feb-18 to Jan-19	218.3	\$209,829	14	\$961
Mar-19	Mar-18 to Feb-19	259.7	\$292,629	16	\$1,127
Apr-19	Apr-18 to Mar-19	259.7	\$292,629	16	\$1,127

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 VI

Twelve-Month Rolling Average Price Data for Compliance Year 2019 SOx RTCs
 (Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2019 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 Price¹ (\$/ton)
Jan-19	Jan-18 to Dec-18	None	-	-	-
Feb-19	Feb-18 to Jan-19	None	-	-	-
Mar-19	Mar-18 to Feb-19	25.0	\$50,000	1	\$2,000
Apr-19	Feb-18 to Jan-20	25.0	\$50,000	1	\$2,000

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 3, 2019

AGENDA NO. 24

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a meeting on Friday, April 19, 2019. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Judith Mitchell, Acting Chair
Technology Committee

MMM:av

Committee Members

Present: Mayor Judith Mitchell/Acting Chair
Supervisor Lisa Bartlett (videoconference)
Supervisor Janice Hahn (videoconference)
Supervisor V. Manuel Perez (videoconference)
Council Member Dwight Robinson

Absent: Council Member Joe Buscaino

Call to Order

Acting Chair Mitchell called the meeting to order at 12:00 pm as Chair Joe Buscaino was absent.

ACTION ITEMS:

1. Execute Contract to Develop and Demonstrate Battery Electric Medium-Duty Trucks

Demand for commercially available heavy-duty battery electric trucks continues to increase, but availability is limited to a few suppliers. Roush CleanTech, LLC, (Roush) proposes to develop a battery electric medium-duty Class 6-7 commercial vehicle and demonstrate the technology with local commercial fleets. This action is to execute a contract with Roush to develop and demonstrate medium-duty electric trucks in an amount not to exceed \$937,500 from the Clean Fuels Program Fund (31).

Supervisor Hahn expressed support for the battery electric platform, but expressed concern about infrastructure readiness for battery electric vehicles and inquired about how it is addressed for the Roush project. Staff explained that the vehicles demonstrated will leverage previous chargers installed at the Penske facility under the Daimler project, but a broader effort is underway with Southern California Edison (SCE) under the Charge Ready Transport program. Staff further informed the Committee that infrastructure funds will also be available as part of the VW Mitigation Funds.

Tammy Yamasaki, SCE, provided an overview of the Charge Ready Transport program and informed the committee of the upcoming kick-off meeting scheduled for May 2019, and initiation in June 2019.

Staff mentioned that there will be an additional item included in the Board letter to make an administrative correction to a previous award for a Natural Gas Truck. The Natural Gas Truck was previously identified in October as a drayage truck and will be corrected to a dump truck.

Moved by Robinson; seconded by Bartlett; unanimously approved.

Ayes: Bartlett, Hahn, Mitchell, Perez and Robinson

Noes: None

Absent: Buscaino

2. Recognize Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs

The City and County of Los Angeles and the California Attorney General's Office's civil litigation settlement with SoCalGas resulting from the Aliso Canyon natural gas leak includes a Supplemental Environmental Project (SEP) with the South Coast AQMD as the administrator for the purpose of funding the installation and maintenance of air filtration systems in public schools in environmental justice communities in the City or County of Los Angeles. This action is to recognize up to \$7,100,000 from the Aliso Supplemental Environmental Project Fund, a special revenue fund administered by the City and County of Los Angeles and the California Attorney General's Office, into the Air Filtration Fund (75). These actions are to also execute agreements to install and maintain air filtration systems in an amount not to exceed \$6,745,000; execute or amend access agreements with local school districts; amend contract to purchase additional filters using unspent administrative funds; and reimburse the General Fund for administrative costs up to \$355,000 for SEP administration.

Supervisor Hahn commented that she does not have a financial interest, but is required to identify for the record that she serves on the Board of Supervisors for Los Angeles County which is involved in this item.

Moved by Robinson; seconded by Hahn; unanimously approved.

Ayes: Bartlett, Hahn, Mitchell, Perez and Robinson
Noes: None
Absent: Buscaino

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 17, 2019 at noon.

Adjournment

The meeting adjourned at 12:19 p.m.

Attachment

Attendance Record

ATTACHMENT

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT TECHNOLOGY COMMITTEE MEETING Attendance Record – April 19, 2019

Mayor Judith Mitchell	SCAQMD Board Member
Supervisor Lisa Bartlett (videoconference).....	SCAQMD Board Member
Supervisor Janice Hahn (videoconference).....	SCAQMD Board Member
Supervisor V. Manuel Perez (videoconference)	SCAQMD Board Member
Council Member Dwight Robinson	SCAQMD Board Member
Andy Silva.....	Board Consultant (Rutherford)
Tammy Yamasaki.....	Southern California Edison
Naveen Berry.....	SCAQMD Staff
Seungbum Ha	SCAQMD Staff
Joseph Impullitti	SCAQMD Staff
Patricia Kwon	SCAQMD Staff
Matt Miyasato.....	SCAQMD Staff
Wayne Nastri.....	SCAQMD Staff
Penny Shaw Cedillo	SCAQMD Staff
Cynthia Snyder	SCAQMD Staff
Veera Tyagi	SCAQMD Staff
Alejandra Vega.....	SCAQMD Staff
Vicki White	SCAQMD Staff
Jill Whynot	SCAQMD Staff
Paul Wright.....	SCAQMD Staff

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 25

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on April 18, 2019. The next meeting is scheduled for Thursday, May 16, 2019 at 2:00 p.m., in Conference Room CC8.

RECOMMENDED ACTION:
Receive and file.

Daphne Hsu
Senior Deputy District Counsel

MMM:NB:psc

Meeting Minutes Approved

The MSRC unanimously approved the minutes of the February 21, 2019 meeting. Those approved minutes are attached for your information (*Attachment 1*).

FYs 2016-2018 Work Program

As an element of the FYs 2016-18 Work Program, the MSRC allocated \$2.0 million to partner with SCAG on their broad-based "Future Communities" regional program to support local agencies in implementing pilot projects to reduce vehicle miles traveled (VMT) through the use of new technologies and enhanced data analytics. The MSRC's allocation was based upon receipt of matching funds of at least an equivalent amount, to be provided collectively between SCAG and participating city and county governments. Additionally, the MSRC's contribution was to be split equally amongst projects in the Los Angeles, Orange, Riverside, and San Bernardino Counties, unless meritorious projects totaling \$500,000 were not received from within a county. Contract #MS18015 was executed to effectuate the award, and requires selection of specific project elements as the second task. SCAG submitted their proposed project list and requested approval. SCAG also requested reallocation of costs between tasks for the project co-funding. The MSRC considered and approved the project list and reallocation.

FYs 2018-2021 Work Program

MSRC Programmatic Outreach Services

For the last several years the MSRC has retained a consultant to provide programmatic outreach services. The current consultant contract expires December 31, 2019. The MSRC approved release of a new RFP to solicit proposals for programmatic outreach services from January 2020 through December 2022. The RFP will provide an option clause to allow the MSRC to exercise a contract extension for one additional two-year term for the chosen consultant, as prior RFPs and consultants have done. Any additional funding to accompany the option for additional time will be brought forward to the MSRC and SCAQMD Board for consideration. While the RFP does not establish a targeted funding amount per se, it is anticipated that the most competitive proposals will fall within the \$200,000 to \$250,000 range for the initial three-year period. The RFP proposal period commences May 3, 2019 and closes June 19, 2019. It is anticipated that the MSRC will consider an award at its August 15, 2019 meeting, and the South Coast AQMD Board at its September 6, 2019 meeting. The RFP will be considered by the South Coast AQMD Board at its May 3, 2019 meeting.

Contract Modification Requests

1. For the City of Rialto, Contract #ML16077, to implement pedestrian improvements and bike sharing, a 16-month term extension; and
2. For the City of Palm Springs, Contract #ML12090, to install EV charging station, a 47-month term extension;

Received and Approved Final Report

The MSRC received and unanimously approved a final report this month as follows:

1. Walnut Valley Unified School District, #MS16097, which provided \$250,000 to expand a CNG station and modify a maintenance facility.

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 28 through March 27, 2019 is attached (*Attachment 2*) for your information.

Attachment

Attachment 1 – Approved February 21, 2019 Meeting Minutes

Attachment 2 – February 28 through March 27, 2019 Contracts Administrator's Report



MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, FEBRUARY 21, 2019 MEETING MINUTES
21865 Copley Drive, Diamond, Bar, CA 91765 - Conference Room CC-8

MEMBERS PRESENT:

(Chair) Larry McCallon, representing SBCTA
(Vice-Chair) Greg Winterbottom, representing OCTA
Ben Benoit, representing SCAQMD
Rex Richardson, representing SCAG
Dolores Roybal Saltarelli (Alt.), representing Regional Rideshare Agency
Brian Berkson (Alt.), representing RCTC
Mark Yamarone (Alt.), representing Los Angeles County MTA (via v/c)

MEMBERS ABSENT:

Jack Kitowski, representing California Air Resources Board
Steve Veres, representing Los Angeles County MTA

MSRC-TAC MEMBERS PRESENT:

Steve Hillman, City of Los Angeles
Steven Lee, Los Angeles County Metropolitan Transportation Authority
Rongsheng Luo, representing SCAG
Kelly Lynn, representing SBCTA
Nicholas Nairn-Birch, California Air Resources Board
Vicki White, representing SCAQMD

OTHERS PRESENT:

Rubin Aronin, Better World Group Advisors
Sam Emmerson, Better World Group Advisors
Lauren Dunlap, SoCalGas
Ric Teano, OCTA

SCAQMD STAFF & CONTRACTORS

Leah Alfaro, MSRC Contracts Assistant
Naveen Berry, Asst. Deputy Executive Officer
Ray Gorski, MSRC Technical Advisor-Contractor
Daphne Hsu, Senior Deputy District Counsel
John Kampa, Financial Analyst
Matt Mackenzie, MSRC Contracts Assistant
Cynthia Ravenstein, MSRC Contracts Administrator
Paul Wright, Information Technology Specialist

CALL TO ORDER

- Call to Order

MSRC Chair Larry McCallon called the meeting 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, LARRY MCCALLON, DOLORES ROYBAL SALTARELLI, GREG WINTERBOTTOM, MARK YAMARONE.

- Opening Comments

There were no opening comments.

- STATUS REPORT

Copies of the Clean Transportation Policy Update were distributed at the meeting.

[MSRC Member Rex Richardson arrived at 2:01 p.m.]

MSRC Chair Larry McCallon stated for the record that for Agenda Item #2, he does not have any financial interest, but is required to identify that he is a Member of the Board of Directors for the San Bernardino County Transportation Authority and the of Southern California Regional Rail Authority, which are involved in these items.

MSRC Vice Chair Greg Winterbottom stated for the record that for Agenda Item #2, he does not have any financial interest, but is required to identify that he is a Member of the Board of Directors for the Southern California Regional Rail Authority, which is involved in this item.

[MSRC Member Steve Veres arrived at 2:03 p.m.]

CONSENT CALENDAR (Items 1 through 9)**Receive and Approve Items****Agenda Item #1 – Minutes for the October 23, 2018 MSRC Meeting**

The minutes of the October 23, 2018 Joint Retreat between the MSRC/MSRC-TAC were not yet ready and therefore, were pulled from the agenda.

Agenda Item #2 – Summary of Final Report by MSRC Contractors

The MSRC received and approved two final report summaries this month, as follows:

- San Bernardino County Transportation Authority, Contract #MS16092 which provided \$242,937 to implement a series of “Open Streets” events
- SCRRA (Metrolink), Contract #MS18016 which provided \$87,764.00 for special train service to Auto Club Speedway

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER REX RICHARDSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #21 THROUGH #9, THE MSRC UNANIMOUSLY APPROVED THE FINAL REPORTS LISTED ABOVE.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES, WINTERBOTTOM, YARAMONE.

NOES: NONE.

ACTION: MSRC staff will file the final reports and release any retention on the contracts.

Information Only - Receive and File**Agenda Item #3 – MSRC Contracts Administrator’s Report**

The MSRC AB 2766 Contracts Administrator’s Report for January 4 through January 30, 2019 was included in the agenda package.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER REX RICHARDSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #21 THROUGH #9, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR’S REPORT FOR JANUARY 4 THROUGH JANUARY 30, 2019.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES, WINTERBOTTOM, YARAMONE.

NOES: NONE.

ACTION: Staff will include the MSRC Contracts Administrator’s Report in the MSRC Committee Report for the March 1, 2019 SCAQMD Board meeting.

Agenda Item #4 – Financial Report on AB 2766 Discretionary Fund

A financial report on the AB 2766 Discretionary Fund for January 2019 was included in the agenda package.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, UNDER APPROVAL
OF CONSENT CALENDAR ITEMS #2 THROUGH #9, THE MSRC
UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL
REPORT FOR THE PERIOD ENDING JANUARY 2019.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES,
WINTERBOTTOM, YARAMONE.

NOES: NONE.

ACTION: No further action is required.

For Approval – As Recommended

**Agenda Item #5 – Consider Four-Month Term Extension for the County of Los Angeles,
Contract #ML14030 (\$425,000 – Bicycle Racks, Outreach & Education)**

The County requests a four-month term extension due to delays associated with concerns over the grade of stainless steel used in the original equipment delivered. THE MSRC-TAC
UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, MSRC
UNANIMOUSLY VOTED TO APPROVE THE NO-COST TERM EXTENSION
FOR THE COUNTY OF LOS ANGELES, CONTRACT #ML14030.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES,
WINTERBOTTOM.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

**Agenda Item #6 – Consider Eighteen-Month Term Extension for the City of Moreno Valley,
Contract #ML16041 (\$20,000 – Install EV Charging Stations)**

The City requests an eighteen-month extension due to a proposed switch of one of the locations to become part of a larger project including solar carport structures at its City Hall Annex Building parking lot. THE MSRC-TAC UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, MSRC
UNANIMOUSLY VOTED TO APPROVE THE NO-COST TERM EXTENSION
FOR THE CITY OF MORENO VALLEY, CONTRACT #ML16041.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES,
WINTERBOTTOM.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

Agenda Item #7 – Consider Reduced Scope and Value by City of Paramount, Contract #ML18053 (\$72,580 – Install EV Charging Stations)

The City was awarded funding to install two public-access and three limited-access EV charging stations. They have encountered higher than anticipated costs associated with ensuring Americans with Disabilities Act compliance for the two stations to be installed on their properties. The City requests to reduce the number of stations to be installed from five to three, of which all three would now be publicly accessible, with a corresponding contract value reduction from \$72,580 to \$64,675. THE MSRC-TAC UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, MSRC
UNANIMOUSLY VOTED TO APPROVE THE SCOPE AND CONTRACT
VALUE REDUCTION.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES,
WINTERBOTTOM.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

Agenda Item #8 – Consider Contract Replacement for the County of Los Angeles, Contract #ML14060 (\$104,400 – Install EV Charging Stations)

Due to the expiration of the County's prior contract, the County requests a contract replacement to complete the scope of work for this project. THE MSRC-TAC UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, MSRC
UNANIMOUSLY VOTED TO APPROVE THE CONTRACT REPLACEMENT
FOR THE COUNTY OF LOS ANGELES, CONTRACT #ML14060.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES,
WINTERBOTTOM.

NOES: NONE.

ACTION: This item will be considered by the SCAQMD Board at its March 1, 2019 meeting.

Agenda Item #9 – Consider Contract Replacement for the County of Los Angeles, Contract #ML14093 (\$150,000 – San Gabriel Bike Trail Underpass Improvements)

Due to the expiration of the County's prior contract, the County requests a contract replacement to complete the scope of work for this project. THE MSRC-TAC UNANIMOUSLY RECOMMENDS APPROVAL.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, MSRC
UNANIMOUSLY VOTED TO APPROVE THE CONTRACT REPLACEMENT
FOR COUNTY OF LOS ANGELES, CONTRACT #ML14093.

AYES: BENOIT, MCCALLON, RICHARDSON, ROYBAL SALTARELLI, VERES,
WINTERBOTTOM.

NOES: NONE.

ACTION: This item will be considered by the SCAQMD Board at its March 1, 2019 meeting.

[MSRC Alternate Brian Berkson arrived at 2:06 p.m.]

ACTION CALENDAR (Items 10 through 12)

FYs 2016-18 WORK PROGRAM

Agenda Item #10 – Consider Recommendations from MSRC-TAC for New FYs 2018-21 Work Program Concepts

Ray Gorski, MSRC Technical Advisor, reported that at the last meeting the MSRC approved a three-year Work Program with a value of \$64.2 million for FYs 2018-21. FY 2018 commenced on July 1, 2018. The MSRC-TAC was given the task to bring back options relative to a large scale, regionally significant program. The \$64.2 million will be allocated through this program as well as the potential continuation of Work Program elements which have been implemented previously by the MSRC. Finally, there is also the potential for new currently unidentified Work Program elements to be included within that overall budget. The TAC was tasked to develop program options that the MSRC could take the lead in implementing, identifying external funding opportunities and partnerships which could be forged, and to develop an action plan. The TAC has been very hard at work over the last four weeks, with several hours of thoughtful deliberations at the subcommittee and committee level. They debated the potential options that could be included under a regional program. Under Agenda Item #12 there is a recommendation for the continuation of a previously implemented Work Program category, the Major Event Center Transportation Program. We also engaged the Outreach Coordinator and they are ready to hit the ground running at the direction of the MSRC.

There are three Regional Program concepts to present to you today. Two of them were identified at the MSRC meeting last month. The first is a Regional Goods Movement Clean Corridor Program. The key elements would be the deployment of zero and near zero emission vehicles at and between the Ports--the ports of entry and the inland ports, which are the warehouse

distribution centers, which are primarily located within the Inland Empire. This would entail the demonstration of zero emission freight technologies as well as the expansion of commercially available natural gas trucks. It would include both infrastructure as well as the vehicles, and it would have multiple partners including the Ports; the regulatory agencies such as the California Air Resources Board and the California Energy Commission--which we view as potential funding partners; licensed motor carriers, those that move the containers between the ports of entry and the inland ports; distribution centers, which are located out in the Inland Empire; and the infrastructure providers, as well as the Outreach Coordinator, to help facilitate having this type of a program put together.

Three relative ranking attributes for each option are (1) the complexity; (2) the timeline to implement; and (3) to what degree it supports the South Coast Air Quality Management District's Air Quality Management Plan (AQMP), which was adopted by the SCAQMD Governing Board back in 2016-2017. The reason I am suggesting that the Regional Goods Movement Program would have a relatively high level of complexity is simply the number of potential partners which would be involved in a program like this. We have relationships with all the entities; the South Coast AQMD has significant relationships with all the entities. It's simply a matter of bringing all the players to the table. It would take some time but it's certainly doable. The timeline to implement would be high and there are a couple of key reasons. Infrastructure has a long lead time and that is whether it's a natural gas refueling station, hydrogen refueling station or even a simple electric vehicle charging station. It all typically has to go through a public process, permitting, inspection, etc. We need to recognize that with a commitment today to implement a program like this, the result won't be seen within six months. Finally, we get to how this supports the SCAQMD's goals as articulated in the AQMP. The AQMP has as its primary objective the increase in the number of zero and near zero emission vehicles which are deployed within the South Coast region, especially those which are used in the vocation of goods movement. So, this is really directly in support of the AQMP goals.

Concept #2 is what we'll call the EV Ready Electric School Bus Program. It would be a program to help school districts prepare for the coming of zero emission school buses. It would have a primary focus on education and a secondary focus on infrastructure. It also has the potential to include vehicle deployments because we do have electric school buses commercially entering the marketplace. From a complexity standpoint, this would have middle-of-the-road complexity. We have a good idea who the school districts are. They all operate in a somewhat similar manner. The deployment of zero emission vehicles is absolutely in keeping with the AQMP. But the vehicles that they will primarily displace are already natural gas buses. You're displacing an existing alternative fuel solution with a zero-emission solution. While there is an incremental air quality improvement, it's not going to be as great as if you replace an existing diesel tractor that's operating between the Port and the Inland ports.

Concept #3 is somewhat similar, but it would take approach #2 and expand it to communities throughout the South Coast region. This would be what we would call EV Ready Communities. It would have several of the same elements, in that it would focus on education and the deployment electric vehicle infrastructure to prepare for a larger number of electric vehicles to be coming within the next several years. There's an opportunity to partner with local governments as we've done under previously implemented Local Government Programs, as well as leverage other electric vehicle supply equipment revenue streams which are being made available through other agencies. From a complexity standpoint, it would not be really easy to work with that many

jurisdictions. We have 162 jurisdictions within the South Coast region. The timeline to implement would be pretty much the same as the other programs, things do take time and there would be an infrastructure element which would require long lead times. How does this support the SCAQMD's AQMP goals? It's somewhat in the middle. While this would certainly be moving the bar towards having greater numbers of zero emission vehicles, the types of vehicles which would probably be utilizing this infrastructure would be light-duty vehicles. Light-duty vehicles don't have the same emissions impact compared to the top categories as they're laid out within the AQMP. Those include diesel on road trucks, diesel off-road equipment and marine vessels. This Concept supports the proliferation of additional ZEVs, but it is not targeting the source categories that have been identified as the key for achieving clean air by 2023 and 2031.

These Concepts all have common themes. There's a need to leverage MSRC funds because these would be expensive programs to undertake, and we feel that if there's ever a time to go out and seek additional monies, that time is now. That's because of the efforts which are being put forth by the State of California through several programs including those under the administration of the Air Resources Board, California Energy Commission, Cal STA, etc. The program would need to utilize resources offered by the SCAQMD; the MSRC is not a legal entity, therefore they can't submit a proposal to the Air Resources Board to get funding, and someone would have to do that on our behalf. The shovel ready projects will probably be happening in 2021 or maybe a little later because they do take time to go through the regular public process. There's also a backlog currently for some of the technologies which we would want to demonstrate, for example the new near zero 11.9 liter Cummins engine. It's becoming very popular and there's currently a delay in acquiring those engines if you put your order today. Zero emission technologies always have a long lead. In reality, it's no different than any program that the MSRC undertakes. If you look at the timelines of contract schedules between the time someone gets an award from the MSRC to the time they actually install that CNG refueling station, or acquire that transit bus, or they get that EV charger in, it is not happening within six months. It's happening within the time frames we're talking about for these Regional Programs.

The MSRC also charged the TAC to look at additional Work Program Categories. The TAC has an Event Center Subcommittee that's in progress. What we would like is, at the earliest convenience of the MSRC, to obtain some guidance and direction as how you would like us to continue to proceed. You don't necessarily have to pick only one program. If there was more than one program that you had an interest in, we could certainly put our effort to work on the primary program. But because of the timelines we're talking about, we could also start planning and gathering information for the follow-on program, which could be implemented in a couple of years. And we've already had meetings with the Better World Group Advisors, your Outreach Coordinator. Under Agenda Item #11 they've put together what their intentions and plans are, and the costs associated with that. They're engaged and ready to hit the ground running.

MSRC Chair Larry McCallon commented, my personal view is that the Regional Goods Movement Clean Corridor is one that's badly needed. I like it from the standpoint that it's fuel neutral as opposed to choosing one over another, and it's something that directly affects the Inland Empire which we serve. I think it's a program that as you said, has high value in many other areas too. So, I'm very supportive of us moving in that direction if the rest of the MSRC is.

MSRC Ben Benoit commented I completely agree. I guess the only part where I might deviate is, Goods Movement actually affects us all way down to the Port and back. The impact especially in

our environmental justice communities down by the Port is huge. If we can just get 10% of those trucks driving out of that Port electrified, that's not only an impact on those communities but an impact to our Air District across the board. We talked about the number of tons coming out of that one category in the past. I think we have an opportunity here to start moving the needle in that category unlike any other time previously. Technology is just about to ripen, especially with the Tesla trucks coming online, and the other electric trucks that can be right behind them between Cummins and the others. I see this as a huge opportunity to move that needle in that regard and from the Air District standpoint, I think it's huge.

MSRC Vice Chair Greg Winterbottom asked we took a trip to the ports a long time ago, what are we doing now with any of that information? Mr. Gorski replied the good news is there is now a focus on goods movement from the regional basis. Looking at the Regional Transportation Plan, the work that's being done at SCAG, there's a big focus on trying to identify Goods Movement not only on a long haul basis but also on a short haul basis and even for the first and last miles, meaning that there are opportunities under the program to not only do the Class 8 tractors, but there are advancing technologies for the vehicles that take that product and deliver it. From the warehouse those containers get broken down and then they get distributed using smaller vehicles. So I really feel that if we designed this correctly, we can demonstrate the near zero and zero emission technology vehicles, not only between the Ports and the Inland Empire but also throughout the region as advanced technology smaller trucks pick up those goods and take them to the retail outlets. We will do a complete survey of what is going on in Goods Movement within this region. Who has the money? What projects are being demonstrated? Who's demonstrating them? That's something that the Ports have expressed an interest in seeing and I think the MSRC would be positioned to take the lead on that immediately and lay out exactly what is going on and that will help us identify the holes and the immediate next steps.

MSRC Member Rex Richardson commented Regional Program Concept #1 seems like it has consensus at this table and I certainly would agree that should be a priority program. Our SCAG counterparts reminded us that SCAG has the Go Zone Programs, so we should consider that as a strategy of the program. I'd like to learn more as we progress about the process you talked about, how to engage those partners and stakeholders. And I want to think about maybe adding some community voices to that process if we're going to be deploying resources. Why not much focus on the commuter traffic? MSRC Member Ben Benoit responded right now when you look at a commuter car, even a gas-powered commuter car, the delta between that gas-powered car and an EV, is not huge. We can throw a lot of money at it and not get a lot of change. The other thing is, there are a lot of people out there right now doing it on their own. What we aren't seeing, other than very few demonstration projects, is electrification or really clean natural gas trucks in quantity. If we can help push that up over the hump, to get it rolling on its own, I think that's the focus. Mr. Richardson responds that makes sense, the higher impact, this is the area that needs more focus. I think we need to think about the gaps that exist. Not many people can afford the electric vehicles. EV readiness is not really something happening in communities that are typically traditionally impacted by environmental problems because there's not a financial reality or economic reality. What is real for those communities are community colleges, workforce, whether where there's a density of jobs--those are real and a lot of times they count on public transportation. There is significant work on cleaning up those bus routes and trains, so where are the gaps? Where are the areas that the last mile technologies are still not meeting? It was exciting to hear about last mile technologies such as bike-share and scooters. The majority of them were deployed on a market based model, not an equity based model. They went to Long Beach--there's

bikes are everywhere, and in downtown Long Beach there are scooters. Where the Blue Line is, it makes a lot of sense, but nothing in the areas that are not adjacent to the Blue Line. Most of the programs have no equity requirements. So, could we think about a program where we look at a collaboration between transit agencies and economic institutions to say, if you streamline your bus routes to get people to college faster and it's electric we'll help you evaluate the process and streamline it? There's been analysis across LA County about these areas where it's difficult to access workforce education centers for adults, which essentially contributes to low educational attainment and the need for a car. I'm on board with Concept #1, absolutely. But if we're thinking about another program for later, we have to talk about meeting some of the gaps in the last mile stuff. Mr. Gorski replied absolutely, we can do that. Most of the bigger construction companies know how to engage with the programs to get the rebates on the trucks. Who's not engaging those programs are the small trucking companies and minority-owned businesses--single guys. They are not complying with a lot of things, they're parking in our neighborhoods, still going here to there. They don't have fuel programs. They're buying fuel at the truck stops, which have the highest mark up on fuel. It's a game of pennies and they're the ones rolling into our neighborhoods and our schools. Where we can incentivize getting those guys connected to cleaner fueled trucks, there could be more benefits on the ground.

MSRC Alternate Brian Berkson commented I don't know exactly how the technology has progressed up to this point, but we all see drones out there and we all heard the stories of Amazon someday delivering packages right to the house, which would eliminate virtually all the carbon footprints. The question is, is this the appropriate time or do we need to wait a few years to see how that technology progresses? MSRC Chair Larry McCallon replied I would think that's probably not within this timeframe. And certainly right now, when you order something from Amazon, it could be a rental truck or a guy in a car is delivering it. That's one of the things that we're dealing with in terms of the indirect source rule that SCAQMD's talking about--the warehouses, and looking at the business models and the kinds of trucks that are used in terms of trying to reduce the pollution footprint.

Mr. Berkson added in our city we recently approved a TA Truck Stop. It was a much contested situation, but one of the key factors that I found helpful to support that project was that every single semi-truck spot is going to have an electric plug-in. That is huge, in my eyes, because now you've taken trucks off the streets that were previously all over our city idling all night long because they don't have a place to plug in. Maybe we look at some kind of a program that invests in parking lots with electric plug-ins so that we would be able to get some of these trucks to turn off for several hours a day.

MSRC Member Rex Richardson commented some of the trucks have Auxiliary Power Units (APUs). An APU allows them to turn off the truck and not have to idle. It's a little machine that just keeps the heater going or keeps the AC going; it costs about \$3,000 to \$5,000 to put on a truck. Independent operators, if it's not built on the truck, they don't go retrofit and that's one of the biggest issues in communities surrounding trucking. If they had a simple incentive of \$2,500 and they knew where they could pull up and put an APU on their truck for \$500, they would invest in it. Mr. Berkson replied that's the kind of thing we should be looking at. Ray Gorski, MSRC Technical Advisor added the MSRC has in the past funded and supported truck stop electrification. This is going back several years, but it was it for exactly the reasons you articulated--to allow trucks to turn off their engines and still operate their essential services, including HVAC and anything else if they're going to be there for a long time. There's a prohibition in the Health &

Safety Code, at least the interpretation, that MSRC is not able to utilize their monies to fund, for example, transportation refrigeration units (TRUs). That said, we can work with our legal staff to determine if there's a nexus between that and increased emissions by having that mobile source engine idle for a long period of time, we can take that under consideration too.

MSRC Member Ben Benoit commented this Concept #1 came out of the mind of Dan York, the MSRC-TAC Chair. He's an engineer, and one of the concepts we talked about was at those truck stops like you're referring to could there be 5 EV Chargers? Not only would you be electrifying the DC that truck would not be idling. The APUs are mostly diesel generators.

MSRC Member Steve Veres commented on Concept #1, we're basically looking at movement between port and warehouse, is there any conversation about how we go from warehouse to local? I know it's a bigger truck to take it from port to warehouse, but then there's also a smaller truck or smaller delivery type vehicle that takes final locations. For Concept #2, I'm looking at a focus principally for education infrastructure. What's the jump going from a diesel bus to an EV and how much is out there to do it? We've done lots of work over the years to convert to natural gas. For Concept #3, have we given any thought or discussion into all the rideshare apps out there? What can we do with these rideshare apps and encouraging some of those drivers to go to a cleaner vehicle? Or it may be just that they're idling around neighborhoods waiting. Ray Gorski, MSRC Technical Advisor replied staff has been remiss in focusing too much only on the goods movement between the port and the warehouse distribution centers because there definitely is another component. There's considerable amount of work from a technology perspective being done on the Class 5 through 7 vehicles. SCAQMD has been strongly advocating the use of zero emission vehicles in many cases as products are delivered to local retail outlets. So, there's definitely a component here which we can pursue, in addition to the port or inland port route, looking at using clean technology to have those goods delivered from the distribution warehouses to the retail outlets. That absolutely will be something that we don't miss again, it will be included in the overall program scope. With regard to your question on Concept #2, the difference between diesel and zero emission buses, while there are still a limited number of diesel school buses operating within the South Coast region, that is a very small number. The majority of those buses are in fact now natural gas fueled. The certifications of the various engines are: zero emission buses, of course zero; and the newest technology near zero emissions school buses are certified to 0.02 g/bhp-hr. If you look at a non near zero bus, it's still natural gas at 0.2 g/bhp-hr. Currently the majority of the vehicles are operating at the 0.2 g/bhp/hr NO_x level. The near zero are operating at 90 percent lower than that and then of course the zero goes that little extra increment. From an overall effectiveness standpoint, the primary issue with school buses is on an average annual mileage basis, they are rather limited compared to commercially operated vehicles. They don't have quite the rigorous duty cycle. The primary point is that the school bus fleet within the South Coast has already taken great strides in cleaning up their emissions. There have been huge investments by the AQMD, the MSRC, and the California Energy Commission as well as the Air Resources Board buying down the cost of school buses and that's been going on for over a decade. The next increment will be transitioning to zero but as far as the source category is concerned, it's not as critical compared to the less regulated fleets which are operating older vehicles which operate on diesel fuel. Relative to the proliferation of Ubers, Lyfts and other shared ride services, that's something that is a whole Work Program unto itself because the explosive rate at which they've entered the marketplace and their popularity and the attractiveness as a source of income for individuals. There are a lot of drivers out there and they are orbiting around key venues looking for their next fare. How we address that, I personally don't know but I do know that folks

like our Transportation Commissions including LA Metro, which serves on this Committee, are looking very strongly at this. What are the excess emissions which are being produced? SCAG through their future Community Programs is also looking at that. It's part of the MSRC-funded effort. There's been proposed legislation to mandate that some of these shared ride services go to clean technology vehicles, including hybrids and electric. It's definitely an issue, it's probably one that's going to be getting worse as opposed to better in the immediate future, but through regulatory and other incentives, maybe there's an opportunity at some point in the future to implement programs which focus on how to reduce emissions from these shared ride services.

Mr. Veres commented regarding the EV School Bus program, I felt like as I was listening to you, you were talking me out of my support of this concept because of the challenges that you laid out. I wonder why it's in the top three categories. Mr. Gorski replied the reason that #2 was included as a category was because there's a belief that at some point school districts are going to become more regulated, either at the state level or at the local level. At some point they're going to be told to transition their fleets to zero emissions and this category would anticipate a future state or local regulatory action which could be viewed as an unfunded mandate. However, school districts would not have the necessary experience, knowledge or potentially financial resources to accomplish that. Mr. Veres added to follow up on the rideshare app conversation, does that require some further action from us or is it something that we can check in on with LA Metro to discuss at a working group or how would you approach that issue? Mr. Gorski replied that is definitely an item which the MSRC-TAC can undertake through the subcommittee process. We can work with the membership of the MSRC-TAC, which includes all four county transportation commissions.

Naveen Berry commented Ray has done a really commendable job assessing all three concepts with respect to the AQMP goals. Your ranking is right in line with the SCAQMD's thinking and what our Board is thinking. In Concept #1 we would perhaps include renewable fuels. On Concept #2, especially for the infrastructure part, perhaps include coordination with public utilities, like Edison or LADWP, and leveraging their programs that may already be available would be beneficial. And on the EV Ready Communities, are you looking at Level 2 and/or a mix of Level 3 chargers? Ray Gorski, MSRC Technical Advisor replied it will definitely be a mixture of Level 2 and DC Fast Chargers.

MSRC Chair Larry McCallon asked are you envisioning that we would attack all three of these? Ray Gorski, MSRC Technical Advisor replied the MSRC-TAC is seeking your guidance for picking one. However, the MSRC-TAC wanted to ensure that I convey that they're very flexible. If there's a desire to take one as the primary focus but also to set the stage for potential future programs for one of the others, we will be more than happy to do that. Mr. McCallon replied taking on one of these, especially the Regional Goods Movement Clean Corridor, is going to take up more than enough of your time and resources. MSRC Member Ben Benoit added there's so many things we discussed about Concept #1, outside of just what's here. MSRC Alternate Brian Berkson commented based on this long lead time, the money that we're setting up for this program, are we just going to let it sit in a pot and wait for years until companies are ready to act on this. Mr. McCallon replied we have other parts of the program going on. We have other things such as the Major Event Centers Program that we're going to do too; it's not all the money reserved for this program. Mr. Gorski added you're paying out today the money which was allocated three to four years ago. Irrespective of whether it's a big program or a single charger station at one of our local cities, there's a timeline. And between the date that the Governing Board approves the MSRC's Work Program and the date that payment is authorized, is not six months.

MSRC Member Rex Richardson questioned when will this program likely go into effect? Mr. Gorski replied this program will have multiple elements, some that can be implemented sooner than others. The longest lead items will probably be the implementation of hydrogen refueling stations to support an increasing number of fuel cell electric trucks. This relates to the demonstrations which are being conducted by Toyota and they're also doing some work with putting in fueling stations. It's a potential that the MSRC may choose to have an organization like theirs be one of the partners on this program and expand the current program that Toyota's doing. As you bring this forward, you're going to see there are going to be a lot of opportunities like that, with the MSRC coming in and working with a partner, to expand a program which is now just being initiated. That will allow the MSRC to get that money out there quicker because some of that legwork is already being done. Mr. Richardson commented at some point the process I want to figure out how to do something really unique and special within this program around the economic inclusion portion of this conversation. We learned from the clean trucks programs out of the ports that the small businesses which are largely owned by the people of color, and the drivers themselves, have a difficult time accessing most programs. If as a part of this we were to partner and create a purchasing consortium, then the consortium could pass incentives down directly to these folks. And then maybe we could work with a local workforce agency, who profiles companies who are ready, and we bring them in, hold their hands and we pilot this. Something like this in this program early shouldn't take a lot to craft but that's something that I think will get local communities a little more interested. Mr. Gorski replied I could do it right now. I could work with Naveen Berry because SCAQMD has, or at least will have very shortly, programs such as the Voucher Incentive Program (VIP) which assist fleets with 10 or less vehicles. The MSRC could set another set of requirements that say if you're an independent owner operator or truck that hauls drayage out of the ports of Los Angeles and if you're included in the Drayage Truck Registry, you can come in and work with the District and the MSRC to secure grant funding from the District under their VIP program and that would be matched with monies from the MSRC. That would, in all honesty, pay for over two-thirds of a brand-new near zero truck right off the top. Mr. Richardson added if we just coupled that, with the hand-holding that's necessary to bring people. Mr. Berry added on the VIP program, we do that hand holding. We help the small operators through the application process and go through all the reporting process with them. We have had that program for at least 10 years. MSRC-TAC Member Vicki White added it's their contractual relationships with dealerships. The dealerships are the ones who help the small owners. Mr. Gorski added the MSRC has the discretion and flexibility to put any requirements, conditions, constraints on the program. They can target specific operators, in this case drayage trucks. There are programs which have everything already in place.

ACTION: No further action required.

Agenda Item #11 – Authorize Research and Outreach in Support of FYs 2018-21 Work Program Development

Cynthia Ravenstein, MSRC Contracts Administrator reported the TAC talked about engaging the MSRC's Programmatic Outreach Coordinator, the Better World Group Advisors (BWGA). Without knowing exactly what the focus is going to be, BWGA had to come up with a bit of a generic initial effort that they think is going to be needed to be able to hit the ground running. Because with the idea of wanting to leverage funds and once you know what the program area is,

then there needs to be an assessment of what funding is already out there that relates to this. Who are the people that MSRC may need to engage with, both at the state and local regional level, and potentially have meetings with? They came up with an estimate for this first stage of assessing what the landscape is and coming up with an initial outreach plan to coordinate with agency representatives and other policymakers. There is funding available under their contract. This is aside from their regular tasks, this is funding that was not allocated to a specific task. The estimated cost for this initial effort is \$9,850. The information was not available in time for MSRC-TAC, so it was not considered at the TAC meeting. There's not a recommendation coming forward, but I would be seeking the MSRC's authorization to issue a task order to the Better World Group Advisors to conduct this initial effort in supporting the Large Scale Program.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND
SECONDED BY MSRC MEMBER REX RICHARDSON, MSRC
UNANIMOUSLY VOTED TO AUTHORIZE A TASK ORDER TO THE
BETTER WORLD GROUP ADVISORS IN THE AMOUNT OF \$9,850.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, ROYBAL SALTARELLI,
VERES, WINTERBOTTOM, YAMARONE.

NOES: NONE

ACTION: MSRC staff will issue the Task Order as directed.

Agenda Item #12 – Consider Development of Follow-On Major Event Center Transportation Program

Ray Gorski, MSRC Technical Advisor, reported that the MSRC-TAC discussed additional Work Program categories and again Major Event Center rose as the first priority. We formed a subcommittee, and staff prepared a white paper to both initiate and stimulate the discussion amongst subcommittee members. We've had two subcommittee meetings to date and there's a third one planned for next week. This is a work in progress. The committee focus is really two things: 1) to achieve verifiable emission reductions for the investment that the MSRC makes; and 2) to improve the overall cost-effectiveness for the MSRCs investment. We know how to implement an Event Center Program because MSRC has done it continuously since 2010. However, there's a desire on the part of the TAC to look at the program and make necessary modifications to ensure that the projects do have verifiable emission reductions and improve the overall cost-effectiveness. The MSRC-TAC has not taken final action; however, the subcommittee process has resulted in several preliminary recommendations. One is to take a pause from heavy rail at this time. The rationale there is that we have had many rail programs implemented by the MSRC over the last few years and there have been difficulties experienced with those programs. We have been unable to secure, on behalf of the MSRCs investment, what we believe is a quantifiable air quality benefit. We understand the reasons. That's why I used the word pause, because if we can go in and take corrective action, at some point there might be an opportunity to continue those programs. One of them is to demonstrate even cleaner locomotives at Metrolink beyond Tier 4. We're going to have some discussions with technology providers in the very near term and see if there's the potential to actually do a demonstration program for our Event Center using a Metrolink train which is retrofitted with an emission control system that's going to clean the emissions significantly beyond those which are achievable for Tier 4 locomotive.

Secondly, require that the transportation vehicles that do participate in the program meet the near zero CARB standard, this is 0.02 g/bhp-hr NOx. Right now, the program requires 2010 standards. 2010 is almost a decade ago, and technology has advanced over the last 10 years and because this is a cleaner program, it's felt that we should be utilizing vehicles which meet the current CARB low emission standards. That's going to be a new requirement. Thirdly, show a nexus to other existing public transit. If there's public transit which is already operating, whether it be an SCRRRA Metrolink locomotive or an MTA Transit bus, if people would use that existing transportation to access the event center transportation, we get to count all the miles which they displaced by not driving their car. Because existing transportation is running anyway, and if they can get on at their origin spot and take the Red Line into Union Station and then hop on a bus to go to the sports venue, then the trip we've eliminated is not just the distance traveled by that shuttle, it's the entire length of that trip. You get much better cost-effectiveness and emission reductions if you can link multiple public transit routes with the Event Center Program. That's going to be a focus on the next one.

So, the final remaining element, which we're still discussing, is to improve the overall cost-effectiveness. We're having good dialogue, but at the end of the day what we intend to bring back to you would be a new Work Program element. It would be similar to your previously implemented one, but it would raise the bar on the quality of the transportation which provides the service, it would increase the utilization of existing public transit in addition to the Event Center Transportation, and it would give you a more cost-effective program because we're going to go in and make sure that the relative contributions from the MSRC and the project implementers are equitable.

MSRC Alternate Mark Yamarone stated regarding the Dodger Stadium Express, we have the Major League Baseball season starting on March 28th. And what we're looking for is, we would like to be able to submit our application compliant with everything that the TAC and subcommittee has come up with and agreeing to meet what's developed under the fourth criterion. Just a quick reminder based on Ray Gorski's analysis at our Retreat, the Express exceeds all these criteria, under total emissions, it's produced five times greater emissions reductions than the second closest one. We are gearing up for this, producing all the marketing that MSRC brands as the sponsor of this. We like the ability to submit the application, so that it can be evaluated under what the group comes up with, but to be considered by the board in March, so that we are able to coincide with the opening of the service on March 28th.

MSRC Chair Larry McCallon asked whether Metro would agree to abide by any and all recommendations made by the TAC? Mr. Yamarone responded yes, we would like to submit the application and it would be evaluated on what the TAC adopts. Mr. McCallon asked whether Metro agrees to potentially follow all negotiations to revise their proposed project prior to contract execution? Mr. Yamarone responded yes.

MSRC Member Steve Veres commented just having been a part of a few of these kickoffs for the program since it's been implemented, it really is important to have a program settled and functioning at the beginning of the year because it really sets the standard for fans throughout the entire year. So, if the program is successful, the fans get a good exposure, expectation and understanding. Even if they drove to the game on opening day, for example, or during a preseason game, they know the program is in place. I think the timing of it is actually important in the conversation because not having it in place in the beginning interrupts the service and the impact

of the service throughout the entire year. Metro is certainly willing to modify based on final requirements here.

ON MOTION BY MSRC VICE-CHAIR GREG WINTERBOTTOM, AND SECONDED BY MSRC MEMBER BEN BENOIT, MSRC UNANIMOUSLY VOTED TO ALLOW LOS ANGELES COUNTY METROPOLITAN AUTHORITY (METRO) TO SUBMIT THEIR APPLICATION FOR DODGER STADIUM EXPRESS SERVICE FOR CONSIDERATION BY THE MSRC AT THEIR MARCH 2019 MEETING, UNDER THE CONDITION THAT METRO AGREES TO ABIDE BY ALL RECOMMENDATIONS RESULTING FROM THE MSRC-TAC PROCESS AND THEY AGREE TO POTENTIAL NEGOTIATIONS TO REVISE THEIR PROPOSED PROJECT PRIOR TO CONTRACT EXECUTION.

AYES: BENOIT, BERKSON, KITOWSKI, MCCALLON, ROYBAL SALTARELLI, VERES, WINTERBOTTOM, YAMARONE.

NOES: NONE

ACTION: No further action is required.

Agenda Item #13 – Other Business

No other business was introduced.

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 3:15 p.m.

NEXT MEETING

Thursday, March 21, 2019 at 2:00 p.m., Room CC8.

MSRC Agenda Item No. 3

DATE: April 18, 2019

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 February 28 to March 27, 2019.

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 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 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 executed. The MSRC has replaced the award to the California Energy Commission with a Program Opportunity Notice for the Hydrogen Infrastructure Partnership Program.

On February 2, 2018, the SCAQMD Governing Board approved one award under the Event Center Transportation Program, two awards under the Natural Gas Infrastructure Program, four awards under the Local Government Partnership Program, and two awards under the County Transportation Commission Partnership Program. These contracts are executed.

On March 2, 2018, the SCAQMD Governing Board approved one award under the Major Event Center Transportation Program, two awards under the Natural Gas Infrastructure Program, and one award under the Local Government Partnership Program. These contracts are executed.

On April 6, 2018, the SCAQMD Governing Board approved one award under the Natural Gas Infrastructure Program and eight awards under the Local Government Partnership Program. These contracts are executed.

On May 4, 2018, the SCAQMD Governing Board approved twenty-seven awards under the Local Government Partnership Program and one award under the County Transportation Commission Partnership Program. These contracts are with the prospective contractor for signature, with the SCAQMD Board Chair for signature, or executed.

On June 1, 2018, the SCAQMD Governing Board approved six awards under the Local Government Partnership Program, one award under the Natural Gas Infrastructure Program, and one award under the County Transportation Commission Partnership Program. These contracts are with the prospective contractor for signature or executed.

On July 6, 2018, the SCAQMD Governing Board approved nine awards under the Local Government Partnership Program. These contracts are with the prospective contractor for signature or executed.

On September 7, 2018, the SCAQMD Governing Board approved nineteen awards under the Local Government Partnership Program, three awards under the County Transportation Commission Partnership Program, one award under the Major Event Center Transportation Program, and twenty awards under the Natural Gas Infrastructure Program. These contracts are under development, with the prospective contractor for signature, with the SCAQMD Board Chair for signature, or executed.

On October 5, 2018, the SCAQMD Governing Board approved forty-eight awards under the Local Government Partnership Program and one award under the Hydrogen Infrastructure Program. These contracts are under development, undergoing internal review, with the prospective contractor for signature, with the SCAQMD Board Chair for signature, or executed.

On November 2, 2018, the SCAQMD Governing Board approved two awards under the Local Government Partnership Program. These contracts are with the prospective contractor for signature or with the SCAQMD Board Chair for signature.

Work Program Status

Contract Status Reports for work program years with open and/or pending contracts are attached.

FY 2007-08 Work Program Contracts

3 contracts from this work program year are open; and one is in "Open/Complete" status. One contract closed during this period: City of Riverside, Contract #ML08040 – Purchase 16 CNG Vehicles, Expand CNG Station and Modify Maintenance Facility.

FY 2007-08 Invoices Paid

No invoices were paid during this period.

FY 2010-11 Work Program Contracts

2 contracts from this work program year are open; and 24 are in "Open/Complete" status.

FY 2010-11 Invoices Paid

No invoices were paid during this period.

FY 2011-12 Work Program Contracts

8 contracts from this work program year are open, and 24 are in "Open/Complete" status. One contract closed during this period: U-Haul Company of California, Contract #MS12026 – Purchase 23 Medium-Heavy-Duty Natural Gas Vehicles.

FY 2011-12 Invoices Paid

No invoices were paid during this period.

FYs 2012-14 Work Program Contracts

23 contracts from this work program year are open, and 27 are in "Open/Complete" status. One contract closed during this period: City of South Pasadena, Contract #ML14095 – Bicycle Trail Improvements. One contract passed into "Open/Complete" status during this period: City of Moreno Valley, Contract #ML14049 – Purchase One Heavy-Duty Natural Gas Vehicle, Install EV Charging, and Install Bicycle Lane Markings. Two replacement contracts are pending execution.

FYs 2012-14 Invoices Paid

2 invoices totaling \$380,648.34 were paid during this period.

FYs 2014-16 Work Program Contracts

58 contracts from this work program year are open, and 21 are in "Open/Complete" status. Two replacement contracts are pending execution.

FYs 2014-16 Invoices Paid

One invoice in the amount of \$99,750.00 was paid during this period.

FYs 2016-18 Work Program Contracts

94 contracts from this work program year are open. One contract closed during this period: Southern California Regional Rail Authority (Metrolink), Contract #MS18016 – Implement Special Train Service to Auto Club Speedway.

FYs 2016-18 Invoices Paid

6 invoices totaling \$892,595.47 were paid during this period.

Administrative Scope Changes

2 administrative scope changes were initiated during the period of February 28 to March 27, 2019:

- City of Rancho Cucamonga, Contract #ML16052 (Install Two Class I Bikeways) – Extend term to September 30, 2020
- City of Montclair, Contract #ML18132 (proposed) (Procure Light-Duty ZEV and Install EV Charging Stations) – Remove tasks and \$10,000 associated with light-duty ZEV procurement

Attachments

- FY 2007-08 through FYs 2016-18 (except FY 2009-10) Contract Status Reports



AB2766 Discretionary Fund Program Invoices

February 28 to March 27, 2019

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2012-2014 Work Program</i>							
3/8/2019	3/8/2019	3/12/2019	3/12/2019	ML14049	City of Moreno Valley	19-0074/FIN.	\$53,726.09
3/1/2019	3/8/2019	3/12/2019	3/12/2019	ML14070	City of Rancho Cucamonga	1-FINAL	\$326,922.25
Total: \$380,648.34							
<i>2014-2016 Work Program</i>							
3/20/2019	3/26/2019	4/5/2019	4/9/2019	MS16115	City of Santa Monica	786-C	\$99,750.00
Total: \$99,750.00							
<i>2016-2018 Work Program</i>							
3/21/2019	3/26/2019	4/5/2019	4/9/2019	MS18005	Orange County Transportation Authority	FA140497	\$428,512.71
3/20/2019	3/26/2019	4/5/2019	4/9/2019	MS18008	Foothill Transit	008.LAC.Fai	\$50,000.00
3/12/2019	3/26/2019	4/5/2019	4/9/2019	ML18078	County of Riverside	1	\$25,000.00
3/8/2019	3/8/2019	3/12/2019	3/12/2019	MS18003	Geographics	19-21403	\$373.00
3/7/2019	3/8/2019	3/12/2019	3/12/2019	MS18024	Riverside County Transportation Commission	1902	\$148,825.00
3/7/2019	3/8/2019	3/12/2019	3/12/2019	MS18004	Orange County Transportation Authority	A140491-Fin.	\$239,884.76
Total: \$892,595.47							

Total This Period: \$1,372,993.81



FYs 2004-05 Through 2016-18 AB2766 Contract Status Report

4/11/2019

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2004-2005 Contracts									
Declined/Cancelled Contracts									
ML05005	City of Highland				\$20,000.00	\$0.00	2 Medium Duty CNG Vehicles	\$20,000.00	No
ML05008	Los Angeles County Department of P				\$140,000.00	\$0.00	7 Heavy Duty LPG Street Sweepers	\$140,000.00	No
ML05010	Los Angeles County Department of P				\$20,000.00	\$0.00	1 Heavy Duty CNG Bus	\$20,000.00	No
MS05030	City of Inglewood				\$31,662.00	\$0.00	2 CNG Street Sweepers	\$31,662.00	No
MS05032	H&C Disposal				\$34,068.00	\$0.00	2 CNG Waste Haulers	\$34,068.00	No
MS05044	City of Colton				\$78,720.00	\$0.00	CNG Station Upgrade	\$78,720.00	No
Total: 6									
Closed Contracts									
ML05006	City of Colton Public Works	7/27/2005	7/26/2006		\$30,000.00	\$30,000.00	3 Medium Duty CNG Vehicles	\$0.00	Yes
ML05011	Los Angeles County Department of P	8/10/2006	12/9/2007	6/9/2008	\$52,409.00	\$51,048.46	3 Heavy Duty LPG Shuttle Vans	\$1,360.54	Yes
ML05013	Los Angeles County Department of P	1/5/2007	7/4/2008	1/4/2013	\$313,000.00	\$313,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05014	Los Angeles County Department of P	5/21/2007	11/20/2008	12/20/2018	\$204,221.00	\$204,221.00	Traffic Signal Synchronization	\$0.00	Yes
ML05015	City of Lawndale	7/27/2005	7/26/2006		\$10,000.00	\$10,000.00	1 Medium Duty CNG Vehicle	\$0.00	Yes
ML05016	City of Santa Monica	9/23/2005	9/22/2006	9/22/2007	\$350,000.00	\$350,000.00	6 MD CNG Vehicles, 1 LPG Sweep, 13 CNG	\$0.00	Yes
ML05017	City of Signal Hill	1/16/2006	7/15/2007		\$126,000.00	\$126,000.00	Traffic Signal Synchronization	\$0.00	Yes
ML05018	City of San Bernardino	4/19/2005	4/18/2006		\$40,000.00	\$40,000.00	4 M.D. CNG Vehicles	\$0.00	Yes
ML05019	City of Lakewood	5/6/2005	5/5/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05020	City of Pomona	6/24/2005	6/23/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05021	City of Whittier	7/7/2005	7/6/2006	4/6/2008	\$100,000.00	\$80,000.00	Sweeper, Aerial Truck, & 3 Refuse Trucks	\$20,000.00	Yes
ML05022	City of Claremont	9/23/2005	9/22/2006		\$20,000.00	\$20,000.00	2 M.D. CNG Vehicles	\$0.00	Yes
ML05024	City of Cerritos	4/18/2005	3/17/2006		\$10,000.00	\$10,000.00	1 M.D. CNG Vehicle	\$0.00	Yes
ML05025	City of Malibu	5/6/2005	3/5/2006		\$10,000.00	\$10,000.00	1 Medium-Duty CNG Vehicle	\$0.00	Yes
ML05026	City of Inglewood	1/6/2006	1/5/2007	2/5/2009	\$60,000.00	\$60,000.00	2 CNG Transit Buses, 1 CNG Pothole Patch	\$0.00	Yes
ML05027	City of Beaumont	2/23/2006	4/22/2007	6/22/2010	\$20,000.00	\$20,000.00	1 H.D. CNG Bus	\$0.00	Yes
ML05028	City of Anaheim	9/8/2006	9/7/2007	5/7/2008	\$85,331.00	\$85,331.00	Traffic signal coordination & synchronization	\$0.00	Yes
ML05029	Los Angeles World Airports	5/5/2006	9/4/2007		\$140,000.00	\$140,000.00	Seven CNG Buses	\$0.00	Yes
ML05071	City of La Canada Flintridge	1/30/2009	1/29/2011		\$20,000.00	\$20,000.00	1 CNG Bus	\$0.00	Yes
ML05072	Los Angeles County Department of P	8/24/2009	5/23/2010	1/23/2011	\$349,000.00	\$349,000.00	Traffic Signal Synchronization (LADOT)	\$0.00	Yes
MS05001	A-Z Bus Sales, Inc.	2/4/2005	12/31/2005	12/31/2006	\$1,385,000.00	\$1,385,000.00	CNG School Bus Buydown	\$0.00	Yes
MS05002	California Bus Sales	2/4/2005	12/31/2005	12/31/2006	\$1,800,000.00	\$1,800,000.00	CNG School Bus Buydown	\$0.00	Yes
MS05003	BusWest	1/28/2005	12/31/2005	12/31/2006	\$2,100,000.00	\$1,620,000.00	CNG School Bus Buydown	\$480,000.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS05004	Johnson/Ukropina Creative Marketin	11/27/2004	1/18/2006	4/18/2006	\$1,000,000.00	\$994,612.56	Implement "Rideshare Thursday" Campaign	\$5,387.44	Yes
MS05031	City of Ontario, Housing & Municipal	7/22/2005	3/21/2007		\$191,268.00	\$191,268.00	11 CNG Waste Haulers	\$0.00	Yes
MS05033	Waste Management of the Desert	9/26/2005	5/25/2007		\$202,900.00	\$202,900.00	10 CNG Waste Haulers	\$0.00	Yes
MS05034	Sukut Equipment, Inc.	9/9/2005	5/8/2007		\$1,151,136.00	\$1,151,136.00	Repower 12 Scrapers	\$0.00	Yes
MS05035	Varner Construction Inc.	11/28/2005	4/27/2007	2/27/2008	\$334,624.00	\$334,624.00	Repower 5 Off-Road H.D. Vehicles	\$0.00	Yes
MS05036	Camarillo Engineering	8/18/2005	1/17/2007		\$1,167,276.00	\$1,167,276.00	Repower 12 Scrapers	\$0.00	Yes
MS05037	Road Builders, Inc.	11/21/2005	4/20/2007	6/20/2008	\$229,302.00	\$229,302.00	Repower 2 Scrapers	\$0.00	Yes
MS05038	SunLine Transit Agency	3/30/2006	9/29/2007		\$135,000.00	\$135,000.00	15 CNG Buses	\$0.00	Yes
MS05039	Los Angeles County MTA	4/28/2006	4/27/2008		\$405,000.00	\$405,000.00	75 CNG Buses	\$0.00	Yes
MS05040	Orange County Transportation Autho	3/23/2006	12/22/2007	6/22/2008	\$200,000.00	\$200,000.00	25 CNG Buses	\$0.00	Yes
MS05041	The Regents of the University of Cali	9/5/2006	8/4/2007	9/4/2008	\$15,921.00	\$15,921.00	CNG Station Upgrade	\$0.00	Yes
MS05042	City of Ontario, Housing & Municipal	11/21/2005	9/20/2006	7/20/2007	\$117,832.00	\$74,531.27	CNG Station Upgrade	\$43,300.73	Yes
MS05043	Whittier Union High School District	9/23/2005	7/22/2006		\$15,921.00	\$15,921.00	CNG Station Upgrade	\$0.00	Yes
MS05045	City of Covina	9/9/2005	7/8/2006		\$10,000.00	\$7,435.61	CNG Station Upgrade	\$2,564.39	Yes
MS05046	City of Inglewood	1/6/2006	5/5/2007		\$139,150.00	\$56,150.27	CNG Station Upgrade	\$82,999.73	Yes
MS05047	Orange County Transportation Autho	10/20/2005	10/19/2006	1/19/2007	\$75,563.00	\$75,563.00	CNG Station Upgrade	\$0.00	Yes
MS05048	City of Santa Monica	7/24/2006	11/23/2007		\$150,000.00	\$150,000.00	CNG Station Upgrade	\$0.00	Yes
MS05049	Omnitrans	9/23/2005	2/22/2007		\$25,000.00	\$7,250.00	CNG Station Upgrade	\$17,750.00	Yes
MS05050	Gateway Cities Council of Governme	12/21/2005	4/20/2010		\$1,464,839.00	\$1,464,838.12	Truck Fleet Modernization Program	\$0.88	Yes
MS05051	Jagur Tractor	1/16/2006	4/15/2007	10/15/2007	\$660,928.00	\$660,928.00	Repower 6 Scrapers	\$0.00	Yes
MS05052	Caufield Equipment, Inc.	8/3/2005	1/2/2007		\$478,000.00	\$478,000.00	Repower 4 Scrapers	\$0.00	Yes
MS05070	Haaland Internet Productions (HIP D	6/24/2005	5/31/2007	11/30/2011	\$100,715.00	\$92,458.24	Design, Host & Maintain MSRC Website	\$8,256.76	Yes

Total: 45

Closed/Incomplete Contracts

ML05007	Los Angeles County Dept of Beache	6/23/2006	6/22/2007	12/22/2007	\$50,000.00	\$0.00	5 Medium Duty CNG Vehicles	\$50,000.00	No
ML05009	Los Angeles County Department of P	6/22/2006	12/21/2007	9/30/2011	\$56,666.00	\$0.00	2 Propane Refueling Stations	\$56,666.00	No
ML05012	Los Angeles County Department of P	11/10/2006	5/9/2008	1/9/2009	\$349,000.00	\$0.00	Traffic Signal Synchronization (LADOT)	\$349,000.00	No
ML05023	City of La Canada Flintridge	3/30/2005	2/28/2006	8/28/2008	\$20,000.00	\$0.00	1 CNG Bus	\$20,000.00	No

Total: 4

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2006-2007 Contracts

Declined/Cancelled Contracts

ML07031	City of Santa Monica				\$180,000.00	\$0.00	Upgrade N.G. Station to Add Hythane	\$180,000.00	No
ML07032	City of Huntington Beach Public Wor				\$25,000.00	\$0.00	One H.D. CNG Vehicle	\$25,000.00	No
ML07035	City of Los Angeles, General Service				\$350,000.00	\$0.00	New CNG Refueling Station/Southeast Yard	\$350,000.00	No
ML07038	City of Palos Verdes Estates				\$25,000.00	\$0.00	One H.D. LPG Vehicle	\$25,000.00	No
MS07010	Palos Verdes Peninsula Transit Auth				\$80,000.00	\$0.00	Repower 4 Transit Buses	\$80,000.00	No
MS07014	Clean Energy Fuels Corp.				\$350,000.00	\$0.00	New L/CNG Station - SERRF	\$350,000.00	No
MS07015	Baldwin Park Unified School District				\$57,500.00	\$0.00	New CNG Station	\$57,500.00	No
MS07016	County of Riverside Fleet Services D				\$36,359.00	\$0.00	New CNG Station - Rubidoux	\$36,359.00	No
MS07017	County of Riverside Fleet Services D				\$33,829.00	\$0.00	New CNG Station - Indio	\$33,829.00	No
MS07018	City of Cathedral City				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07021	City of Riverside				\$350,000.00	\$0.00	New CNG Station	\$350,000.00	No
MS07050	Southern California Disposal Co.				\$320,000.00	\$0.00	Ten Nat. Gas Refuse Trucks	\$320,000.00	No
MS07062	Caltrans Division of Equipment				\$1,081,818.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$1,081,818.00	No
MS07065	ECCO Equipment Corp.				\$174,525.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$174,525.00	No
MS07067	Recycled Materials Company of Calif				\$99,900.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$99,900.00	No
MS07069	City of Burbank	5/9/2008	3/8/2010	9/8/2011	\$8,895.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$8,895.00	No
MS07074	Albert W. Davies, Inc.	1/25/2008	11/24/2009		\$39,200.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$39,200.00	No
MS07081	Clean Diesel Technologies, Inc.				\$240,347.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$240,347.00	No
MS07082	DCL International, Inc.				\$153,010.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$153,010.00	No
MS07083	Dinex Exhausts, Inc.				\$52,381.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$52,381.00	No
MS07084	Donaldson Company, Inc.				\$42,416.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$42,416.00	No
MS07085	Engine Control Systems Limited				\$155,746.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$155,746.00	No
MS07086	Huss, LLC				\$84,871.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$84,871.00	No
MS07087	Mann+Hummel GmbH				\$189,361.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$189,361.00	No
MS07088	Nett Technologies, Inc.				\$118,760.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$118,760.00	No
MS07089	Rypos, Inc.				\$68,055.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$68,055.00	No
MS07090	Sud-Chemie				\$27,345.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$27,345.00	No

Total: 27

Closed Contracts

ML07023	City of Riverside	6/20/2008	10/19/2014	7/19/2016	\$462,500.00	\$461,476.42	CNG Station Expansion/Purch. 14 H.D. Vehi	\$1,023.58	Yes
ML07024	City of Garden Grove	3/7/2008	9/6/2014	7/6/2016	\$75,000.00	\$75,000.00	Three H.D. CNG Vehicles	\$0.00	Yes
ML07025	City of San Bernardino	8/12/2008	7/11/2010		\$350,000.00	\$350,000.00	Maintenance Facility Modifications	\$0.00	Yes
ML07026	City of South Pasadena	6/13/2008	6/12/2014		\$25,000.00	\$25,000.00	One H.D. CNG Vehicle	\$0.00	Yes
ML07027	Los Angeles World Airports	6/3/2008	7/2/2014		\$25,000.00	\$25,000.00	One H.D. LNG Vehicle	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML07028	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Hollywood Yard	\$0.00	Yes
ML07029	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Venice Yard	\$0.00	Yes
ML07030	County of San Bernardino Public Wo	7/11/2008	9/10/2015		\$200,000.00	\$200,000.00	8 Natural Gas H.D. Vehicles	\$0.00	Yes
ML07033	City of La Habra	5/21/2008	6/20/2014	11/30/2013	\$25,000.00	\$25,000.00	One H.D. Nat Gas Vehicle	\$0.00	Yes
ML07034	City of Los Angeles, General Service	3/13/2009	3/12/2014		\$350,000.00	\$350,000.00	New CNG Refueling Station/Van Nuys Yard	\$0.00	Yes
ML07036	City of Alhambra	1/23/2009	2/22/2015		\$50,000.00	\$50,000.00	2 H.D. CNG Vehicles	\$0.00	Yes
ML07037	City of Los Angeles, General Service	10/8/2008	10/7/2015		\$255,222.00	\$255,222.00	Upgrade LNG/LCNG Station/East Valley Yar	\$0.00	Yes
ML07039	City of Baldwin Park	6/6/2008	6/5/2014	8/5/2015	\$50,000.00	\$50,000.00	Two N.G. H.D. Vehicles	\$0.00	Yes
ML07040	City of Moreno Valley	6/3/2008	9/2/2014		\$25,000.00	\$25,000.00	One Heavy-Duty CNG Vehicle	\$0.00	Yes
ML07041	City of La Quinta	6/6/2008	6/5/2014		\$25,000.00	\$25,000.00	One CNG Street Sweeper	\$0.00	Yes
ML07042	City of La Quinta	8/15/2008	9/14/2010		\$100,000.00	\$100,000.00	Street Sweeping Operations	\$0.00	Yes
ML07043	City of Redondo Beach	9/28/2008	7/27/2014	10/27/2016	\$125,000.00	\$125,000.00	Five H.D. CNG Transit Vehicles	\$0.00	Yes
ML07044	City of Santa Monica	9/8/2008	3/7/2015	3/7/2017	\$600,000.00	\$600,000.00	24 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML07046	City of Culver City Transportation De	5/2/2008	5/1/2014		\$25,000.00	\$25,000.00	One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML07047	City of Cathedral City	6/16/2008	9/15/2014	3/15/2015	\$225,000.00	\$225,000.00	Two H.D. Nat. Gas Vehicles/New CNG Fueli	\$0.00	Yes
ML07048	City of Cathedral City	9/19/2008	10/18/2010		\$100,000.00	\$84,972.45	Street Sweeping Operations	\$15,027.55	Yes
MS07001	A-Z Bus Sales, Inc.	12/28/2006	12/31/2007	2/29/2008	\$1,920,000.00	\$1,380,000.00	CNG School Bus Buydown	\$540,000.00	Yes
MS07002	BusWest	1/19/2007	12/31/2007	3/31/2008	\$840,000.00	\$840,000.00	CNG School Bus Buydown	\$0.00	Yes
MS07003	Westport Fuel Systems, Inc.	11/2/2007	12/31/2011	6/30/2013	\$1,500,000.00	\$1,499,990.00	Advanced Nat. Gas Engine Incentive Progra	\$10.00	Yes
MS07005	S-W Compressors	3/17/2008	3/16/2010		\$60,000.00	\$7,500.00	Mountain CNG School Bus Demo Program-	\$52,500.00	Yes
MS07006	Coachella Valley Association of Gov	2/28/2008	10/27/2008		\$400,000.00	\$400,000.00	Coachella Valley PM10 Reduction Street Sw	\$0.00	Yes
MS07007	Los Angeles World Airports	5/2/2008	11/1/2014		\$420,000.00	\$420,000.00	Purchase CNG 21 Transit Buses	\$0.00	Yes
MS07008	City of Los Angeles, Department of T	9/18/2009	5/17/2020	9/17/2017	\$1,900,000.00	\$1,900,000.00	Purchase 95 Transit Buses	\$0.00	Yes
MS07009	Orange County Transportation Autho	5/14/2008	4/13/2016		\$800,000.00	\$800,000.00	Purchase 40 Transit Buses	\$0.00	Yes
MS07011	L A Service Authority for Freeway E	3/12/2010	5/31/2011	9/30/2011	\$700,000.00	\$700,000.00	"511" Commuter Services Campaign	\$0.00	Yes
MS07012	City of Los Angeles, General Service	6/13/2008	6/12/2009	6/12/2010	\$50,000.00	\$50,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS07013	Rainbow Disposal Company, Inc.	1/25/2008	3/24/2014	9/24/2014	\$350,000.00	\$350,000.00	New High-Volume CNG Station	\$0.00	Yes
MS07019	City of Cathedral City	1/9/2009	6/8/2010		\$32,500.00	\$32,500.00	Maintenance Facility Modifications	\$0.00	Yes
MS07020	Avery Petroleum	5/20/2009	7/19/2015		\$250,000.00	\$250,000.00	New CNG Station	\$0.00	Yes
MS07049	Palm Springs Disposal Services	10/23/2008	11/22/2014	9/22/2016	\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07051	City of San Bernardino	8/12/2008	12/11/2014		\$480,000.00	\$480,000.00	15 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07052	City of Redlands	7/30/2008	11/29/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks	\$0.00	Yes
MS07053	City of Claremont	7/31/2008	12/30/2014		\$96,000.00	\$96,000.00	Three Nat. Gas Refuse Trucks	\$0.00	Yes
MS07054	Republic Services, Inc.	3/7/2008	9/6/2014	9/6/2016	\$1,280,000.00	\$1,280,000.00	40 Nat. Gas Refuse Trucks	\$0.00	Yes
MS07055	City of Culver City Transportation De	7/8/2008	9/7/2014		\$192,000.00	\$192,000.00	Six Nat. Gas Refuse Trucks	\$0.00	Yes
MS07056	City of Whittier	9/5/2008	3/4/2015		\$32,000.00	\$32,000.00	One Nat. Gas Refuse Trucks	\$0.00	Yes
MS07057	CR&R, Inc.	7/31/2008	8/30/2014	6/30/2015	\$896,000.00	\$896,000.00	28 Nat. Gas Refuse Trucks	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS07058	Better World Group Advisors	11/17/2007	11/16/2009	11/16/2011	\$247,690.00	\$201,946.21	MSRC Programmatic Outreach Services	\$45,743.79	Yes
MS07059	County Sanitation Districts of L.A. Co	9/5/2008	9/4/2010	7/14/2012	\$231,500.00	\$231,500.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07060	Community Recycling & Resource R	3/7/2008	1/6/2010	7/6/2011	\$177,460.00	\$98,471.00	Off-Road Diesel Equipment Retrofit Program	\$78,989.00	Yes
MS07061	City of Los Angeles, Department of	10/31/2008	8/30/2010	2/28/2013	\$40,626.00	\$40,626.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07063	Shimmick Construction Company, In	4/26/2008	2/25/2010	8/25/2011	\$80,800.00	\$11,956.37	Off-Road Diesel Equipment Retrofit Program	\$68,843.63	Yes
MS07064	Altfillisch Contractors, Inc.	9/19/2008	7/18/2010	1/18/2011	\$160,000.00	\$155,667.14	Off-Road Diesel Equipment Retrofit Program	\$4,332.86	Yes
MS07068	Sukut Equipment Inc.	1/23/2009	11/22/2010	5/22/2012	\$26,900.00	\$26,900.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07070	Griffith Company	4/30/2008	2/28/2010	8/28/2012	\$168,434.00	\$125,504.00	Off-Road Diesel Equipment Retrofit Program	\$42,930.00	Yes
MS07071	Tiger 4 Equipment Leasing	9/19/2008	7/18/2010	1/18/2013	\$210,937.00	\$108,808.97	Off-Road Diesel Equipment Retrofit Program	\$102,128.03	Yes
MS07072	City of Culver City Transportation De	4/4/2008	2/3/2010	8/3/2011	\$72,865.00	\$72,865.00	Off-Road Diesel Equipment Retrofit Program	\$0.00	Yes
MS07075	Dan Copp Crushing	9/17/2008	7/16/2010	1/16/2012	\$73,600.00	\$40,200.00	Off-Road Diesel Equipment Retrofit Program	\$33,400.00	Yes
MS07076	Reed Thomas Company, Inc.	8/15/2008	6/14/2010	3/14/2012	\$339,073.00	\$100,540.00	Off-Road Diesel Equipment Retrofit Program	\$238,533.00	Yes
MS07077	USA Waste of California, Inc.	5/1/2009	12/31/2014		\$160,000.00	\$160,000.00	Five Nat. Gas Refuse Trucks (Santa Ana)	\$0.00	Yes
MS07078	USA Waste of California, Inc.	5/1/2009	12/31/2014	12/31/2015	\$256,000.00	\$256,000.00	Eight Nat. Gas Refuse Trucks (Dewey's)	\$0.00	Yes
MS07079	Riverside County Transportation Co	1/30/2009	7/29/2013	12/31/2011	\$20,000.00	\$15,165.45	BikeMetro Website Migration	\$4,834.55	Yes
MS07080	City of Los Angeles Bureau of Sanita	10/31/2008	8/30/2010	8/28/2016	\$63,192.00	\$62,692.00	Off-Road Diesel Equipment Retrofit Program	\$500.00	No
MS07091	BusWest	10/16/2009	3/15/2010		\$33,660.00	\$33,660.00	Provide Lease for 2 CNG School Buses	\$0.00	Yes
MS07092	Riverside County Transportation Co	9/1/2010	10/31/2011		\$350,000.00	\$350,000.00	"511" Commuter Services Campaign	\$0.00	Yes

Total: 60

Closed/Incomplete Contracts

ML07045	City of Inglewood	2/6/2009	4/5/2015		\$75,000.00	\$25,000.00	3 H.D. Nat. Gas Vehicles	\$50,000.00	No
MS07004	BusWest	7/2/2007	7/1/2009		\$90,928.00	\$68,196.00	Provide Lease for 2 CNG School Buses	\$22,732.00	No
MS07066	Skanska USA Civil West California D	6/28/2008	4/27/2010	10/27/2010	\$111,700.00	\$36,128.19	Off-Road Diesel Equipment Retrofit Program	\$75,571.81	No
MS07073	PEED Equipment Co.	10/31/2008	8/30/2010		\$11,600.00	\$0.00	Off-Road Diesel Equipment Retrofit Program	\$11,600.00	No

Total: 4

Open/Complete Contracts

MS07022	CSULA Hydrogen Station and Resea	10/30/2009	12/29/2015	10/29/2019	\$250,000.00	\$250,000.00	New Hydrogen Fueling Station	\$0.00	Yes
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Total: 1

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2007-2008 Contracts

Open Contracts

ML08028	City of Santa Monica	9/11/2009	9/10/2016	5/10/2019	\$600,000.00	\$0.00	24 CNG Heavy-Duty Vehicles	\$600,000.00	No
MS08007	United Parcel Service West Region	12/10/2008	10/9/2014	4/9/2019	\$300,000.00	\$270,000.00	10 H.D. Nat. Gas Vehicles	\$30,000.00	Yes
MS08013	United Parcel Service West Region	12/10/2008	10/9/2014	3/9/2019	\$480,000.00	\$432,000.00	12 H.D. Nat. Gas Yard Tractors	\$48,000.00	No

Total: 3

Declined/Cancelled Contracts

ML08032	City of Irvine	5/1/2009	8/31/2010		\$9,000.00	\$0.00	36 Vehicles (Diagnostic)	\$9,000.00	No
ML08041	City of Los Angeles, Dept of Transpo	8/6/2010	7/5/2011	12/5/2011	\$8,800.00	\$0.00	73 Vehicles (Diagnostic)	\$8,800.00	No
ML08049	City of Cerritos	3/20/2009	1/19/2015	2/19/2017	\$25,000.00	\$0.00	1 CNG Heavy-Duty Vehicle	\$25,000.00	No
ML08051	City of Colton				\$75,000.00	\$0.00	3 CNG Heavy-Duty Vehicles	\$75,000.00	No
ML08080	City of Irvine	5/1/2009	5/31/2015		\$50,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$50,000.00	No
MS08002	Orange County Transportation Autho				\$1,500,000.00	\$0.00	Big Rig Freeway Service Patrol	\$1,500,000.00	No
MS08008	Diversified Truck Rental & Leasing				\$300,000.00	\$0.00	10 H.D. Nat. Gas Vehicles	\$300,000.00	No
MS08010	Orange County Transportation Autho				\$10,000.00	\$0.00	20 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08011	Green Fleet Systems, LLC				\$10,000.00	\$0.00	30 H.D. Nat. Gas Vehicles	\$10,000.00	No
MS08052	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014	11/23/2015	\$100,000.00	\$0.00	New CNG Station - Fontana	\$100,000.00	No
MS08054	Clean Energy Fuels Corp.				\$400,000.00	\$0.00	New LNG Station - Fontana	\$400,000.00	No
MS08055	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$0.00	New LNG Station - Long Beach-Pier S	\$400,000.00	No
MS08059	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - San Bernardino	\$100,000.00	No
MS08060	Burrtec Waste Industries, Inc.	12/24/2008	11/23/2014		\$100,000.00	\$0.00	New CNG Station - Azusa	\$100,000.00	No
MS08062	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$0.00	New CNG Station - Rialto	\$400,000.00	No
MS08074	Fontana Unified School District	11/14/2008	12/13/2014		\$200,000.00	\$0.00	Expansion of Existing CNG station	\$200,000.00	No
MS08077	Hythane Company, LLC				\$144,000.00	\$0.00	Upgrade Station to Hythane	\$144,000.00	No

Total: 17

Closed Contracts

ML08023	City of Villa Park	11/7/2008	10/6/2012		\$6,500.00	\$5,102.50	Upgrade of Existing Refueling Facility	\$1,397.50	Yes
ML08024	City of Anaheim	7/9/2010	7/8/2017	1/8/2018	\$425,000.00	\$425,000.00	9 LPG Buses and 8 CNG Buses	\$0.00	Yes
ML08026	Los Angeles County Department of P	7/20/2009	7/19/2016		\$250,000.00	\$250,000.00	10 LPG Heavy-Duty Vehicles	\$0.00	Yes
ML08027	Los Angeles County Department of P	7/20/2009	1/19/2011	1/19/2012	\$6,901.00	\$5,124.00	34 Vehicles (Diagnostic)	\$1,777.00	Yes
ML08029	City of Gardena	3/19/2009	1/18/2015		\$25,000.00	\$25,000.00	1 Propane Heavy-Duty Vehicle	\$0.00	Yes
ML08030	City of Azusa	5/14/2010	3/13/2016		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	No
ML08031	City of Claremont	3/27/2009	3/26/2013	3/26/2015	\$97,500.00	\$97,500.00	Upgrade of Existing CNG Station, Purchase	\$0.00	Yes
ML08033	County of San Bernardino Public Wo	4/3/2009	2/2/2010		\$14,875.00	\$14,875.00	70 Vehicles (Diagnostic)	\$0.00	Yes
ML08034	County of San Bernardino Public Wo	3/27/2009	7/26/2015		\$150,000.00	\$150,000.00	8 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08035	City of La Verne	3/6/2009	11/5/2009		\$11,925.00	\$11,925.00	53 Vehicles (Diagnostic)	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML08036	City of South Pasadena	5/12/2009	7/11/2013		\$169,421.00	\$169,421.00	New CNG Station	\$0.00	Yes
ML08037	City of Glendale	5/20/2009	5/19/2015		\$325,000.00	\$325,000.00	13 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08038	Los Angeles Department of Water an	7/16/2010	7/15/2017		\$1,050,000.00	\$1,050,000.00	42 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08039	City of Rancho Palos Verdes	6/5/2009	8/4/2015		\$50,000.00	\$50,000.00	2 LPG Transit Buses	\$0.00	Yes
ML08040	City of Riverside	9/11/2009	9/10/2016	3/10/2019	\$455,500.00	\$455,500.00	16 CNG Vehicles, Expand CNG Station & M	\$0.00	Yes
ML08042	City of Ontario, Housing & Municipal	5/1/2009	1/31/2016		\$175,000.00	\$175,000.00	7 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08044	City of Chino	3/19/2009	3/18/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08045	City of Santa Clarita	2/20/2009	6/19/2010		\$3,213.00	\$3,150.00	14 Vehicles (Diagnostic)	\$63.00	Yes
ML08046	City of Paramount	2/20/2009	2/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08047	City of Culver City Transportation De	5/12/2009	8/11/2015		\$150,000.00	\$150,000.00	6 CNG Heavy-Duty Vehicles	\$0.00	Yes
ML08048	City of Santa Clarita	2/20/2009	6/19/2015		\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
ML08050	City of Laguna Beach Public Works	8/12/2009	4/11/2016	10/11/2016	\$75,000.00	\$75,000.00	3 LPG Trolleys	\$0.00	Yes
MS08001	Los Angeles County MTA	12/10/2010	6/9/2014		\$1,500,000.00	\$1,499,999.66	Big Rig Freeway Service Patrol	\$0.34	Yes
MS08003	A-Z Bus Sales, Inc.	5/2/2008	12/31/2008	2/28/2009	\$1,480,000.00	\$1,400,000.00	Alternative Fuel School Bus Incentive Progra	\$80,000.00	Yes
MS08004	BusWest	5/2/2008	12/31/2008		\$1,440,000.00	\$1,440,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS08005	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Azusa	\$0.00	Yes
MS08006	Burrtec Waste Industries, Inc.	10/23/2008	11/22/2014	10/22/2015	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles - Saugus	\$0.00	Yes
MS08009	Los Angeles World Airports	12/24/2008	12/23/2014		\$870,000.00	\$870,000.00	29 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS08012	California Cartage Company, LLC	12/21/2009	10/20/2015	4/20/2016	\$480,000.00	\$480,000.00	12 H.D. Nat. Gas Yard Tractors	\$0.00	Yes
MS08014	City of San Bernardino	12/5/2008	6/4/2015		\$390,000.00	\$360,000.00	13 H.D. Nat. Gas Vehicles	\$30,000.00	Yes
MS08015	Yosemite Waters	5/12/2009	5/11/2015		\$180,000.00	\$117,813.60	11 H.D. Propane Vehicles	\$62,186.40	Yes
MS08016	TransVironmental Solutions, Inc.	1/23/2009	12/31/2010	9/30/2011	\$227,198.00	\$80,351.34	Rideshare 2 School Program	\$146,846.66	Yes
MS08017	Omnitrans	12/13/2008	12/12/2015	12/12/2016	\$900,000.00	\$900,000.00	30 CNG Buses	\$0.00	Yes
MS08018	Los Angeles County Department of P	8/7/2009	10/6/2016	4/6/2018	\$60,000.00	\$60,000.00	2 CNG Vehicles	\$0.00	Yes
MS08019	Enterprise Rent-A-Car Company of L	2/12/2010	7/11/2016		\$300,000.00	\$300,000.00	10 CNG Vehicles	\$0.00	Yes
MS08020	Ware Disposal Company, Inc.	11/25/2008	2/24/2016		\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08021	CalMet Services, Inc.	1/9/2009	1/8/2016	7/8/2016	\$900,000.00	\$900,000.00	30 CNG Vehicles	\$0.00	Yes
MS08022	SunLine Transit Agency	12/18/2008	3/17/2015		\$311,625.00	\$311,625.00	15 CNG Buses	\$0.00	Yes
MS08053	City of Los Angeles, Bureau of Sanit	2/18/2009	12/17/2015		\$400,000.00	\$400,000.00	New LNG/CNG Station	\$0.00	Yes
MS08056	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New LNG Station - POLB-Anah. & I	\$0.00	Yes
MS08057	Orange County Transportation Autho	5/14/2009	7/13/2015		\$400,000.00	\$400,000.00	New CNG Station - Garden Grove	\$0.00	Yes
MS08058	Clean Energy Fuels Corp.	11/26/2009	3/25/2016	3/25/2017	\$400,000.00	\$400,000.00	New CNG Station - Ontario Airport	\$0.00	Yes
MS08061	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$400,000.00	New CNG Station - L.A.-La Cienega	\$0.00	Yes
MS08063	Go Natural Gas	9/25/2009	1/24/2016	1/24/2017	\$400,000.00	\$400,000.00	New CNG Station - Moreno Valley	\$0.00	Yes
MS08064	Hemet Unified School District	1/9/2009	3/8/2015		\$75,000.00	\$75,000.00	Expansion of Existing Infrastructure	\$0.00	Yes
MS08065	Pupil Transportation Cooperative	11/20/2008	7/19/2014		\$10,500.00	\$10,500.00	Existing CNG Station Modifications	\$0.00	Yes
MS08066	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Palm Spring Airport	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS08067	Trillium CNG	3/19/2009	6/18/2015	6/18/2016	\$311,600.00	\$254,330.00	New CNG Station	\$57,270.00	Yes
MS08069	Perris Union High School District	6/5/2009	8/4/2015	8/4/2016	\$225,000.00	\$225,000.00	New CNG Station	\$0.00	Yes
MS08070	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Paramount	\$0.00	Yes
MS08071	ABC Unified School District	1/16/2009	1/15/2015		\$63,000.00	\$63,000.00	New CNG Station	\$0.00	Yes
MS08072	Clean Energy Fuels Corp.	12/4/2009	3/3/2015		\$400,000.00	\$354,243.38	New CNG Station - Burbank	\$45,756.62	Yes
MS08073	Clean Energy Fuels Corp.	11/26/2009	2/25/2015		\$400,000.00	\$400,000.00	New CNG Station - Norwalk	\$0.00	Yes
MS08075	Disneyland Resort	12/10/2008	2/1/2015		\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS08076	Azusa Unified School District	10/17/2008	11/16/2014	1/31/2017	\$172,500.00	\$172,500.00	New CNG station and maint. Fac. Modificati	\$0.00	Yes
MS08078	SunLine Transit Agency	12/10/2008	6/9/2015	2/9/2016	\$189,000.00	\$189,000.00	CNG Station Upgrade	\$0.00	Yes
MS09002	A-Z Bus Sales, Inc.	11/7/2008	12/31/2009	12/31/2010	\$2,520,000.00	\$2,460,000.00	Alternative Fuel School Bus Incentive Progra	\$60,000.00	Yes
MS09004	A-Z Bus Sales, Inc.	1/30/2009	3/31/2009		\$156,000.00	\$156,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS09047	BusWest	7/9/2010	12/31/2010	4/30/2011	\$480,000.00	\$480,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes

Total: 59

Closed/Incomplete Contracts

ML08025	Los Angeles County Department of P	10/30/2009	3/29/2011		\$75,000.00	\$0.00	150 Vehicles (Diagnostic)	\$75,000.00	No
MS08068	Regents of the University of Californi	11/5/2010	11/4/2017	11/4/2019	\$400,000.00	\$0.00	Hydrogen Station	\$400,000.00	No
MS08079	ABC Unified School District	1/16/2009	12/15/2009	12/15/2010	\$50,000.00	\$0.00	Maintenance Facility Modifications	\$50,000.00	No

Total: 3

Open/Complete Contracts

ML08043	City of Desert Hot Springs	9/25/2009	3/24/2016	3/24/2021	\$25,000.00	\$25,000.00	1 CNG Heavy-Duty Vehicle	\$0.00	Yes
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Total: 1

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2008-2009 Contracts

Declined/Cancelled Contracts

ML09017	County of San Bernardino Public Wo	1/28/2010	7/27/2016		\$200,000.00	\$0.00	8 Nat. Gas Heavy-Duty Vehicles	\$200,000.00	No
ML09018	Los Angeles Department of Water an	7/16/2010	9/15/2012		\$850,000.00	\$0.00	Retrofit 85 Off-Road Vehicles w/DECS	\$850,000.00	No
ML09019	City of San Juan Capistrano Public	12/4/2009	11/3/2010		\$10,125.00	\$0.00	Remote Vehicle Diagnostics/45 Vehicles	\$10,125.00	No
ML09022	Los Angeles County Department of P				\$8,250.00	\$0.00	Remote Vehicle Diagnostics/15 Vehicles	\$8,250.00	No
ML09025	Los Angeles County Department of P	10/15/2010	12/14/2012	6/14/2013	\$50,000.00	\$0.00	Remote Vehicle Diagnostics/85 Vehicles	\$50,000.00	No
ML09028	Riverside County Waste Manageme				\$140,000.00	\$0.00	Retrofit 7 Off-Road Vehicles w/DECS	\$140,000.00	No
ML09039	City of Inglewood				\$310,000.00	\$0.00	Purchase 12 H.D. CNG Vehicles and Remot	\$310,000.00	No
ML09040	City of Cathedral City				\$83,125.00	\$0.00	Purchase 3 H.D. CNG Vehicles and Remote	\$83,125.00	No
ML09044	City of San Dimas				\$425,000.00	\$0.00	Install CNG Station and Purchase 1 CNG S	\$425,000.00	No
ML09045	City of Orange				\$125,000.00	\$0.00	Purchase 5 CNG Sweepers	\$125,000.00	No
MS09003	FuelMaker Corporation				\$296,000.00	\$0.00	Home Refueling Apparatus Incentives	\$296,000.00	No

Total: 11

Closed Contracts

ML09007	City of Rancho Cucamonga	2/26/2010	4/25/2012		\$117,500.00	\$62,452.57	Maintenance Facility Modification	\$55,047.43	Yes
ML09008	City of Culver City Transportation De	1/19/2010	7/18/2016	7/18/2017	\$175,000.00	\$175,000.00	8 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09009	City of South Pasadena	11/5/2010	12/4/2016	3/4/2019	\$125,930.00	\$125,930.00	CNG Station Expansion	\$0.00	Yes
ML09010	City of Palm Springs	1/8/2010	2/7/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09011	City of San Bernardino	2/19/2010	5/18/2016		\$250,000.00	\$250,000.00	10 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09012	City of Gardena	3/12/2010	11/11/2015		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09013	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$144,470.00	\$128,116.75	Traffic Signal Synchr./Moreno Valley	\$16,353.25	Yes
ML09014	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$113,030.00	\$108,495.94	Traffic Signal Synchr./Corona	\$4,534.06	Yes
ML09015	City of Riverside Public Works	9/10/2010	12/9/2011	7/31/2013	\$80,060.00	\$79,778.52	Traffic Signal Synchr./Co. of Riverside	\$281.48	Yes
ML09016	County of San Bernardino Public Wo	1/28/2010	3/27/2014		\$50,000.00	\$50,000.00	Install New CNG Station	\$0.00	Yes
ML09020	County of San Bernardino	8/16/2010	2/15/2012		\$49,770.00	\$49,770.00	Remote Vehicle Diagnostics/252 Vehicles	\$0.00	Yes
ML09021	City of Palm Desert	7/9/2010	3/8/2012		\$39,450.00	\$38,248.87	Traffic Signal Synchr./Rancho Mirage	\$1,201.13	Yes
ML09023	Los Angeles County Department of P	12/10/2010	12/9/2017		\$50,000.00	\$50,000.00	2 Heavy-Duty Alternative Fuel Transit Vehicl	\$0.00	Yes
ML09024	Los Angeles County Department of P	10/15/2010	12/14/2012	6/14/2013	\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
ML09027	Los Angeles County Department of P	7/23/2010	3/22/2012	6/22/2012	\$150,000.00	\$150,000.00	Freeway Detector Map Interface	\$0.00	Yes
ML09029	City of Whittier	11/6/2009	4/5/2016		\$25,000.00	\$25,000.00	1 Nat. Gas Heavy-Duty Vehicle	\$0.00	Yes
ML09030	City of Los Angeles GSD/Fleet Servi	6/18/2010	6/17/2011		\$22,310.00	\$22,310.00	Remote Vehicle Diagnostics/107 Vehicles	\$0.00	Yes
ML09031	City of Los Angeles, Department of	10/29/2010	10/28/2017		\$825,000.00	\$825,000.00	33 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09032	Los Angeles World Airports	4/8/2011	4/7/2018		\$175,000.00	\$175,000.00	7 Nat. Gas Heavy-Duty Vehicles	\$0.00	Yes
ML09033	City of Beverly Hills	3/4/2011	5/3/2017	1/3/2019	\$550,000.00	\$550,000.00	10 Nat. Gas Heavy-Duty Vehicles & CNG St	\$0.00	No
ML09034	City of La Palma	11/25/2009	6/24/2015		\$25,000.00	\$25,000.00	1 LPG Heavy-Duty Vehicle	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML09035	City of Fullerton	6/17/2010	6/16/2017	6/16/2018	\$450,000.00	\$450,000.00	2 Heavy-Duty CNG Vehicles & Install CNG	\$0.00	Yes
ML09037	City of Redondo Beach	6/18/2010	6/17/2016		\$50,000.00	\$50,000.00	Purchase Two CNG Sweepers	\$0.00	Yes
ML09038	City of Chino	9/27/2010	5/26/2017		\$250,000.00	\$250,000.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09041	City of Los Angeles, Bureau of Sanit	10/1/2010	9/30/2017		\$875,000.00	\$875,000.00	Purchase 35 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML09042	Los Angeles Department of Water an	12/10/2010	12/9/2017		\$1,400,000.00	\$1,400,000.00	Purchase 56 Dump Trucks	\$0.00	Yes
ML09043	City of Covina	10/8/2010	4/7/2017	10/7/2018	\$179,591.00	\$179,591.00	Upgrade Existing CNG Station	\$0.00	Yes
ML09046	City of Newport Beach	5/20/2010	5/19/2016		\$162,500.00	\$162,500.00	Upgrade Existing CNG Station, Maintenance	\$0.00	Yes
ML09047	Los Angeles County Department of P	8/13/2014	8/12/2015	11/12/2015	\$400,000.00	\$272,924.53	Maintenance Facility Modifications	\$127,075.47	No
MS09001	Administrative Services Co-Op/Long	3/5/2009	6/30/2012	12/31/2013	\$225,000.00	\$150,000.00	15 CNG Taxicabs	\$75,000.00	Yes
MS09005	Gas Equipment Systems, Inc.	6/19/2009	10/18/2010		\$71,000.00	\$71,000.00	Provide Temp. Fueling for Mountain Area C	\$0.00	Yes

Total: 31

Open/Complete Contracts

ML09026	Los Angeles County Department of P	10/15/2010	10/14/2017	4/14/2019	\$150,000.00	\$80,411.18	3 Off-Road Vehicles Repowers	\$69,588.82	Yes
ML09036	City of Long Beach Fleet Services B	5/7/2010	5/6/2017	11/6/2022	\$875,000.00	\$875,000.00	Purchase 35 Natural Gas Refuse Trucks	\$0.00	Yes

Total: 2

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2010-2011 Contracts

Open Contracts

ML11029	City of Santa Ana	9/7/2012	3/6/2020	3/6/2023	\$262,500.00	\$75,000.00	Expansion of Existing CNG Station, Install N	\$187,500.00	No
ML11045	City of Newport Beach	2/3/2012	8/2/2018	3/2/2021	\$30,000.00	\$0.00	Purchase 1 Nat. Gas H.D. Vehicle	\$30,000.00	No

Total: 2

Declined/Cancelled Contracts

ML11038	City of Santa Monica	5/18/2012	7/17/2018		\$400,000.00	\$0.00	Maintenance Facility Modifications	\$400,000.00	No
MS11013	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Huntington Beach	\$150,000.00	No
MS11014	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Santa Ana	\$150,000.00	No
MS11015	Go Natural Gas, Inc.				\$150,000.00	\$0.00	New CNG Station - Inglewood	\$150,000.00	No
MS11046	Luis Castro				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11047	Ivan Borjas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11048	Phase II Transportation				\$1,080,000.00	\$0.00	Repower 27 Heavy-Duty Vehicles	\$1,080,000.00	No
MS11049	Ruben Caceras				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11050	Carlos Arrue				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11051	Francisco Vargas				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11053	Jose Ivan Soltero				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11054	Albino Meza				\$40,000.00	\$0.00	Repower One Heavy-Duty Vehicle	\$40,000.00	No
MS11059	Go Natural Gas				\$150,000.00	\$0.00	New Public Access CNG Station - Paramou	\$150,000.00	No
MS11063	Standard Concrete Products				\$310,825.00	\$0.00	Retrofit Two Off-Road Vehicles under Showc	\$310,825.00	No
MS11070	American Honda Motor Company				\$100,000.00	\$0.00	Expansion of Existing CNG Station	\$100,000.00	No
MS11072	Trillium USA Company DBA Californi				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS11077	DCL America Inc.				\$263,107.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$263,107.00	No
MS11083	Cattrac Construction, Inc.				\$500,000.00	\$0.00	Install DECS on Eight Off-Road Vehicles	\$500,000.00	No
MS11084	Ivanhoe Energy Services and Develo				\$66,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$66,750.00	No
MS11088	Diesel Emission Technologies				\$32,750.00	\$0.00	Retrofit Three H.D. Off-Road Vehicles Under	\$32,750.00	No
MS11089	Diesel Emission Technologies				\$9,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$9,750.00	No
MS11090	Diesel Emission Technologies				\$14,750.00	\$0.00	Retrofit One H.D. Off-Road Vehicle Under S	\$14,750.00	No

Total: 22

Closed Contracts

ML11007	Coachella Valley Association of Gov	7/29/2011	7/28/2012		\$250,000.00	\$249,999.96	Regional PM10 Street Sweeping Program	\$0.04	Yes
ML11022	City of Anaheim	3/16/2012	7/15/2018		\$150,000.00	\$150,000.00	Purchase of 5 H.D. Vehicles	\$0.00	Yes
ML11026	City of Redlands	3/2/2012	10/1/2018		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11027	City of Los Angeles, Dept. of Genera	5/4/2012	7/3/2015	1/3/2016	\$300,000.00	\$300,000.00	Maintenance Facility Modifications	\$0.00	Yes
ML11028	City of Glendale	1/13/2012	5/12/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. CNG Vehicles	\$0.00	Yes
ML11030	City of Fullerton	2/3/2012	3/2/2018		\$109,200.00	\$109,200.00	Purchase 2 Nat. Gas H.D. Vehicles, Retrofit	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML11031	City of Culver City Transportation De	12/2/2011	12/1/2018		\$300,000.00	\$300,000.00	Purchase 10 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML11033	City of Los Angeles, Bureau of Sanit	3/16/2012	1/15/2019		\$1,080,000.00	\$1,080,000.00	Purchase 36 LNG H.D. Vehicles	\$0.00	Yes
ML11034	City of Los Angeles, Department of	5/4/2012	1/3/2019		\$630,000.00	\$630,000.00	Purchase 21 H.D. CNG Vehicles	\$0.00	Yes
ML11035	City of La Quinta	11/18/2011	11/17/2012		\$25,368.00	\$25,368.00	Retrofit 3 On-Road Vehicles w/DECS	\$0.00	Yes
ML11039	City of Ontario, Housing & Municipal	1/27/2012	9/26/2018		\$180,000.00	\$180,000.00	Purchase 6 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11042	City of Chino	2/17/2012	4/16/2018		\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle, Repower	\$0.00	Yes
ML11043	City of Hemet Public Works	2/3/2012	2/2/2019		\$60,000.00	\$60,000.00	Purchase 2 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS11001	Mineral LLC	4/22/2011	4/30/2013	4/30/2015	\$111,827.00	\$103,136.83	Design, Develop, Host and Maintain MSRC	\$8,690.17	Yes
MS11002	A-Z Bus Sales, Inc.	7/15/2011	12/31/2011	6/30/2013	\$1,705,000.00	\$1,705,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS11003	BusWest	7/26/2011	12/31/2011	12/31/2012	\$1,305,000.00	\$1,305,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS11004	Los Angeles County MTA	9/9/2011	2/29/2012		\$450,000.00	\$299,743.34	Clean Fuel Transit Service to Dodger Stadiu	\$150,256.66	Yes
MS11006	Orange County Transportation Autho	10/7/2011	2/29/2012	8/31/2012	\$268,207.00	\$160,713.00	Metrolink Service to Angel Stadium	\$107,494.00	Yes
MS11017	CR&R, Inc.	3/2/2012	2/1/2018		\$100,000.00	\$100,000.00	Expansion of existing station - Garden Grove	\$0.00	Yes
MS11018	Orange County Transportation Autho	10/14/2011	1/31/2012		\$211,360.00	\$211,360.00	Express Bus Service to Orange County Fair	\$0.00	Yes
MS11052	Krisda Inc	9/27/2012	6/26/2013		\$120,000.00	\$120,000.00	Repower Three Heavy-Duty Vehicles	\$0.00	Yes
MS11056	Better World Group Advisors	12/30/2011	12/29/2013	12/29/2015	\$206,836.00	\$186,953.46	Programmatic Outreach Services	\$19,882.54	Yes
MS11057	Riverside County Transportation Co	7/28/2012	3/27/2013		\$100,000.00	\$89,159.40	Develop and Implement 511 "Smart Phone"	\$10,840.60	Yes
MS11058	L A Service Authority for Freeway E	5/31/2013	4/30/2014		\$123,395.00	\$123,395.00	Implement 511 "Smart Phone" Application	\$0.00	Yes
MS11061	Eastern Municipal Water District	3/29/2012	5/28/2015		\$11,659.00	\$1,450.00	Retrofit One Off-Road Vehicle under Showc	\$10,209.00	Yes
MS11062	Load Center	9/7/2012	1/6/2016	12/6/2016	\$175,384.00	\$169,883.00	Retrofit Six Off-Road Vehicles under Showc	\$5,501.00	Yes
MS11065	Temecula Valley Unified School Distr	8/11/2012	1/10/2019		\$50,000.00	\$48,539.62	Expansion of Existing CNG Station	\$1,460.38	No
MS11066	Torrance Unified School District	11/19/2012	9/18/2018		\$42,296.00	\$42,296.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11068	Ryder System Inc.	7/28/2012	10/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Fontana)	\$0.00	Yes
MS11069	Ryder System Inc.	7/28/2012	8/27/2018		\$175,000.00	\$175,000.00	New Public Access L/CNG Station (Orange)	\$0.00	Yes
MS11074	SunLine Transit Agency	5/11/2012	7/31/2012		\$41,849.00	\$22,391.00	Transit Service for Coachella Valley Festival	\$19,458.00	Yes
MS11080	Southern California Regional Rail Au	4/6/2012	7/31/2012		\$26,000.00	\$26,000.00	Metrolink Service to Auto Club Speedway	\$0.00	Yes
MS11086	DCL America Inc.	6/7/2013	10/6/2016		\$500,000.00	\$359,076.96	Retrofit Eight H.D. Off-Road Vehicles Under	\$140,923.04	Yes
MS11087	Cemex Construction Material Pacific,	10/16/2012	2/15/2016		\$448,766.00	\$448,760.80	Retrofit 13 H.D. Off-Road Vehicles Under Sh	\$5.20	Yes
MS11091	California Cartage Company, LLC	4/5/2013	8/4/2016	2/4/2018	\$55,000.00	\$0.00	Retrofit Two H.D. Off-Road Vehicles Under	\$55,000.00	No
MS11092	Griffith Company	2/15/2013	6/14/2016	12/14/2017	\$390,521.00	\$78,750.00	Retrofit 17 H.D. Off-Road Vehicles Under Sh	\$311,771.00	No

Total: 36

Closed/Incomplete Contracts									
MS11064	City of Hawthorne	7/28/2012	8/27/2018	8/27/2019	\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No
MS11076	SA Recycling, LLC	5/24/2012	9/23/2015		\$424,801.00	\$0.00	Retrofit of 13 Off-Road Diesel Vehicles with	\$424,801.00	No
MS11081	Metropolitan Stevedore Company	9/7/2012	1/6/2016		\$45,416.00	\$0.00	Install DECS on Two Off-Road Vehicles	\$45,416.00	No
MS11082	Baumot North America, LLC	8/2/2012	12/1/2015		\$65,958.00	\$4,350.00	Install DECS on Four Off-Road Vehicles	\$61,608.00	Yes
MS11085	City of Long Beach Fleet Services B	8/23/2013	12/22/2016		\$159,012.00	\$0.00	Retrofit Seven H.D. Off-Road Vehicles Unde	\$159,012.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 5									
Open/Complete Contracts									
ML11020	City of Indio	2/1/2013	3/31/2019	9/30/2020	\$15,000.00	\$9,749.50	Retrofit one H.D. Vehicles w/DECS, repower	\$5,250.50	Yes
ML11021	City of Whittier	1/27/2012	9/26/2018	6/26/2019	\$210,000.00	\$210,000.00	Purchase 7 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11023	City of Rancho Cucamonga	4/20/2012	12/19/2018	9/19/2020	\$260,000.00	\$260,000.00	Expand Existing CNG Station, 2 H.D. Vehicl	\$0.00	Yes
ML11024	County of Los Angeles, Dept of Publi	12/5/2014	6/4/2022		\$90,000.00	\$90,000.00	Purchase 3 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11025	County of Los Angeles Department o	3/14/2014	9/13/2021		\$150,000.00	\$150,000.00	Purchase 5 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11032	City of Gardena	3/2/2012	9/1/2018	10/1/2020	\$102,500.00	\$102,500.00	Purchase Heavy-Duty CNG Vehicle, Install	\$0.00	Yes
ML11036	City of Riverside	1/27/2012	1/26/2019	3/26/2021	\$670,000.00	\$670,000.00	Install New CNG Station, Purchase 9 H.D. N	\$0.00	Yes
ML11037	City of Anaheim	12/22/2012	12/21/2019		\$300,000.00	\$300,000.00	Purchase 12 Nat. Gas H.D. Vehicles	\$0.00	Yes
ML11040	City of South Pasadena	5/4/2012	1/3/2019	1/3/2022	\$30,000.00	\$30,000.00	Purchase 1 Nat. Gas H.D. Vehicle	\$0.00	Yes
ML11041	City of Santa Ana	9/7/2012	11/6/2018	1/6/2021	\$265,000.00	\$244,651.86	Purchase 7 LPG H.D. Vehicles, Retrofit 6 H.	\$20,348.14	Yes
ML11044	City of Ontario, Housing & Municipal	1/27/2012	6/26/2019		\$400,000.00	\$400,000.00	Expand Existing CNG Station	\$0.00	Yes
MS11008	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11009	USA Waste of California, Inc.	10/24/2013	4/23/2020		\$125,000.00	\$125,000.00	Expansion of Existing LCNG Station	\$0.00	Yes
MS11010	Border Valley Trading	8/26/2011	10/25/2017	4/25/2020	\$150,000.00	\$150,000.00	New LNG Station	\$0.00	Yes
MS11011	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Signal Hill	\$0.00	Yes
MS11012	EDCO Disposal Corporation	12/30/2011	4/29/2019		\$100,000.00	\$100,000.00	New CNG Station - Buena Park	\$0.00	Yes
MS11016	CR&R Incorporated	4/12/2013	10/11/2019		\$100,000.00	\$100,000.00	New CNG Station - Perris	\$0.00	Yes
MS11019	City of Corona	11/29/2012	4/28/2020		\$225,000.00	\$225,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11055	KEC Engineering	2/3/2012	8/2/2018	8/2/2019	\$200,000.00	\$200,000.00	Repower 5 H.D. Off-Road Vehicles	\$0.00	Yes
MS11060	Rowland Unified School District	8/17/2012	1/16/2019	1/16/2020	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11067	City of Redlands	5/24/2012	11/23/2018	11/23/2019	\$85,000.00	\$85,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11071	City of Torrance Transit Department	12/22/2012	1/21/2019	1/21/2020	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS11073	Los Angeles Unified School District	9/11/2015	2/10/2022		\$175,000.00	\$175,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS11079	Bear Valley Unified School District	2/5/2013	10/4/2019		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
Total: 24									

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2011-2012 Contracts

Open Contracts

ML12014	City of Santa Ana	11/8/2013	8/7/2020		\$384,000.00	\$4,709.00	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$379,291.00	No
ML12018	City of West Covina	10/18/2013	10/17/2020	8/17/2023	\$300,000.00	\$0.00	Expansion of Existing CNG Station	\$300,000.00	No
ML12043	City of Hemet	6/24/2013	9/23/2019		\$60,000.00	\$0.00	Two Heavy-Duty Nat. Gas Vehicles	\$60,000.00	No
ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020	6/13/2022	\$400,000.00	\$0.00	Install New CNG Station	\$400,000.00	No
ML12057	City of Coachella	8/28/2013	8/27/2019	1/27/2022	\$57,456.00	\$40,375.80	Purchase One Nat. Gas H.D. Vehicle/Street	\$17,080.20	No
ML12090	City of Palm Springs	10/9/2015	10/8/2021		\$21,163.00	\$0.00	EV Charging Infrastructure	\$21,163.00	No
ML12091	City of Bellflower	10/5/2018	10/4/2019		\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
MS12060	City of Santa Monica	4/4/2014	8/3/2017	8/3/2019	\$500,000.00	\$434,202.57	Implement Westside Bikeshare Program	\$65,797.43	No

Total: 8

Declined/Cancelled Contracts

ML12016	City of Cathedral City	1/4/2013	10/3/2019		\$60,000.00	\$0.00	CNG Vehicle & Electric Vehicle Infrastructur	\$60,000.00	No
ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte				\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12044	County of San Bernardino Public Wo				\$250,000.00	\$0.00	Install New CNG Station	\$250,000.00	No
ML12048	City of La Palma	1/4/2013	11/3/2018		\$20,000.00	\$0.00	Two Medium-Duty LPG Vehicles	\$20,000.00	No
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	No
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Acess CNG Station	\$100,000.00	No
MS12027	C.V. Ice Company, Inc.	5/17/2013	11/16/2019		\$75,000.00	\$0.00	Purchase 3 Medium-Heavy Duty Vehicles	\$75,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
MS12067	Leatherwood Construction, Inc.	11/8/2013	3/7/2017		\$122,719.00	\$0.00	Retrofit Six Vehicles w/DECS - Showcase III	\$122,719.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No

Total: 12

Closed Contracts

ML12013	City of Pasadena	10/19/2012	3/18/2015	9/18/2015	\$200,000.00	\$65,065.00	Electric Vehicle Charging Infrastructure	\$134,935.00	Yes
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$16,837.00	EV Charging Infrastructure	\$21,163.00	Yes
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$40,000.00	Four Medium-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$192,333.00	EV Charging Infrastructure	\$57,667.00	Yes
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	11/3/2015	11/3/2017	\$68,977.00	\$38,742.16	EV Charging Infrastructure	\$30,234.84	Yes
ML12042	City of Chino Hills	1/18/2013	3/17/2017		\$87,500.00	\$87,500.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$3,265.29	EV Charging Infrastructure	\$27,166.71	Yes
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$385,363.00	EV Charging Infrastructure	\$17,037.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$77,385.00	EV Charging Infrastructure	\$0.00	Yes
ML12055	City of Manhattan Beach	3/1/2013	12/31/2018		\$10,000.00	\$10,000.00	One Medium-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$5,900.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$211,170.00	Clean Fuel Transit Service to Dodger Stadium	\$88,830.00	Yes
MS12002	Orange County Transportation Authority	9/7/2012	4/30/2013		\$342,340.00	\$333,185.13	Express Bus Service to Orange County Fair	\$9,154.87	Yes
MS12003	Orange County Transportation Authority	7/20/2012	2/28/2013		\$234,669.00	\$167,665.12	Implement Metrolink Service to Angel Stadium	\$67,003.88	Yes
MS12005	USA Waste of California, Inc.	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12006	Waste Management Collection & Re	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12012	Rim of the World Unified School Dist	12/20/2012	5/19/2014		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12025	Silverado Stages, Inc.	11/2/2012	7/1/2018		\$150,000.00	\$150,000.00	Purchase Six Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$353,048.26	Purchase 23 Medium-Heavy Duty Vehicles	\$146,951.74	Yes
MS12028	Dy-Dee Service of Pasadena, Inc.	12/22/2012	1/21/2019		\$45,000.00	\$40,000.00	Purchase 2 Medium-Duty and 1 Medium-He	\$5,000.00	Yes
MS12029	Community Action Partnership of Or	11/2/2012	11/1/2018		\$25,000.00	\$14,850.00	Purchase 1 Medium-Heavy Duty Vehicle	\$10,150.00	Yes
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$50,000.00	\$32,446.00	Purchase 2 Medium-Heavy Duty Vehicles	\$17,554.00	Yes
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12036	Jim & Doug Carter's Automotive/VS	1/4/2013	11/3/2018		\$50,000.00	\$50,000.00	Purchase 2 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12058	Krisda Inc	4/24/2013	1/23/2019		\$25,000.00	\$25,000.00	Repower One Heavy-Duty Off-Road Vehicle	\$0.00	Yes
MS12059	Orange County Transportation Authority	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	Yes
MS12061	Orange County Transportation Authority	3/14/2014	3/13/2017		\$224,000.00	\$114,240.00	Transit-Oriented Bicycle Sharing Program	\$109,760.00	Yes
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$56,443.92	Implement Anaheim Circulator Service	\$70,852.08	Yes
MS12065	Orange County Transportation Authority	7/27/2013	11/30/2013		\$43,933.00	\$14,832.93	Ducks Express Service to Honda Center	\$29,100.07	Yes
MS12068	Southern California Regional Rail Au	3/1/2013	9/30/2013		\$57,363.00	\$47,587.10	Implement Metrolink Service to Autoclub Sp	\$9,775.90	Yes
MS12069	City of Irvine	8/11/2013	2/28/2014		\$45,000.00	\$26,649.41	Implement Special Transit Service to Solar	\$18,350.59	Yes
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$21,250.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12076	City of Ontario, Housing & Municipal	3/8/2013	4/7/2015		\$75,000.00	\$75,000.00	Maintenance Facilities Modification	\$0.00	Yes
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$73,107.00	Maintenance Facility Modifications - Vernon	\$1,893.00	Yes
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$75,000.00	Maintenance Facility Modifications - Santa A	\$0.00	Yes
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$125,000.00	Implement Rideshare Incentives Program	\$0.00	Yes
MS12088	Orange County Transportation Authority	12/6/2013	3/5/2016		\$125,000.00	\$18,496.50	Implement Rideshare Incentives Program	\$106,503.50	Yes
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$249,136.00	\$105,747.48	Implement Rideshare Incentives Program	\$143,388.52	No
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	No

Total: 44

Closed/Incomplete Contracts

ML12051	City of Bellflower	2/7/2014	2/6/2016	5/6/2018	\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
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Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12079	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Boyle H	\$75,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No

Total: 4

Open/Complete Contracts

ML12015	City of Fullerton	4/25/2013	11/24/2020	11/24/2021	\$40,000.00	\$40,000.00	HD CNG Vehicle, Expand CNG Station	\$0.00	Yes
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020	11/25/2021	\$950,000.00	\$950,000.00	32 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12020	City of Los Angeles, Department of	9/27/2012	3/26/2019	3/26/2020	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$110,000.00	2 Medium-Duty and Three Heavy-Duty CNG	\$0.00	Yes
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12008	Bonita Unified School District	7/12/2013	12/11/2019	4/11/2021	\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$150,000.00	Construct New Public-Access LNG Station	\$0.00	Yes
MS12010	Murrieta Valley Unified School Distric	4/5/2013	9/4/2019		\$242,786.00	\$242,786.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	5/28/2021	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12024	Southern California Gas Company	6/13/2013	12/12/2019	11/12/2020	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018	6/21/2021	\$148,900.00	\$148,900.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	No
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018	5/1/2022	\$133,070.00	\$133,070.00	Purchase 8 Medium-Heavy Duty Vehicles	\$0.00	No
MS12035	Disneyland Resort	1/4/2013	7/3/2019		\$25,000.00	\$18,900.00	Purchase 1 Medium-Heavy Duty Vehicle	\$6,100.00	Yes
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$100,000.00	Install New Limited Access CNG Station	\$0.00	Yes
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$100,000.00	Construct New CNG Station	\$0.00	Yes
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$150,000.00	Construct New CNG Station	\$0.00	Yes
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12075	CR&R Incorporated	7/27/2013	1/26/2021	1/26/2022	\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No
MS12080	City of Pasadena	11/8/2013	8/7/2020	2/7/2022	\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021	2/19/2023	\$175,000.00	\$175,000.00	Install New CNG Infrastructure	\$0.00	Yes
MS12083	Brea Olinda Unified School District	7/30/2015	2/29/2024		\$59,454.00	\$59,454.00	Install New CNG Infrastructure	\$0.00	Yes
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$225,000.00	Purchase 23 Medium-Heavy Duty Vehicles	\$0.00	Yes

Total: 24

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2012-2014 Contracts

Open Contracts

ML14012	City of Santa Ana	2/13/2015	10/12/2021		\$244,000.00	\$0.00	EV Charging and 7 H.D. LPG Vehicles	\$244,000.00	No
ML14018	City of Los Angeles, Department of	3/6/2015	9/5/2021	12/5/2022	\$810,000.00	\$720,000.00	Purchase 27 H.D. Nat. Gas Vehicles	\$90,000.00	No
ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016	9/30/2020	\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14023	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2019	\$230,000.00	\$0.00	Maintenance Fac. Modifications-Westcheste	\$230,000.00	No
ML14024	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2019	\$230,000.00	\$0.00	Maintenance Fac. Modifications-Baldwin Par	\$230,000.00	No
ML14025	County of Los Angeles Dept of Publi	10/2/2015	7/1/2018	7/1/2024	\$300,000.00	\$0.00	Construct New CNG Station in Malibu	\$300,000.00	No
ML14026	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	5/1/2024	\$300,000.00	\$0.00	Construct New CNG Station in Castaic	\$300,000.00	No
ML14027	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	6/1/2024	\$500,000.00	\$0.00	Construct New CNG Station in Canyon Coun	\$500,000.00	No
ML14030	County of Los Angeles Internal Servi	1/9/2015	3/8/2018	10/8/2019	\$425,000.00	\$25,000.00	Bicycle Racks, Outreach & Education	\$400,000.00	No
ML14062	City of San Fernando	3/27/2015	5/26/2021	10/31/2023	\$387,091.00	\$0.00	Expand Existing CNG Fueling Station	\$387,091.00	No
ML14067	City of Duarte	12/4/2015	1/3/2023	6/3/2024	\$60,000.00	\$0.00	Purchase Two Electric Buses	\$60,000.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015	1/11/2020	\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14069	City of Beaumont	3/3/2017	3/2/2025		\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
ML14072	City of Cathedral City	8/13/2014	1/12/2021	7/12/2022	\$66,000.00	\$0.00	Medium & H.D. Vehicles, EV Charging, Bike	\$66,000.00	No
MS14037	Penske Truck Leasing Co., L.P.	4/7/2017	6/6/2020		\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Carson	\$75,000.00	No
MS14057	Los Angeles County MTA	11/7/2014	10/6/2019	10/6/2020	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018	4/4/2020	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
MS14072	San Bernardino County Transportatio	3/27/2015	3/26/2018	3/26/2020	\$1,250,000.00	\$887,566.17	Implement Various Signal Synchronization P	\$362,433.83	No
MS14076	Rialto Unified School District	6/17/2015	2/16/2022	6/5/2023	\$225,000.00	\$213,750.00	New Public Access CNG Station	\$11,250.00	No
MS14079	Waste Resources, Inc.	9/14/2016	8/13/2022	2/13/2024	\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14083	Hacienda La Puente Unified School	7/10/2015	3/9/2022		\$175,000.00	\$0.00	New Limited Access CNG Station	\$175,000.00	No

Total: 21

Pending Execution Contracts

ML14096	County of Los Angeles Dept of Publi				\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14097	County of Los Angeles Internal Servi				\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No

Total: 2

Declined/Cancelled Contracts

ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existng CNG Infrastructure	\$32,000.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valle	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirad	\$75,000.00	No
MS14038	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Fontana	\$75,000.00	No
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS14078	American Honda Motor Co., Inc.	9/4/2015	8/3/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14085	Prologis, L.P.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14086	San Gabriel Valley Towing I				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14091	Serv-Wel Disposal				\$100,000.00	\$0.00	New Limited-Access CNG Infrastructure	\$100,000.00	No

Total: 9

Closed Contracts

ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$25,000.00	Street Sweeping Operations	\$0.00	Yes
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$78,627.00	Bicycle Racks, Bicycle Outreach & Educatio	\$373.00	Yes
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14020	County of Los Angeles Dept of Publi	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$71,056.78	Bicycle Trail Improvements	\$19,443.22	Yes
ML14051	City of Brea	9/5/2014	1/4/2017	7/4/2018	\$450,000.00	\$450,000.00	Installation of Bicycle Trail	\$0.00	Yes
ML14054	City of Torrance	11/14/2014	4/13/2017	7/13/2017	\$350,000.00	\$319,908.80	Upgrade Maintenance Facility	\$30,091.20	Yes
ML14055	City of Highland	10/10/2014	3/9/2018	3/9/2019	\$500,000.00	\$489,385.24	Bicycle Lanes and Outreach	\$10,614.76	Yes
ML14056	City of Redlands	9/5/2014	5/4/2016	5/4/2018	\$125,000.00	\$125,000.00	Bicycle Lanes	\$0.00	Yes
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$10,000.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14070	City of Rancho Cucamonga	9/3/2016	12/2/2018		\$365,245.00	\$326,922.25	Bicycle Trail Improvements	\$38,322.75	Yes
ML14071	City of Manhattan Beach	1/9/2015	11/8/2018		\$22,485.00	\$22,485.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14094	City of Yucaipa	6/9/2017	6/8/2018		\$84,795.00	\$84,795.00	Installation of Bicycle Lanes	\$0.00	Yes
ML14095	City of South Pasadena	1/10/2019	7/9/2019		\$142,096.00	\$134,182.09	Bicycle Trail Improvements	\$7,913.91	Yes
MS14001	Los Angeles County MTA	3/6/2015	4/30/2015		\$1,216,637.00	\$1,199,512.68	Clean Fuel Transit Service to Dodger Stadiu	\$17,124.32	Yes
MS14002	Orange County Transportation Autho	9/6/2013	4/30/2014		\$576,833.00	\$576,833.00	Clean Fuel Transit Service to Orange Count	\$0.00	Yes
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$184,523.00	Implement Metrolink Service to Angel Stadiu	\$9,712.00	Yes
MS14004	Orange County Transportation Autho	9/24/2013	4/30/2014		\$36,800.00	\$35,485.23	Implement Express Bus Service to Solar De	\$1,314.77	Yes
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$511,520.00	Provide Expanded Shuttle Service to Hollyw	\$3,680.00	Yes
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$189,622.94	Implement Special Metrolink Service to Ang	\$18,897.06	Yes
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$601,187.00	Implement Clean Fuel Bus Service to Orang	\$0.00	Yes
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014	3/31/2015	\$388,000.00	\$388,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS14039	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Irvine	\$0.00	Yes
MS14040	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Santa An	\$0.00	Yes
MS14047	Southern California Regional Rail Au	3/7/2014	9/30/2014		\$49,203.00	\$32,067.04	Special Metrolink Service to Autoclub Speed	\$17,135.96	Yes
MS14048	BusWest	3/14/2014	12/31/2014	5/31/2015	\$940,850.00	\$847,850.00	Alternative Fuel School Bus Incentive Progra	\$93,000.00	Yes
MS14058	Orange County Transportation Autho	11/7/2014	4/6/2016	4/6/2017	\$1,250,000.00	\$1,250,000.00	Implement Various Signal Synchronization P	\$0.00	Yes
MS14073	Anaheim Transportation Network	1/9/2015	4/30/2017		\$221,312.00	\$221,312.00	Anaheim Resort Circulator Service	\$0.00	Yes
MS14087	Orange County Transportation Autho	8/14/2015	4/30/2016		\$239,645.00	\$195,377.88	Implement Special Metrolink Service to Ang	\$44,267.12	Yes
MS14088	Southern California Regional Rail Au	5/7/2015	9/30/2015		\$79,660.00	\$66,351.44	Special Metrolink Service to Autoclub Speed	\$13,308.56	Yes
MS14089	Top Shelf Consulting, LLC	1/18/2017	8/4/2016	3/31/2017	\$200,000.00	\$200,000.00	Enhanced Fleet Modernization Program	\$0.00	Yes

Total: 31

Closed/Incomplete Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML14050	City of Yucaipa	7/11/2014	9/10/2015	7/1/2016	\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14060	County of Los Angeles Internal Servi	10/6/2017	1/5/2019		\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016	2/11/2018	\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14093	County of Los Angeles Dept of Publi	8/14/2015	1/13/2019		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
MS14092	West Covina Unified School District	9/3/2016	12/2/2022		\$124,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$124,000.00	No

Total: 5

Open/Complete Contracts									
ML14013	City of Los Angeles, Bureau of Sanit	10/7/2016	2/6/2025		\$400,000.00	\$400,000.00	Purchase 14 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$56,000.00	EV Charging Infrastructure	\$0.00	Yes
ML14016	City of Anaheim	4/3/2015	9/2/2021		\$380,000.00	\$380,000.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$0.00	Yes
ML14019	City of Corona Public Works	12/5/2014	6/4/2020	3/6/2023	\$111,518.00	\$111,517.18	EV Charging, Bicycle Racks, Bicycle Locker	\$0.82	Yes
ML14022	County of Los Angeles Department o	10/2/2015	5/1/2022		\$270,000.00	\$270,000.00	Purchase 9 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$126,950.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$90,000.00	Purchase 3 H.D. CNG Vehicles	\$0.00	Yes
ML14032	City of Rancho Cucamonga	1/9/2015	1/8/2022		\$113,990.00	\$104,350.63	Expansion of Existing CNG Infrast., Bicycle L	\$9,639.37	Yes
ML14033	City of Irvine	7/11/2014	2/10/2021	2/10/2022	\$60,000.00	\$60,000.00	Purchase 2 H.D. CNG Vehicles	\$0.00	Yes
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$56,700.00	EV Charging Stations	\$0.00	Yes
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$101,976.09	One HD Nat Gas Vehicle, EV Charging, Bicy	\$3,023.91	Yes
ML14061	City of La Habra	3/11/2016	3/10/2022		\$41,600.00	\$41,270.49	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$329.51	Yes
ML14064	City of Claremont	7/11/2014	7/10/2020	1/10/2021	\$60,000.00	\$60,000.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
MS14041	USA Waste of California, Inc.	9/4/2015	10/3/2021		\$175,000.00	\$175,000.00	Limited-Access CNG Station, Vehicle Maint.	\$0.00	Yes
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$150,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS14044	TIMCO CNG Fund I, LLC	5/2/2014	11/1/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Santa A	\$0.00	Yes
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Inglewoo	\$0.00	Yes
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020	11/14/2021	\$150,000.00	\$150,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$78,000.00	Expansion of an Existing CNG Fueling Statio	\$0.00	Yes
MS14053	Upland Unified School District	1/9/2015	7/8/2021		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	No
MS14074	Midway City Sanitary District	1/9/2015	3/8/2021		\$250,000.00	\$250,000.00	Limited-Access CNG Station & Facility Modif	\$0.00	Yes
MS14075	Fullerton Joint Union High School Di	7/22/2016	11/21/2023		\$300,000.00	\$293,442.00	Expansion of Existing CNG Infrastructure/Ma	\$6,558.00	Yes
MS14077	County Sanitation Districts of L.A. Co	3/6/2015	5/5/2021		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14080	CR&R Incorporated	6/1/2015	8/31/2021	8/31/2022	\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure/Ma	\$0.00	No
MS14081	CR&R Incorporated	6/1/2015	5/30/2021		\$175,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure/Ma	\$75,000.00	No
MS14082	Grand Central Recycling & Transfer	12/4/2015	3/3/2023	3/3/2024	\$150,000.00	\$150,000.00	Construct New Public Access CNG Station	\$0.00	Yes
MS14084	US Air Conditioning Distributors	5/7/2015	9/6/2021		\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14090	City of Monterey Park	5/7/2015	5/6/2021		\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes

Total: 28

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2014-2016 Contracts									
Open Contracts									
ML16006	City of Cathedral City	4/27/2016	4/26/2022		\$25,000.00	\$0.00	Purchase 1 H.D. Nat. Gas Vehicle, Bicycle	\$25,000.00	No
ML16007	City of Culver City Transportation De	10/6/2015	4/5/2023		\$246,000.00	\$210,000.00	Purchase 7 H.D. Nat. Gas Vehicles, EV Cha	\$36,000.00	No
ML16008	City of Pomona	9/20/2016	11/19/2022	5/19/2025	\$60,000.00	\$0.00	Purchase 3 Medium-Duty and 1 Heavy-Duty	\$60,000.00	No
ML16009	City of Fountain Valley	10/6/2015	2/5/2018	5/5/2019	\$46,100.00	\$0.00	Install EV Charging Infrastructure	\$46,100.00	No
ML16010	City of Fullerton	10/7/2016	4/6/2023		\$370,500.00	\$27,896.71	Expand Existing CNG Station, EV Charging I	\$342,603.29	No
ML16013	City of Monterey Park	12/4/2015	7/3/2022	7/3/2024	\$90,000.00	\$0.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$90,000.00	No
ML16016	City of Los Angeles, Department of	2/5/2016	12/4/2022		\$630,000.00	\$540,000.00	Purchase 21 Heavy-Duty Nat. Gas Vehicles	\$90,000.00	No
ML16017	City of Long Beach	2/5/2016	8/4/2023		\$1,445,400.00	\$1,101,400.00	Purchase 50 Medium-Duty, 19 H.D. Nat. Ga	\$344,000.00	No
ML16018	City of Hermosa Beach	10/7/2016	1/6/2023		\$29,520.00	\$23,768.44	Purchase 2 M.D. Nat. Gas Vehicles, Bicycle	\$5,751.56	No
ML16019	City of Los Angeles, Dept of General	1/25/2017	3/24/2020		\$102,955.00	\$0.00	Install EV Charging Infrastructure	\$102,955.00	No
ML16021	City of Santa Clarita	10/7/2016	6/6/2024		\$49,400.00	\$0.00	Install EV Charging Infrastructure	\$49,400.00	No
ML16022	Los Angeles Department of Water an	5/5/2017	3/4/2024	9/4/2025	\$360,000.00	\$0.00	Purchase 13 H.D. Nat. Gas Vehicles	\$360,000.00	No
ML16025	City of South Pasadena	6/22/2016	4/21/2023	4/21/2024	\$160,000.00	\$0.00	Purchase H.D. Nat. Gas Vehicle, Expand Ex	\$160,000.00	No
ML16032	City of Azusa	9/9/2016	4/8/2019	4/8/2020	\$474,925.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$474,925.00	No
ML16034	City of Riverside	3/11/2016	10/10/2018	10/10/2019	\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16038	City of Palm Springs	4/1/2016	7/31/2022		\$230,000.00	\$0.00	Install Bicycle Lanes & Purchase 4 Heavy-D	\$230,000.00	No
ML16039	City of Torrance Transit Department	1/6/2017	9/5/2022		\$32,000.00	\$0.00	Install EV Charging Infrastructure	\$32,000.00	No
ML16040	City of Eastvale	1/6/2017	7/5/2022		\$110,000.00	\$0.00	Install EV Charging Infrastructure	\$110,000.00	No
ML16041	City of Moreno Valley	9/3/2016	1/2/2021	7/2/2023	\$20,000.00	\$0.00	Install EV Charging Infrastructure	\$20,000.00	No
ML16042	City of San Dimas	4/1/2016	12/31/2019	12/31/2021	\$55,000.00	\$0.00	Install EV Charging Infrastructure	\$55,000.00	No
ML16045	City of Anaheim	6/22/2016	8/21/2019		\$275,000.00	\$0.00	Maintenance Facility Modifications	\$275,000.00	No
ML16046	City of El Monte	4/1/2016	5/31/2021	5/31/2023	\$20,160.00	\$0.00	Install EV Charging Infrastructure	\$20,160.00	No
ML16047	City of Fontana	1/6/2017	8/5/2019		\$500,000.00	\$0.00	Enhance an Existing Class 1 Bikeway	\$500,000.00	No
ML16048	City of Placentia	3/26/2016	5/25/2021	6/25/2022	\$90,000.00	\$18,655.00	Install a Bicycle Locker and EV Charging Infr	\$71,345.00	No
ML16052	City of Rancho Cucamonga	9/3/2016	11/2/2019		\$315,576.00	\$0.00	Install Two Class 1 Bikeways	\$315,576.00	No
ML16053	City of Claremont	3/11/2016	7/10/2018	5/10/2020	\$498,750.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$498,750.00	No
ML16054	City of Yucaipa	3/26/2016	7/26/2018	7/26/2019	\$120,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$120,000.00	No
ML16056	City of Ontario	3/23/2016	9/22/2020	9/22/2021	\$150,000.00	\$0.00	Expansion of an Existing CNG Station	\$150,000.00	No
ML16057	City of Yucaipa	4/27/2016	1/26/2019	1/26/2020	\$380,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$380,000.00	No
ML16058	Los Angeles County Department of P	10/7/2016	4/6/2024		\$491,898.00	\$0.00	Purchase 15 H.D. Nat. Gas Vehicles and Ins	\$491,898.00	No
ML16069	City of West Covina	3/10/2017	6/9/2021		\$54,199.00	\$0.00	Installation of EV Charging Infrastructure	\$54,199.00	No
ML16070	City of Beverly Hills	2/21/2017	6/20/2023		\$90,000.00	\$90,000.00	Purchase 3 H.D. Nat. Gas Vehicles	\$0.00	No
ML16071	City of Highland	5/5/2017	1/4/2020	1/4/2022	\$264,500.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$264,500.00	No
ML16075	City of San Fernando	10/27/2016	2/26/2019	2/26/2020	\$354,000.00	\$0.00	Install a Class 1 Bikeway	\$354,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16076	City of San Fernando	2/21/2017	8/20/2021		\$100,000.00	\$43,993.89	Install EV Charging Infrastructure	\$56,006.11	No
ML16077	City of Rialto	5/3/2018	10/2/2021		\$463,216.00	\$0.00	Pedestrian Access Improvements, Bicycle L	\$463,216.00	No
ML16083	City of El Monte	4/1/2016	4/30/2021	4/30/2023	\$57,210.00	\$0.00	Install EV Charging Infrastructure	\$57,210.00	No
ML16122	City of Wildomar	6/8/2018	6/7/2019		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
MS16029	Orange County Transportation Autho	1/12/2018	6/11/2020		\$851,883.00	\$82,000.00	Transportation Control Measure Partnership	\$769,883.00	No
MS16030	Better World Group Advisors	12/19/2015	12/31/2017	12/31/2019	\$256,619.00	\$187,358.93	Programmic Outreach Services to the MSR	\$69,260.07	No
MS16086	San Bernardino County Transportatio	9/3/2016	10/2/2021		\$800,625.00	\$229,589.91	Freeway Service Patrols	\$571,035.09	No
MS16090	Los Angeles County MTA	10/27/2016	4/26/2020		\$2,500,000.00	\$0.00	Expansion of the Willowbrook/Rosa Parks Tr	\$2,500,000.00	No
MS16094	Riverside County Transportation Co	1/25/2017	1/24/2022		\$1,909,241.00	\$0.00	MetroLink First Mile/Last Mile Mobility Strate	\$1,909,241.00	No
MS16096	San Bernardino County Transportatio	10/27/2016	12/26/2019		\$450,000.00	\$0.00	EV Charging Infrastructure	\$450,000.00	No
MS16097	Walnut Valley Unified School District	10/7/2016	11/6/2022		\$250,000.00	\$175,000.00	Expand CNG Station & Modify Maintenance	\$75,000.00	No
MS16102	Nasa Services, Inc.	2/21/2017	4/20/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	No
MS16106	City of Lawndale	3/1/2019	11/30/2025		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16110	City of Riverside	10/6/2017	2/5/2025		\$300,000.00	\$0.00	Expansion of Existing CNG Station and Main	\$300,000.00	No
MS16112	Orange County Transportation Autho	4/14/2017	3/13/2024		\$1,470,000.00	\$465,000.00	Repower Up to 98 Transit Buses	\$1,005,000.00	No
MS16113	Los Angeles County MTA	5/12/2017	4/11/2024		\$1,875,000.00	\$1,068,750.00	Repower Up to 125 Transit Buses	\$806,250.00	No
MS16115	City of Santa Monica	4/14/2017	7/13/2025		\$870,000.00	\$356,250.00	Repower 58 Transit Buses	\$513,750.00	No
MS16117	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$166,250.00	Expansion of Existing CNG Infrastructure	\$8,750.00	No
MS16118	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$166,250.00	Expansion of Existing CNG Infrastructure	\$8,750.00	No
MS16119	Omnitrans	4/21/2017	8/20/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS16120	Omnitrans	4/7/2017	5/6/2025		\$945,000.00	\$0.00	Repower 63 Existing Buses	\$945,000.00	No
MS16121	Long Beach Transit	11/3/2017	4/2/2024	11/30/2026	\$600,000.00	\$14,250.00	Repower 39 and Purchase 1 New Transit Bu	\$585,750.00	No
MS16123	Orange County Transportation Autho	12/7/2018	11/6/2023		\$91,760.00	\$0.00	Install La Habra Union Pacific Bikeway	\$91,760.00	No
MS16124	Riverside County Transportation Co	12/14/2018	12/14/2019		\$253,239.00	\$28,869.20	Extended Freeway Service Patrols	\$224,369.80	No

Total: 58

Pending Execution Contracts

ML16126	City of Palm Springs				\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycl	\$40,000.00	No
MS16125	San Bernardino County Transportatio				\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No

Total: 2

Declined/Cancelled Contracts

ML16014	City of Dana Point				\$153,818.00	\$0.00	Extend an Existing Class 1 Bikeway	\$153,818.00	No
ML16065	City of Temple City				\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16067	City of South El Monte				\$73,329.00	\$0.00	Implement an "Open Streets" Event	\$73,329.00	No
ML16074	City of La Verne	7/22/2016	1/21/2023		\$365,000.00	\$0.00	Install CNG Fueling Station	\$365,000.00	No
MS16043	LBA Realty Company LLC				\$100,000.00	\$0.00	Install Limited-Access CNG Station	\$100,000.00	No
MS16080	Riverside County Transportation Co				\$1,200,000.00	\$0.00	Passenger Rail Service for Coachella and St	\$1,200,000.00	No
MS16098	Long Beach Transit				\$198,957.00	\$0.00	Provide Special Bus Service to Stub Hub Ce	\$198,957.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS16104	City of Perris				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16107	Athens Services				\$100,000.00	\$0.00	Construct a Limited-Access CNG Station	\$100,000.00	No
MS16108	VNG 5703 Gage Avenue, LLC				\$150,000.00	\$0.00	Construct Public-Access CNG Station in Bell	\$150,000.00	No
MS16109	Sanitation Districts of Los Angeles C				\$275,000.00	\$0.00	Expansion of an Existing L/CNG Station	\$275,000.00	No
MS16111	VNG 925 Lakeview Avenue, LLC				\$150,000.00	\$0.00	Construct Public Access CNG Station in Pla	\$150,000.00	No

Total: 12

Closed Contracts

ML16015	City of Yorba Linda	3/4/2016	11/3/2017		\$85,000.00	\$85,000.00	Install Bicycle Lanes	\$0.00	No
ML16020	City of Pomona	4/1/2016	2/1/2018	8/1/2018	\$440,000.00	\$440,000.00	Install Road Surface Bicycle Detection Syste	\$0.00	No
ML16026	City of Downey	5/6/2016	9/5/2017		\$40,000.00	\$40,000.00	Install EV Charging Infrastructure	\$0.00	No
ML16028	City of Azusa	9/9/2016	4/8/2018		\$25,000.00	\$25,000.00	Enhance Existing Class 1 Bikeway	\$0.00	Yes
ML16031	City of Cathedral City	12/19/2015	2/18/2017		\$25,000.00	\$25,000.00	Street Sweeping in Coachella Valley	\$0.00	Yes
ML16033	Coachella Valley Association of Gov	4/27/2016	4/26/2018		\$250,000.00	\$250,000.00	Street Sweeping Operations in Coachella Va	\$0.00	Yes
ML16035	City of Wildomar	4/1/2016	11/1/2017		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
ML16036	City of Brea	3/4/2016	12/3/2018		\$500,000.00	\$500,000.00	Install a Class 1 Bikeway	\$0.00	Yes
ML16049	City of Buena Park	4/1/2016	11/30/2018		\$429,262.00	\$429,262.00	Installation of a Class 1 Bikeway	\$0.00	Yes
ML16051	City of South Pasadena	2/12/2016	1/11/2017	12/11/2017	\$320,000.00	\$258,691.25	Implement "Open Streets" Event with Variou	\$61,308.75	Yes
ML16060	City of Cudahy	2/5/2016	10/4/2017		\$73,910.00	\$62,480.00	Implement an "Open Streets" Event	\$11,430.00	No
ML16064	County of Orange, OC Parks	2/21/2017	10/20/2018		\$204,073.00	\$157,632.73	Implement "Open Streets" Events with Vario	\$46,440.27	No
ML16066	City of Long Beach Public Works	1/13/2017	9/12/2018		\$75,050.00	\$63,763.62	Implement an "Open Streets" Event	\$11,286.38	Yes
ML16068	Riverside County Dept of Public Heal	12/2/2016	8/1/2018		\$171,648.00	\$171,648.00	Implement "Open Streets" Events with Vario	\$0.00	Yes
ML16073	City of Long Beach Public Works	1/13/2017	7/12/2017		\$50,000.00	\$50,000.00	Implement an "Open Streets" Event	\$0.00	Yes
ML16078	City of Moreno Valley	5/6/2016	11/5/2017	5/5/2018	\$32,800.00	\$31,604.72	Install Bicycle Infrastructure & Implement Bi	\$1,195.28	Yes
MS16001	Los Angeles County MTA	4/1/2016	4/30/2017		\$1,350,000.00	\$1,332,039.84	Clean Fuel Transit Service to Dodger Stadiu	\$17,960.16	Yes
MS16002	Orange County Transportation Autho	10/6/2015	5/31/2016		\$722,266.00	\$703,860.99	Clean Fuel Transit Service to Orange Count	\$18,405.01	Yes
MS16003	Special Olympics World Games Los	10/9/2015	12/30/2015		\$380,304.00	\$380,304.00	Low-Emission Transportation Service for Sp	\$0.00	Yes
MS16004	Mineral LLC	9/4/2015	7/3/2017	1/3/2018	\$27,690.00	\$9,300.00	Design, Develop, Host and Maintain MSRC	\$18,390.00	Yes
MS16084	Transit Systems Unlimited, Inc.	5/6/2016	2/28/2018		\$565,600.00	\$396,930.00	Implement Special Shuttle Service from Uni	\$168,670.00	No
MS16085	Southern California Regional Rail Au	3/11/2016	9/30/2016		\$78,033.00	\$64,285.44	Special MetroLink Service to Autoclub Spee	\$13,747.56	No
MS16089	Orange County Transportation Autho	7/8/2016	4/30/2017		\$128,500.00	\$128,500.00	Implement Special Bus Service to Angel Sta	\$0.00	Yes
MS16092	San Bernardino County Transportatio	2/3/2017	1/2/2019		\$242,937.00	\$242,016.53	Implement a Series of "Open Streets" Event	\$920.47	No
MS16093	Orange County Transportation Autho	9/3/2016	3/2/2018	9/2/2018	\$1,553,657.00	\$1,499,575.85	Implement a Mobile Ticketing System	\$54,081.15	No
MS16095	Orange County Transportation Autho	7/22/2016	5/31/2017		\$694,645.00	\$672,864.35	Implement Special Bus Service to Orange C	\$21,780.65	Yes
MS16099	Foothill Transit	3/3/2017	3/31/2017		\$50,000.00	\$50,000.00	Provide Special Bus Service to the Los Ange	\$0.00	Yes
MS16100	Southern California Regional Rail Au	5/5/2017	9/30/2017		\$80,455.00	\$66,169.43	Provide Metrolink Service to Autoclub Speed	\$14,285.57	Yes

Total: 28

Closed/Incomplete Contracts

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16005	City of Palm Springs	3/4/2016	10/3/2017		\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycl	\$40,000.00	No
MS16082	Riverside County Transportation Co	9/3/2016	8/2/2018		\$590,759.00	\$337,519.71	Extended Freeway Service Patrols	\$253,239.29	No
MS16091	San Bernardino County Transportatio	10/7/2016	11/6/2018		\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No

Total: 3

Open/Complete Contracts

ML16011	City of Claremont	10/6/2015	6/5/2022		\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16012	City of Carson	1/15/2016	10/14/2022		\$60,000.00	\$60,000.00	Purchase 2 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16023	City of Banning	12/11/2015	12/10/2021		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16024	City of Azusa	4/27/2016	2/26/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16027	City of Whittier	1/8/2016	11/7/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16037	City of Rancho Cucamonga	2/5/2016	11/4/2022		\$30,000.00	\$30,000.00	Purchase One Heavy-Duty Natural Gas Vehi	\$0.00	Yes
ML16050	City of Westminster	5/6/2016	7/5/2020	5/5/2022	\$115,000.00	\$93,925.19	Installation of EV Charging Infrastructure	\$21,074.81	No
ML16055	City of Ontario	5/6/2016	5/5/2022		\$270,000.00	\$270,000.00	Purchase Nine Heavy-Duty Natural-Gas Veh	\$0.00	Yes
ML16059	City of Burbank	4/1/2016	2/28/2022		\$180,000.00	\$180,000.00	Purchase 6 H.D. Nat. Gas Vehicles	\$0.00	No
ML16061	City of Murrieta	4/27/2016	1/26/2020		\$11,642.00	\$9,398.36	Installation of EV Charging Infrastructure	\$2,243.64	Yes
ML16062	City of Colton	6/3/2016	7/2/2020		\$25,000.00	\$21,003.82	Installation of EV Charging Infrastructure	\$3,996.18	Yes
ML16063	City of Glendora	3/4/2016	4/3/2022		\$30,000.00	\$30,000.00	Purchase One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16072	City of Palm Desert	3/4/2016	1/4/2020	1/3/2022	\$56,000.00	\$56,000.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16079	City of Yucaipa	4/1/2016	3/31/2020		\$5,000.00	\$5,000.00	Purchase Electric Lawnmower	\$0.00	Yes
MS16081	EDCO Disposal Corporation	3/4/2016	10/3/2022		\$150,000.00	\$150,000.00	Expansion of Existing Public Access CNG St	\$0.00	Yes
MS16087	Burrtec Waste & Recycling Services,	7/8/2016	3/7/2023		\$100,000.00	\$100,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS16088	Transit Systems Unlimited, Inc.	5/12/2017	1/11/2023		\$17,000.00	\$17,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS16103	Arrow Services, Inc.	2/3/2017	4/2/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16105	Huntington Beach Union High School	3/3/2017	7/2/2024		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16114	City of Norwalk	3/3/2017	6/2/2024		\$45,000.00	\$32,170.00	Purchase 3 Transit Buses	\$12,830.00	Yes
MS16116	Riverside Transit Agency	3/3/2017	1/2/2023		\$10,000.00	\$9,793.00	Purchase One Transit Bus	\$207.00	No

Total: 21

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2016-2018 Contracts									
Open Contracts									
ML18019	City of Hidden Hills	5/3/2018	5/2/2022		\$49,999.00	\$10,000.00	Purchase Two Light-Duty ZEVs and EVSE	\$39,999.00	No
ML18020	City of Colton	5/3/2018	4/2/2024		\$67,881.00	\$0.00	Purchase One Medium-Duty and One Heavy	\$67,881.00	No
ML18022	City of Desert Hot Springs	5/3/2018	1/2/2020		\$50,000.00	\$0.00	Traffic Signal and Synchronization Project	\$50,000.00	No
ML18028	City of Artesia	6/28/2018	3/27/2025		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18030	City of Grand Terrace	6/28/2018	3/27/2022	3/27/2025	\$45,000.00	\$0.00	Install EVSE	\$45,000.00	No
ML18031	City of Diamond Bar	9/7/2018	11/6/2025		\$73,930.00	\$0.00	Install EVSE, Purchase up to 2-LD Vehicles	\$73,930.00	No
ML18032	City of Arcadia	2/1/2019	4/30/2025		\$74,650.00	\$0.00	Purchase 1-HD ZEV & 1-HD Near-ZEV	\$74,650.00	No
ML18033	City of Duarte	8/8/2018	2/7/2025		\$50,000.00	\$0.00	Purchase 1-HD ZEV	\$50,000.00	No
ML18034	City of Calabasas	6/8/2018	3/7/2022		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18035	City of Westlake Village	8/8/2018	11/7/2022		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18036	City of Indian Wells	8/8/2018	5/7/2023		\$50,000.00	\$0.00	Install EVSE	\$50,000.00	No
ML18037	City of Westminster	6/28/2018	6/27/2024	12/27/2026	\$120,900.00	\$0.00	Install EVSE, Purchase up to 3-LD ZEV & 1-	\$120,900.00	No
ML18038	City of Anaheim	10/5/2018	5/4/2025		\$221,500.00	\$0.00	Purchase 5 Light-Duty ZEVs and Install EVS	\$221,500.00	No
ML18039	City of Redlands	6/28/2018	7/27/2024		\$87,000.00	\$0.00	Purchase 1 Medium/Heavy-Duty ZEV and In	\$87,000.00	No
ML18040	City of Agoura Hills	7/13/2018	6/12/2022		\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18041	City of West Hollywood	8/8/2018	12/7/2023		\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18043	City of Yorba Linda	9/7/2018	12/6/2023		\$87,990.00	\$0.00	Install EV Charging Infrastructure	\$87,990.00	No
ML18044	City of Malibu	8/8/2018	10/7/2022		\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18045	City of Culver City Transportation De	6/28/2018	6/27/2025		\$51,000.00	\$0.00	Purchase Eight Near-Zero Vehicles	\$51,000.00	No
ML18046	City of Santa Ana	11/9/2018	7/8/2026		\$385,000.00	\$0.00	Purchase 6 Light-Duty ZEVs, 9 Heavy-Duty	\$385,000.00	No
ML18047	City of Whittier	8/8/2018	4/7/2026		\$113,910.00	\$0.00	Purchase 5 Heavy-Duty Near ZEVs	\$113,910.00	No
ML18048	City of Lynwood	6/28/2018	10/27/2024		\$93,500.00	\$0.00	Purchase Up to 3 Medium-Duty Zero-Emissi	\$93,500.00	No
ML18049	City of Downey	7/6/2018	5/5/2023		\$148,260.00	\$0.00	Install EVSE	\$148,260.00	No
ML18050	City of Irvine	9/7/2018	8/6/2028		\$330,490.00	\$0.00	Purchase 1 Medium/Heavy-Duty ZEV and In	\$330,490.00	No
ML18051	City of Rancho Cucamonga	3/1/2019	10/31/2025		\$227,040.00	\$0.00	Purchase 9 Light-Duty ZEVs, 2 Med-Duty Z	\$227,040.00	No
ML18052	City of Garden Grove	8/8/2018	10/7/2022		\$53,593.00	\$0.00	Purchase 4 L.D. ZEVs and Infrastructure	\$53,593.00	No
ML18053	City of Paramount	9/7/2018	3/6/2023		\$64,675.00	\$0.00	Install EV Charging Infrastructure	\$64,675.00	No
ML18054	City of La Habra Heights	8/8/2018	4/7/2022		\$9,200.00	\$0.00	Purchase 1 L.D. ZEV	\$9,200.00	No
ML18055	City of Long Beach Fleet Services B	11/29/2018	11/28/2026		\$622,220.00	\$0.00	Install EV Charging Stations	\$622,220.00	No
ML18057	City of Carson	10/5/2018	7/4/2023		\$106,250.00	\$0.00	Purchase 5 Zero-Emission Vehicles and Infr	\$106,250.00	No
ML18058	City of Perris	10/12/2018	11/11/2024		\$94,624.00	\$0.00	Purchase 1 Med. H.D. ZEV and EV Chargin	\$94,624.00	No
ML18059	City of Glendale Water & Power	2/1/2019	7/31/2026		\$260,500.00	\$0.00	Install Electric Vehicle Charging Infrastructur	\$260,500.00	No
ML18060	County of Los Angeles Internal Servi	10/5/2018	8/4/2026		\$1,367,610.00	\$0.00	Purchase 29 Light-Duty ZEVs, 1 Med/Heavy	\$1,367,610.00	No
ML18062	City of Beaumont	8/8/2018	9/7/2024		\$25,000.00	\$0.00	Purchase 1 Heavy-Duty Near-ZEV	\$25,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18064	City of Eastvale	11/29/2018	4/28/2026		\$80,400.00	\$0.00	Purchase 2 Med. H.D. Zero Emission Vehicl	\$80,400.00	No
ML18067	City of Pico Rivera	9/7/2018	11/6/2022		\$83,500.00	\$0.00	Instal EVSE	\$83,500.00	No
ML18069	City of Torrance	3/1/2019	7/31/2027		\$187,400.00	\$0.00	Purchase 4 Heavy-Duty Near ZEV and Instal	\$187,400.00	No
ML18070	City of Lomita	11/29/2018	6/28/2022		\$6,250.00	\$0.00	Purchase 1 Light-Duty ZEV	\$6,250.00	No
ML18071	City of Chino Hills	9/7/2018	10/6/2022		\$30,000.00	\$0.00	Purchase 2 Light-Duty ZEVs and Install EVS	\$30,000.00	No
ML18072	City of Anaheim	12/18/2018	11/17/2026		\$239,560.00	\$0.00	Purchase 9 Light-Duty ZEVs & 2 Med/Hvy-D	\$239,560.00	No
ML18074	City of Buena Park	12/14/2018	6/13/2026		\$107,960.00	\$0.00	EV Charging Infrastructure	\$107,960.00	No
ML18076	City of Culver City Transportation De	10/5/2018	10/4/2023		\$1,130.00	\$0.00	Purchase Light-Duty ZEV	\$1,130.00	No
ML18077	City of Orange	11/2/2018	10/1/2022		\$59,776.00	\$0.00	Four Light-Duty ZEV and EV Charging Infr	\$59,776.00	No
ML18078	County of Riverside	10/5/2018	10/4/2028		\$425,000.00	\$25,000.00	Purchase 17 Heavy-Duty Vehicles	\$400,000.00	No
ML18079	City of Pasadena	12/7/2018	11/6/2023		\$183,670.00	\$0.00	EV Charging Infrastructure	\$183,670.00	No
ML18080	City of Santa Monica	1/10/2019	12/9/2023		\$121,500.00	\$0.00	Install EV Charging Stations	\$121,500.00	No
ML18081	City of Beaumont	10/5/2018	10/4/2022		\$31,870.00	\$0.00	EV Charging Infrastructure	\$31,870.00	No
ML18083	City of San Fernando	11/2/2018	11/1/2022		\$20,000.00	\$0.00	Implement Traffic Signal Synchronization	\$20,000.00	No
ML18086	City of Los Angeles Bureau of Street	2/8/2019	4/7/2023		\$300,000.00	\$0.00	Install Sixty EV Charging Stations	\$300,000.00	No
ML18088	City of Big Bear Lake	11/29/2018	8/28/2020		\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18091	City of Temecula	1/19/2019	7/18/2023		\$141,000.00	\$0.00	Install Sixteen EV Charging Stations	\$141,000.00	No
ML18092	City of South Pasadena	2/1/2019	1/31/2025		\$50,000.00	\$0.00	Procure Two Light-Duty ZEVs and Install EV	\$50,000.00	No
ML18093	City of Monterey Park	2/1/2019	2/28/2026		\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18095	City of Gardena	11/9/2018	12/8/2024		\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18097	City of Temple City	11/29/2018	7/28/2022		\$16,000.00	\$0.00	Purchase Two Light-Duty ZEVs	\$16,000.00	No
ML18098	City of Redondo Beach	2/1/2019	3/31/2023		\$89,400.00	\$0.00	Install Six EV Charging Stations	\$89,400.00	No
ML18099	City of Laguna Hills	3/1/2019	5/31/2023		\$32,250.00	\$0.00	Install Six EV Charging Stations	\$32,250.00	No
ML18101	City of Burbank	2/1/2019	4/30/2024		\$137,310.00	\$0.00	Install Twenty EV Charging Stations	\$137,310.00	No
ML18126	City of Lomita	12/7/2018	1/6/2020		\$26,500.00	\$0.00	Install bicycle racks and lanes	\$26,500.00	No
ML18127	City of La Puente	2/1/2019	2/28/2023		\$27,800.00	\$0.00	Purchase One Light-Duty ZEV, One Heavy-	\$27,800.00	No
ML18129	City of Yucaipa	12/14/2018	3/13/2023		\$63,097.00	\$0.00	Install Six EV Charging Stations	\$63,097.00	No
ML18130	City of Lake Forest	3/1/2019	9/30/2022	9/30/2019	\$106,480.00	\$0.00	Install Twenty-One EVSEs	\$106,480.00	No
ML18133	City of Rancho Mirage	12/7/2018	11/6/2020		\$50,000.00	\$0.00	Traffic Signal Synchronization	\$50,000.00	No
ML18137	City of Wildomar	3/1/2019	5/31/2021		\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18138	City of La Canada Flintridge	2/8/2019	5/7/2023		\$50,000.00	\$0.00	Install Four EVSEs and Install Bicycle Racks	\$50,000.00	No
ML18140	City of Bell Gardens	12/14/2018	12/13/2028		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-ZEVs	\$50,000.00	No
ML18146	City of South Gate	3/1/2019	11/30/2023		\$127,400.00	\$0.00	Purchase Five Light-Duty ZEVs and Install T	\$127,400.00	No
ML18147	City of Palm Springs	1/10/2019	1/9/2024		\$60,000.00	\$0.00	Install Eighteen EV Charging Stations	\$60,000.00	No
ML18156	City of Covina	2/1/2019	3/31/2023		\$63,800.00	\$0.00	Purchase Four Light-Duty ZEVs and EV Cha	\$63,800.00	No
ML18163	City of San Clemente	3/8/2019	12/7/2024		\$75,000.00	\$0.00	Purchase Three Light-Duty ZEVs and EV Ch	\$75,000.00	No
ML18165	City of Baldwin Park	2/1/2019	1/30/2024		\$49,030.00	\$0.00	Expand CNG Station	\$49,030.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18171	City of El Monte	3/1/2019	4/30/2025		\$119,757.00	\$0.00	Purchase One Heavy-Duty ZEVs and EV Ch	\$119,757.00	No
ML18172	City of Huntington Park	3/1/2019	2/28/2025		\$65,450.00	\$0.00	Purchase One Heavy-Duty ZEV	\$65,450.00	No
ML18176	City of Coachella	3/1/2019	11/30/2024		\$58,020.00	\$0.00	Install EV Charging Stations	\$58,020.00	No
MS18001	Los Angeles County MTA	6/29/2017	4/30/2018		\$807,945.00	\$468,050.00	Provide Clean Fuel Transit Service to Dodge	\$339,895.00	No
MS18002	Southern California Association of G	6/9/2017	11/30/2018	12/30/2019	\$2,500,000.00	\$419,111.87	Regional Active Transportation Partnership	\$2,080,888.13	No
MS18003	Geographics	2/21/2017	2/20/2021		\$62,953.00	\$53,081.61	Design, Host and Maintain MSRC Website	\$9,871.39	No
MS18004	Orange County Transportation Autho	8/3/2017	4/30/2019		\$503,272.00	\$456,145.29	Provide Special Rail Service to Angel Stadiu	\$47,126.71	No
MS18005	Orange County Transportation Autho	1/5/2018	4/30/2019		\$834,222.00	\$834,222.00	Clean Fuel Bus Service to OC Fair	\$0.00	No
MS18006	Anaheim Transportation Network	10/6/2017	2/28/2020		\$219,564.00	\$9,488.22	Implement Anaheim Circulator Service	\$210,075.78	No
MS18008	Foothill Transit	1/12/2018	3/31/2019		\$100,000.00	\$99,406.61	Special Transit Service to LA County Fair	\$593.39	No
MS18009	Penske Truck Leasing Co., L.P.	8/8/2018	12/7/2020		\$82,500.00	\$0.00	Modify Maintenance Facility & Train Technici	\$82,500.00	No
MS18010	Southern California Regional Rail Au	12/28/2017	7/31/2019		\$351,186.00	\$148,570.20	Implement Special Metrolink Service to Unio	\$202,615.80	No
MS18012	City of Hermosa Beach	2/2/2018	2/1/2024		\$36,000.00	\$0.00	Construct New Limited-Access CNG Station	\$36,000.00	No
MS18014	Regents of the University of Californi	10/5/2018	12/4/2019		\$254,795.00	\$58,574.02	Planning for EV Charging Infrastructure Inve	\$196,220.98	No
MS18015	Southern California Association of G	7/13/2018	2/28/2021		\$2,000,000.00	\$0.00	Southern California Future Communities Par	\$2,000,000.00	No
MS18023	Riverside County Transportation Co	6/28/2018	6/27/2021		\$500,000.00	\$60,720.54	Weekend Freeway Service Patrols	\$439,279.46	No
MS18024	Riverside County Transportation Co	6/28/2018	8/27/2021		\$1,500,000.00	\$148,825.00	Vanpool Incentive Program	\$1,351,175.00	No
MS18025	Los Angeles County MTA	11/29/2018	5/31/2019		\$1,324,560.00	\$0.00	Special Bus and Train Service to Dodger Sta	\$1,324,560.00	No
MS18026	Omnitrans	10/5/2018	1/4/2020		\$83,000.00	\$0.00	Modify Vehicles Maintenance Facility and Tr	\$83,000.00	No
MS18027	City of Gardena	11/2/2018	9/1/2026		\$365,000.00	\$0.00	Install New Limited Access CNG, Modify Mai	\$365,000.00	No
MS18029	Irvine Ranch Water District	8/8/2018	10/7/2024		\$185,000.00	\$0.00	Install New Limited Access CNG Station & T	\$185,000.00	No
MS18073	Los Angeles County MTA	1/10/2019	2/9/2026		\$2,000,000.00	\$0.00	Purchase 40 Zero-Emission Transit Buses	\$2,000,000.00	No
MS18103	Orange County Transportation Autho	2/8/2019	9/7/2020		\$642,000.00	\$0.00	Install Hydrogen Detection System	\$642,000.00	No
MS18105	Southern California Regional Rail Au	1/10/2019	6/30/2019		\$252,696.00	\$0.00	Special Train Service to the Festival of Light	\$252,696.00	No
MS18108	Capistrano Unified School District	2/1/2019	5/30/2025		\$116,000.00	\$0.00	Expansion of Existing Infrastructure & Train	\$116,000.00	No
MS18110	Mountain View Unified School Distric	2/1/2019	3/31/2025		\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18112	Banning Unified School District	11/29/2018	11/28/2024		\$275,000.00	\$0.00	Install New CNG Infrastructure	\$275,000.00	No
MS18120	City of Redondo Beach	2/1/2019	9/30/2025		\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18122	Universal Waste Systems, Inc.	2/1/2019	3/31/2025		\$200,000.00	\$0.00	Install New Limited Access CNG Infrastructur	\$200,000.00	No
MS18123	City Rent A Bin DBA Serv-Wel Dispo	12/14/2018	2/13/2025		\$200,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$200,000.00	No

Total: 101

Pending Execution Contracts									
ML18056	City of Chino				\$103,868.00	\$0.00	Install EV Charging Infrastructure	\$103,868.00	No
ML18061	City of Moreno Valley				\$25,000.00	\$0.00	Purchase 1 Heavy-Duty Near-ZEV	\$25,000.00	No
ML18063	City of Riverside				\$383,610.00	\$0.00	Expand Existing CNG Fueling Station	\$383,610.00	No
ML18068	City of Mission Viejo				\$125,690.00	\$0.00	Purchase 2 Light-Duty ZEVs, Install EVSE &	\$125,690.00	No
ML18082	City of Los Angeles Bureau of Sanita				\$900,000.00	\$0.00	Purchase Medium-Duty Vehicles and EV Ch	\$900,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18084	City of South El Monte				\$30,000.00	\$0.00	EV Charging Infrastructure	\$30,000.00	No
ML18085	City of Orange				\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emiss	\$50,000.00	No
ML18087	City of Murrieta				\$143,520.00	\$0.00	Install Four EV Charging Stations	\$143,520.00	No
ML18089	City of Glendora				\$50,760.00	\$0.00	Purchase a medium-duty ZEV	\$50,760.00	No
ML18090	City of Santa Clarita				\$122,000.00	\$0.00	Install Eight EV Charging Stations	\$122,000.00	No
ML18094	City of Laguna Woods				\$50,000.00	\$0.00	Install Two EV Charging Stations	\$50,000.00	No
ML18096	City of Highland				\$70,210.00	\$0.00	Purchase Light-Duty ZEV and Install Three	\$70,210.00	No
ML18100	City of Brea				\$56,500.00	\$0.00	Install Thirteen EV Charging Stations	\$56,500.00	No
ML18128	City of Aliso Viejo				\$65,460.00	\$0.00	Purchase Two Light-Duty ZEVs and Install S	\$65,460.00	No
ML18131	City of Los Angeles				\$19,294.00	\$0.00	Purchase Three Light-Duty ZEVs	\$19,294.00	No
ML18132	City of Montclair				\$50,000.00	\$0.00	Purchase Light-Duty ZEV and Install Eight E	\$50,000.00	No
ML18134	City of Los Angeles, Department of				\$290,000.00	\$0.00	Purchase Five Medium-Duty ZEVs	\$290,000.00	No
ML18135	City of Azusa				\$55,000.00	\$0.00	Purchase Three Light-Duty ZEVs and One H	\$55,000.00	No
ML18136	City of Orange				\$42,500.00	\$0.00	Purchase Four Light-Duty ZEVs and Install	\$42,500.00	No
ML18139	City of Calimesa				\$50,000.00	\$0.00	Install Bicycle Lane	\$50,000.00	No
ML18141	City of Rolling Hills Estates				\$40,000.00	\$0.00	Purchase One Light-Duty ZEV and Install T	\$40,000.00	No
ML18142	City of La Quinta				\$51,780.00	\$0.00	Install Two EV Charging Stations	\$51,780.00	No
ML18143	City of La Habra				\$80,700.00	\$0.00	Install Two EVSEs	\$80,700.00	No
ML18144	City of Fontana				\$269,090.00	\$0.00	Install Twelve EVSEs	\$269,090.00	No
ML18145	City of Los Angeles Dept of Transpor				\$1,400,000.00	\$0.00	Provide One Hundred Rebates to Purchaser	\$1,400,000.00	No
ML18148	City of San Dimas				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18149	City of Sierra Madre				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18150	City of South El Monte				\$20,000.00	\$0.00	Implement Bike Share Program	\$20,000.00	No
ML18151	County of San Bernardino Departme				\$200,000.00	\$0.00	Purchase Eight Heavy-Duty Near Zero Emis	\$200,000.00	No
ML18152	County of San Bernardino Flood Con				\$108,990.00	\$0.00	Purchase Five Heavy-Duty Near Zero Emissi	\$108,990.00	No
ML18153	City of Cathedral City				\$52,215.00	\$0.00	Install EV Charging Infrastructure	\$52,215.00	No
ML18154	City of Hemet				\$30,000.00	\$0.00	Purchase Two Light-Duty ZEV and EV Char	\$30,000.00	No
ML18155	City of Claremont				\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18157	City of Los Angeles Bureau of Street				\$85,000.00	\$0.00	Purchase One Medium-Duty ZEV	\$85,000.00	No
ML18158	City of Inglewood				\$146,000.00	\$0.00	Purchase 4 Light-Duty Zero Emission, 4 Me	\$146,000.00	No
ML18159	City of Rialto				\$135,980.00	\$0.00	Purchase Nine Light-Duty ZEVs and EV Cha	\$135,980.00	No
ML18160	City of Irwindale				\$14,263.00	\$0.00	Purchase Two Light-Duty ZEVs	\$14,263.00	No
ML18161	City of Indio				\$50,000.00	\$0.00	Purchase 1 Light-Duty Zero Emission, 1 Hea	\$50,000.00	No
ML18162	City of Costa Mesa				\$148,210.00	\$0.00	Purchase Four Light-Duty ZEVs and EV Cha	\$148,210.00	No
ML18164	City of Pomona				\$200,140.00	\$0.00	Purchase Three Heavy-Duty ZEVs	\$200,140.00	No
ML18166	City of Placentia				\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
ML18167	City of Beverly Hills				\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emiss	\$50,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18168	City of Maywood				\$7,059.00	\$0.00	Purchase EV Charging Infrastructure	\$7,059.00	No
ML18169	City of Alhambra				\$111,980.00	\$0.00	Install EV Charging Infrastructure	\$111,980.00	No
ML18170	City of Laguna Niguel				\$85,100.00	\$0.00	Purchase Two Light-Duty ZEVs and EV Cha	\$85,100.00	No
ML18173	City of Manhattan Beach				\$49,000.00	\$0.00	Purchase Two Light-Duty ZEVs and EV Cha	\$49,000.00	No
ML18174	City of Bell				\$25,000.00	\$0.00	Purchase One Heavy-Duty ZEV	\$25,000.00	No
ML18177	City of San Bernardino				\$279,088.00	\$0.00	Purchase Medium- and Heavy-Duty Evs and	\$279,088.00	No
ML18178	City of La Puente				\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
MS18065	San Bernardino County Transportatio				\$2,000,000.00	\$0.00	Implement Metrolink Line Fare Discount Pro	\$2,000,000.00	No
MS18066	El Dorado National				\$100,000.00	\$0.00	Install New Limited-Access CNG Station	\$100,000.00	No
MS18102	Orange County Transportation Autho				\$1,146,000.00	\$0.00	Implement OC Flex Micro-Transit Pilot Proje	\$1,146,000.00	No
MS18104	Orange County Transportation Autho				\$212,000.00	\$0.00	Implement College Pass Transit Fare Subsi	\$212,000.00	No
MS18106	R.F. Dickson Co., Inc.				\$265,000.00	\$0.00	Expansion of Existing Infrastructure/Mechani	\$265,000.00	No
MS18107	Huntington Beach Union High School				\$225,000.00	\$0.00	Expansion of Existing Infrastructure	\$225,000.00	No
MS18109	City of South Gate				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18114	Los Angeles County Department of P				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18115	City of Commerce				\$275,000.00	\$0.00	Expansion of Existing L/CNG Infrastructure	\$275,000.00	No
MS18116	Los Angeles County Department of P				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18117	City of San Bernardino				\$240,000.00	\$0.00	Expansion of Existing CNG Infrastructure/Me	\$240,000.00	No
MS18118	City of Beverly Hills				\$85,272.00	\$0.00	Expansion of Existing CNG Infrastructure	\$85,272.00	No
MS18119	LBA Realty Company XI LP				\$100,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$100,000.00	No
MS18121	City of Montebello				\$70,408.00	\$0.00	Expansion of Existing CNG Infrastructure	\$70,408.00	No
MS18124	County Sanitation Districts of Los An				\$275,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$275,000.00	No
MS18125	US Gain				\$200,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$200,000.00	No
MS18175	Regents of the University of Californi				\$1,000,000.00	\$0.00	Expansion of Existing Hydrogen Station	\$1,000,000.00	No

Total: 66

Declined/Cancelled Contracts

ML18075	City of Orange				\$25,000.00	\$0.00	One Heavy-Duty Vehicle	\$25,000.00	No
MS18013	California Energy Commission				\$3,000,000.00	\$0.00	Advise MSRC and Administer Hydrogen Infr	\$3,000,000.00	No
MS18017	City of Banning				\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS18018	City of Norwalk	6/8/2018	9/7/2019		\$75,000.00	\$0.00	Vehicle Maintenance Facility Modifications	\$75,000.00	No
MS18111	Newport-Mesa Unified School Distric				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS18113	City of Torrance				\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No

Total: 6

Closed Contracts

MS18011	Southern California Regional Rail Au	2/9/2018	6/30/2018		\$239,565.00	\$221,725.12	Special Train Service to Festival of Lights	\$17,839.88	Yes
MS18016	Southern California Regional Rail Au	1/10/2019	3/31/2019		\$87,764.00	\$73,140.89	Special Train Service to Auto Club Speedwa	\$14,623.11	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
Total: 2									
Open/Complete Contracts									
ML18021	City of Signal Hill	4/6/2018	1/5/2022		\$49,661.00	\$46,079.31	Install EVSE	\$3,581.69	Yes
ML18042	City of San Fernando	6/28/2018	2/27/2024		\$10,000.00	\$10,000.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
Total: 2									

May 3, 2019 Governing Board Meeting

Item 26 - California Air Resources Board Monthly Report

CARB's meeting summary was not available, and therefore, this item was pulled from consideration.

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 27

PROPOSAL: Informational Briefing on Reclassification of Coachella Valley for 1997 8-Hour Ozone Standard

SYNOPSIS: The Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019. Although the air quality in the Coachella Valley area has steadily improved over the years, higher ozone levels were experienced throughout the State of California, including Coachella Valley in 2017 and 2018, resulting in levels greater than the 1997 8-hour ozone standard. The ozone levels in Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin. As a result, additional time will be needed to bring the Coachella Valley into attainment of this standard. This item provides an informational summary of the Coachella Valley attainment status for the 1997 8-hour ozone standard and a recommendation for attainment reclassification, with proposed action scheduled for the June Board meeting.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

This is an informational item. Action will be requested at the June Board meeting.

Wayne Nastri
Executive Officer

PF:SR:ZP:KTG

Background

The Coachella Valley Planning Area is defined as the desert portion of Riverside County in the Salton Sea Air Basin, and is under the jurisdiction of the South Coast AQMD. The Coachella Valley is the most populated area in this desert region, which encompasses several communities, including Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, and Mecca.

In 1979, the U.S. EPA established primary and secondary national ambient air quality standards (NAAQS or standards) for ozone at 0.12 parts per million (ppm) averaged over a 1-hour period¹. On July 18, 1997, the U.S. EPA revised the primary and secondary standards for ozone to 0.08 ppm, averaged over an 8-hour period (1997 8-hour ozone standards). The 1997 8-hour ozone standard was lowered to 0.075 ppm in 2008, and to 0.070 ppm in 2015. The U.S. EPA classifies areas of ozone nonattainment (i.e., Extreme, Severe, Serious, Moderate or Marginal) based on the extent to which an area exceeds the standard. The higher the exceedance level, the more time is allowed to demonstrate attainment in recognition of the greater challenge involved. However, nonattainment areas with the higher classifications are also subject to more stringent requirements.

The Coachella Valley is currently classified as a Severe nonattainment area for the 1997 8-hour ozone NAAQS of 0.08 ppm, with an attainment date of June 15, 2019. The Coachella Valley is downwind of the South Coast Air Basin and its ozone levels are impacted by pollutants directly transported from the South Coast Air Basin as well as pollutants formed secondarily through photochemical reactions from precursors emitted upwind, with limited impact from local sources. Over the past fifteen years, the ozone levels in the Coachella Valley have steadily decreased largely due to the implementation of emission control measures by the South Coast AQMD and CARB. Design values² for the 8-hour ozone standard have declined from 0.108 ppm in 2003 to 0.088 ppm in 2015 and continued to decline to 0.087 ppm in 2016. However, in 2017 and 2018, higher ozone levels were experienced throughout the State of California due to warm and stagnant weather conditions. As a result, the design values in the Coachella Valley increased to 0.088 ppm and 0.091 ppm in 2017 and 2018, respectively. Because of the higher ozone experienced in 2017 and 2018, the Coachella Valley cannot practically attain the 1997 8-hour ozone standard by the attainment deadline of June 15, 2019.

Under the Clean Air Act, states and local agencies are able to voluntarily request that U.S. EPA reclassify a nonattainment area to a higher classification of nonattainment. The U.S. EPA is required to approve such a request. This “bump-up” request can provide additional time for the area to reach attainment, as the new classification will have a later attainment date. However, the area would be subject to the additional requirements of the new classification. For a reclassification of the Coachella Valley to Extreme, the new attainment date would be June 15, 2024.

¹ U.S. EPA revoked the 1-hour ozone standard entirely in 2005. However, U.S. EPA regulations require the continuation of certain control measures in areas that were formerly in nonattainment for the 1-hour standard.

² A design value is a statistic that describes the air quality status of a given area relative to the level and form of the NAAQS. For the 8-hour ozone standard, the design value is a 3-year average and takes into account the form of the short-term standard (i.e., 99th percentile).

The U.S. EPA will make a finding of failure to attain the 1997 8-hour ozone standard for Coachella Valley by December 2019 unless South Coast AQMD submits a voluntary request for a reclassification to Extreme and that request is approved by the U.S. EPA. If the South Coast AQMD does not request the bump up, the Coachella Valley would fail to attain the standard, and the South Coast AQMD would then have to adopt a rule requiring all major stationary sources to pay a non-attainment fee. Under either a finding of failure to attain or a reclassification request, the major source threshold will be lowered from 25 tons per year to 10 tons per year (tpy) of NO_x and VOC emissions with additional requirements under Title V and New Source Review (NSR) programs. Also, a revision to the State Implementation Plan (SIP) will be required which will include any additional measures that may reasonably be prescribed to attain the standard.

Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending submittal of a formal request to U.S. EPA to reclassify the Coachella Valley from Severe-15 to Extreme nonattainment, with a new attainment date of June 15, 2024. The reclassification ensures that the Coachella Valley will be given the needed extension to make attainment feasible, and prevent the imposition of the non-attainment fees on major stationary sources that must be adopted after a finding of failure to attain. Following a finding of failure to attain, the South Coast AQMD must adopt a rule requiring major stationary sources to pay a fee of over \$10,000 per ton for any emissions exceeding 80% of their emissions in the attainment year (2019). This action will necessitate the development of a new Extreme area SIP, including an attainment demonstration with a new deadline as early as practicable but no later than June 15, 2024. The Extreme nonattainment area SIP will necessarily continue to rely on emission reductions in the South Coast Air Basin, upwind of Coachella Valley. The reclassification will require South Coast AQMD rule amendments to lower the major stationary source threshold for NO_x and VOC from the 25 tpy to 10 tpy within 12 months after the reclassification is approved by U.S. EPA. Stationary sources in Coachella Valley with a potential to emit between 10 and 25 tpy of NO_x and VOC would be subject to the applicable requirements for major stationary sources in Title V permitting and NSR programs. Based on staff analysis, only a few existing facilities in Coachella Valley may be potentially subject to these new requirements. Moreover, under the Clean Air Act, the South Coast AQMD would be required to lower the major source threshold even if we do not request a “bump up” but instead are subject to a finding of failure to attain.

Considering the overall downward ozone trends in recent years, notwithstanding 2017 and 2018, Coachella Valley is anticipated to attain the standard under an Extreme nonattainment classification earlier than the new attainment deadline of June 15, 2024. Therefore, apart from uncertainties in meteorology, the amount of emission reductions required for attainment in Coachella Valley is not as great compared to what is required upwind in the South Coast Air Basin. Existing regulations that are already implemented

or will fully be implemented in the next few years will continue to reduce emissions in future years. The reduced baseline emissions are expected to be sufficient to demonstrate attainment as early as practicable but no later than June 15, 2024.

More details on this issue are provided in the Preliminary Draft Staff Report in Attachment A.

Public Process

Staff is providing this informational update prior to the South Coast AQMD Board's consideration for approval of the reclassification request at its June 7, 2019 meeting. Public outreach is being conducted to notify interested parties regarding the Coachella Valley reclassification request for the 1997 8-hour Ozone standard. Notifications including newspaper postings, mass mailings, and email notifications are being sent to all permitted facilities and interested parties in Coachella Valley. Additionally, staff scheduled two public consultation meetings for Wednesday, May 1, 2019 in Coachella Valley with representatives from the public, local communities, environmental groups, and local governments. Written comments on the reclassification request for Coachella Valley and associated staff report will be accepted until May 15, 2019. Response to the comments received will be incorporated into the final staff report.

Resource Impacts

Reclassification of the Coachella Valley will necessitate development of a SIP update within 12 months of U.S. EPA's approval of the bump-up request. In addition, minor updates to South Coast AQMD rules will be required to change the major source threshold to 10 tpy of VOC and NOx. These updates will be implemented with South Coast AQMD's existing resources.

Attachments

- A. Preliminary Draft Staff Report - Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard
- B. Board Meeting Presentation

ATTACHMENT A

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Preliminary Draft Staff Report

Request for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard

April 17, 2019

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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Executive Summary

The Coachella Valley is classified as a Severe-15 nonattainment area for the 1997 8-hour ozone national ambient air quality standard (NAAQS) of 0.08 ppm, with an attainment date of June 15, 2019. Over the past 15 years, the air quality in the Coachella Valley has steadily improved because of the implementation of emission control measures by South Coast AQMD and California Air Resources Board (CARB). Ozone levels in the Coachella Valley are impacted by pollutants directly transported from the South Coast Air Basin as well as pollutants formed secondarily through photochemical reactions from precursors emitted upwind. Local sources therefore have limited impact on the Coachella Valley's ozone levels. Design values for the 8-hour ozone standard have declined from 0.108 ppm in 2003 to 0.087 ppm in 2016. However, in 2017 and 2018, higher ozone levels were experienced throughout the State of California due to changes in meteorology, biogenic emissions, and/or anthropogenic emissions. For example, 2017 and 2018 summers were particularly warm and stagnant throughout the West. As a result of the higher ozone experienced in 2017 and 2018, the Coachella Valley cannot practically attain the 1997 8-hour ozone standard by the attainment deadline of June 15, 2019. The inability to attain the standard is largely due to weather conditions that are impacting not only the Coachella Valley and the South Coast Air Basin, but the entire State of California and Western United States.

Under the Clean Air Act, states and local agencies are able to voluntarily request that U.S. EPA reclassify a nonattainment area to a higher classification of nonattainment. This "bump-up" request can provide additional time for the area to reach attainment, as the new classification will have a later attainment date. However, the area would be subject to the additional requirements of the new classification.

The U.S. EPA will make a finding of failure to attain the 1997 8-hour ozone standard for Coachella Valley by December 2019 unless South Coast AQMD submits a voluntary request for a reclassification to Extreme and that request is approved by the U.S. EPA. If the South Coast AQMD does not request the bump-up, the Coachella Valley would fail to attain the standard, and the South Coast AQMD would then have to adopt a rule requiring all major stationary sources to pay a nonattainment fee. In either case, the major source threshold will be lowered from 25 tons per year to 10 tons per year of NO_x and VOC emissions with additional requirements under Title V and New Source Review (NSR) programs. Finally, a revision to the State Implementation Plan (SIP) will likely be required which will include additional measures that may reasonably be prescribed to attain the standard.

Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending to submit a formal request to U.S. EPA to reclassify the Coachella Valley from Severe-15 to Extreme nonattainment, with a new attainment date of June 15, 2024. The reclassification ensures that the Coachella Valley will be given the needed extension of the attainment date to make attainment feasible, and prevent the imposition of the nonattainment fee imposed on major stationary sources. This action will necessitate the development of a new Extreme area SIP, including an attainment demonstration with a new deadline as early as practicable but no later than June 15, 2024. The Extreme nonattainment area SIP will necessarily continue to rely on emission reductions in the South Coast Air Basin, upwind of Coachella Valley. Furthermore, the reclassification will require South Coast AQMD rule amendments to lower the major stationary source threshold for NO_x and VOC from the 25 tpy to 10 tpy within 12 months after the reclassification is approved by U.S. EPA. Stationary sources in Coachella Valley with a potential to emit between 10 and 25 tpy of NO_x and VOC would be subject to the

applicable requirements for major stationary sources in Title V permitting and NSR Programs. Based on staff's analyses, only a few existing facilities in Coachella Valley may be potentially impacted by these new requirements. Although the reclassification request may potentially impose additional requirements on these facilities, it will ensure that the Coachella Valley is given the needed extension of the attainment date to make attainment feasible. Moreover, the change in the major source threshold must be implemented even if reclassification is not requested and U.S. EPA makes a finding of nonattainment.

1. Introduction

The Coachella Valley Planning Area is defined as the desert portion of Riverside County in the Salton Sea Air Basin, and is under the jurisdiction of the South Coast Air Quality Management District (South Coast AQMD or District). The Coachella Valley is the most populated area in this desert region, which encompasses several communities, including Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Thermal, and Mecca. Figure 1-1 provides a map of the area and the surrounding topography.

The Coachella Valley Planning Area is located downwind of the South Coast Air Basin, which is also under the jurisdiction of South Coast AQMD. The topography and climate of Southern California combine to make the South Coast Air Basin an area of high air pollution potential. Ozone levels in the Coachella Valley Planning Area are impacted by pollutants directly transported from the South Coast Air Basin as well as pollutants formed secondarily through photochemical reactions from precursors emitted upwind with limited impact from local emission sources. While local emissions controls benefit Coachella Valley air quality, the area must rely on emissions controls being implemented upwind to demonstrate improved air quality and attainment of the federal ozone standard.

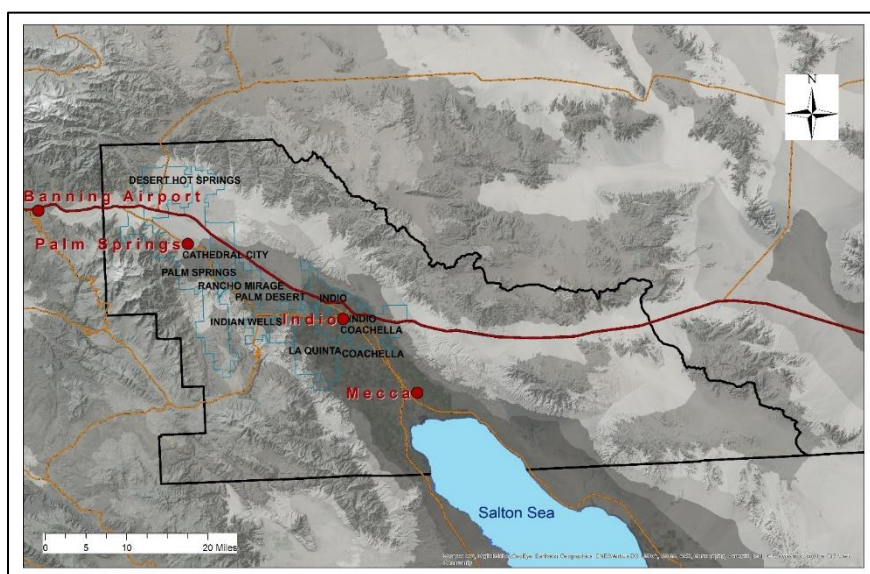


FIGURE 1-1
LOCATION AND TOPOGRAPHY OF THE COACHELLA VALLEY PLANNING AREA

Attainment Status of Coachella Valley for Ozone National Ambient Air Quality Standards

In 1979, the U.S. EPA established primary and secondary national ambient air quality standards (NAAQS or standards) for ozone at 0.12 parts per million (ppm) averaged over a 1-hour period¹. On July 18, 1997,

¹ U.S. EPA revoked the 1-hour ozone standard entirely in 2005. However, U.S. EPA regulations require the continuation of certain control measures in areas that were formerly in nonattainment for the 1-hour standard.

the U.S. EPA revised the primary and secondary standards for ozone to 0.08 ppm, averaged over an 8-hour period ("1997 8-hour ozone standards"). The 1997 8-hour ozone standard was lowered to 0.075 ppm in 2008, and to 0.070 ppm in 2015. The U.S. EPA classifies areas of ozone nonattainment (i.e., Extreme, Severe, Serious, Moderate or Marginal) based on the extent to which an area exceeds the standard. The higher the current exceedance level, the more time is allowed to demonstrate attainment in recognition of the greater challenge involved. However, nonattainment areas with higher classifications are also subject to more stringent requirements.

The Coachella Valley is designated by U.S. EPA as a nonattainment area for the 2015 8-hour ozone standard of 0.070 ppm, the 2008 8-hour ozone standard of 0.075 ppm, and for the 1997 8-hour ozone standard of 0.08 ppm. For the three 8-hour ozone federal standards, the Coachella Valley is classified as a Severe-15 or Severe ozone nonattainment area, indicating that the area has 15 years from the nonattainment designation date to attain the standard. The Coachella Valley is already in attainment of the revoked federal standard for 1-hr ozone. Table 1 summarizes the attainment date and the attainment status for each of the federal ozone air quality standard for Coachella Valley.

TABLE 1-1

ATTAINMENT STATUS OF THE FEDERAL OZONE AIR QUALITY STANDARDS OF THE COACHELLA VALLEY PLANNING AREA

Criteria Pollutant	Averaging Time	Designation	Attainment Date
Ozone (O ₃)	(1979) 1-Hour (0.12 ppm)	Attainment	11/15/2007 (attained 12/31/2013)
	(1997) 8-Hour (0.08 ppm)	Nonattainment (Severe-15)	6/15/2019
	(2008) 8-Hour (0.075 ppm)	Nonattainment (Severe-15)	7/20/2027
	(2015) 8-Hour (0.070 ppm)	Nonattainment (Severe)	8/3/2033

In contrast, the South Coast Air Basin is classified as an Extreme nonattainment area for all three 8-hour ozone standards because of even higher ozone levels, and has 20 years to attain each standard from the effective date of the final designation. For the 1997 and 2008 8-hour ozone standards, the attainment dates for the South Coast Air Basin are June 15, 2024 and July 20, 2032, respectively.

History of Air Quality Planning for the 1997 8-Hour Ozone Standards in Coachella Valley

The federal Clean Air Act (CAA or Act) requires nonattainment areas to develop and implement an emission reduction plan that will bring the area into attainment in a timely manner by the statutory deadline. This plan and the underlying technical analyses are integrated into Air Quality Management Plans (AQMPs or Plans) for the region. The South Coast AQMD, with contributions from and collaborations with the California Air Resources Board (CARB) and Southern California Association of Governments (SCAG), has developed several comprehensive AQMPs since the mid 1990s to address updates to air quality standards and attainment deadlines.

The following SIP submittals addressed the CAA planning requirements for attaining the 1997 8-hour ozone standard for the Coachella Valley:

1. “Final 2007 Air Quality Management Plan,” South Coast Air Quality Management District, June 2007 (2007 AQMP); and “2007 State Strategy for the California State Implementation Plan,” September, 2007 (2007 State Strategy);

The 2007 AQMP addressed attainment of the 1997 ozone standard for both the South Coast Air Basin and Coachella Valley including the following components:

- Emissions estimates, reasonable further progress (RFP) demonstrations, and motor vehicle emission budgets in Chapter 8;
- Detailed base and future emission inventories in Appendix III;
- Modeling for the attainment demonstration in Chapters 5 and 8, and Appendix V;
- Control strategy in Chapters 4 and 7; and
- Reasonably Available Control Measures (RACM) discussion in Chapter 6 and Appendix VI.

The 2007 State Strategy, as amended by the 2009 State Strategy Status Report² and 2011 State Strategy Progress Report³, provided a RACM demonstration for mobile sources (Chapter 3, Chapter 5, Appendix A, etc.). Appendix F of the 2011 State Strategy Progress Report provided revised control measure commitments and a revised rule implementation schedule for the 2007 AQMP.

Based on the 2007 AQMP and the 2007 State Strategy, the Coachella Valley was projected to attain the 1997 8-hour ozone standard (0.08 ppm) by 2018.

2. “Proposed Updates to the 1997 8-Hour Ozone Standard, State Implementation Plans; Coachella Valley and Western Mojave Desert,” CARB, October, 2014 (2014 SIP Update).

The 2014 SIP Update, which covered both the Coachella Valley and Western Mojave Desert 1997 8-hour ozone nonattainment areas, reflected the new U.S. EPA guidance⁴ for the RFP demonstration and updated emission inventories. The 2014 SIP Update included updated emissions inventories, reasonable further progress (RFP) demonstration, vehicle miles travelled (VMT) offset demonstration, motor vehicle emissions budgets and revision to the attainment

² “Status Report on the State Strategy for California’s 2007 State Implementation Plan (SIP) and Proposed Revision to the SIP Reflecting Implementation of the 2007 State Strategy,” CARB, Release Date: March 24, 2009 (2009 State Strategy Status Report).

³ “Progress Report on Implementation of PM2.5 State Implementation Plans (SIP) for the South Coast and San Joaquin Valley Air Basins and Proposed SIP Revisions,” CARB, Release Date March 29, 2011 (2011 State Strategy Progress Report).

⁴ Since the submission of the 2007 AQMP, U.S. EPA determined it was no longer appropriate to include emissions from sources outside the nonattainment area in the RFP demonstration and revised its RFP policy to limit emission reductions to sources within the nonattainment area.

targets for NO_x and VOC emissions. The 2014 Update demonstrated that the adopted regulations would provide the emission reductions necessary to achieve attainment of the 0.08 ppm 8-hour ozone standard in the Coachella Valley by the attainment date and meet RFP requirements in the milestone years. Finally, the 2014 SIP Update (and 2007 AQMP) contained contingency measures to be implemented in the event the area fails to meet an RFP milestone or fails to attain by the applicable date.

While the 2007 AQMP and the 2014 SIP Update addressed and satisfied the CAA planning requirements for the Coachella Valley, the 2012 AQMP provided the projections of future ozone levels based on the updated emissions inventories and modeling efforts for informational purposes. With the latest emissions and modeling projections provided in the 2012 AQMP, staff confirmed that the strategy towards attainment of the federal ozone standards in the Coachella Valley remained effective.

The 2016 AQMP outlined the strategy to attain the 2008 8-hour ozone standard (0.075 ppm) for the Coachella Valley Planning Area, and discussed the attainment status towards the 1997 8-hour ozone standard (0.08 ppm). The 2016 AQMP evaluated the number of days exceeding the 1997 standard at the highest Coachella Valley monitoring station from 1990 through 2015. The ozone levels showed progressive improvement, from 18 exceedance days in 2012 base year to only 6 days in 2015. The 8-hour ozone standard is based on the 99th percentile highest value, which is the fourth highest value each year. As such, staff expected that Coachella Valley would attain the 1997 ozone standard by the end of 2018, corroborating the ozone SIP attainment demonstration in the 2007 AQMP and the CARB 2014 SIP Update.

Current Attainment Status for the 1997 8-Hour Ozone Standard in Coachella Valley Planning Area

The Coachella Valley is downwind from the South Coast Air Basin (Basin), and is directly impacted by the air quality in the Basin. Implementation of the South Coast AQMD and the CARB emissions control measures over the past several decades have resulted in demonstrable progress in reducing ozone levels in the Basin. As a result, air quality in the Coachella Valley has also steadily improved, as demonstrated by the ambient air quality data. Design values⁵ for the 8-hour ozone standard declined from 0.108 ppm in 2003 to 0.088 ppm in 2015 and continued to decline to 0.087 ppm in 2016, as presented in the 2016 AQMP. However, in 2017 and 2018, the State of California experienced a series of high ozone episodes due to unexpected changes in meteorology including warm and stagnant weather conditions, biogenic emissions, and/or anthropogenic emissions. As a result, the design values in 2017 and 2018 were higher than the previous years and increased to 0.088 ppm and 0.091 ppm respectively, (more detailed discussion in Chapter 2), indicating that additional time is needed to meet the standard.

As discussed previously, Coachella Valley is a Severe-15 nonattainment area for the 1997 8-hour ozone standard, with an attainment deadline of June 15, 2019. Because the attainment date is mid-year, the demonstration of attainment must take place by the previous calendar year, which is 2018. Within six months after the applicable attainment date, U.S. EPA is required to make a determination as to whether the area attained the standard by that date. If U.S. EPA determines that a nonattainment area has failed

⁵ A design value is a statistic that describes the air quality status of a given area relative to the level and form of the NAAQS. For the 8-hour ozone standard, the design value is a 3-year average and takes into account the form of the short-term standard (i.e., 99th percentile).

to attain the air quality standard by the applicable attainment date, the consequences for failure to attain are listed under CAA section 179(d) and CAA section 181 (b)(4), and are summarized below:

- All major stationary sources are required to pay a nonattainment fee (about \$10,000 per ton of VOC and NOx emissions per year) beginning the year after the attainment deadline;
- The threshold for both major sources and major stationary sources will be lowered from 25 tons per year to 10 tons per year for VOC and NOx;
- A revision to the State Implementation Plan within 1 year of U.S. EPA's notice of failure to attain;⁶ and
- The State Implementation Plan revision should meet the requirements of CAA section 110 and section 172, and include additional measures that may reasonably be prescribed for a nonattainment area.

Under CAA Subpart 2, section 182(a)(5), the U.S. EPA allows for a one year extension of the attainment date, if no more than one exceedance of the 1997 standard has occurred in the area in the preceding year. The standard was exceeded on four days in 2016, 15 days in 2017, and 13 days in 2018. This increase in exceedance days was not unique to the Coachella Valley. Similar increases in ozone concentrations occurred in the South Coast Air Basin and throughout California. Since more than one exceedance of the standard occurred in Coachella Valley, the one year attainment date extension is not available. Furthermore, based on the air quality trends in the Coachella Valley, a one year extension would not be a suitable amount of time to practically bring the Coachella Valley into attainment.

On the other hand, under Subpart 2, section 181(b)(2) of the CAA, the U.S. EPA may reclassify a nonattainment area to a higher classification if the area cannot practicably attain the NAAQS by the attainment date and the area voluntarily requests reclassification. Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending that the South Coast AQMD formally request the U.S. EPA to reclassify the Coachella Valley as an Extreme nonattainment area for the 1997 8-hour ozone standard. This reclassification will provide an extension of the attainment date to make attainment feasible. Upon reclassification, the new attainment deadline for the Extreme nonattainment status will be June 19, 2024.

This document outlines the action to request reclassification to an Extreme nonattainment area for the 1997 8-hour ozone standard in Coachella Valley. Chapter 2 of this document presents the air quality trends. Chapter 3 describes the voluntary reclassification request with potential implications for major stationary sources. The staff recommendation is presented in Chapter 4.

⁶ U.S. EPA staff has indicated that for the finding of failure to attain, a SIP revision is not required since the 1997 8-hour ozone standard has been revoked; however, this remains unclear because of uncertainties related to revoked standards

2. Air Quality Trends

The South Coast AQMD currently monitors Coachella Valley ozone concentrations at Indio and Palm Springs. The Palm Springs air monitoring station is located closer to the San Geronio Pass (also known as the Banning Pass), predominantly downwind of the densely populated South Coast Air Basin. The Indio station is located further east in the Coachella Valley, on the predominant downwind side of the main population areas of the Coachella Valley. Both of these sites routinely measure ozone, particulate matter with a diameter less than 10 micron (PM10), particulate matter with a diameter less than 2.5 micron (PM2.5), sulfates (from PM10), and several meteorological parameters. The Palm Springs station also measures carbon monoxide, and nitrogen dioxide. This chapter summarizes recent and historic ozone air pollution data collected in the Coachella Valley.

Factors that Influence Ozone Concentrations

Ozone (O₃) is not emitted directly into the atmosphere; near-surface ozone, in contrast to stratospheric ozone, is formed by the reaction of volatile organic compounds (VOCs) with oxides of nitrogen (NO_x) in the presence of sunlight. Figure 2-1 illustrates the processes influencing ozone concentrations in the Coachella Valley. NO_x is generated from combustion processes whereas VOCs are emitted from a wide variety of sources such as consumer products, mobile sources, and vegetation. Wildfires generate both NO_x and VOCs. However, the chemical reactions that form ozone are highly complex and depend not only on NO_x and VOC levels, but also on the ratio of VOC to NO_x concentrations, temperature, the amount of sunlight, and other meteorological conditions. NO_x emissions can even reduce ozone concentrations in the immediate vicinity of an emission source, but will contribute to ozone formation downwind.

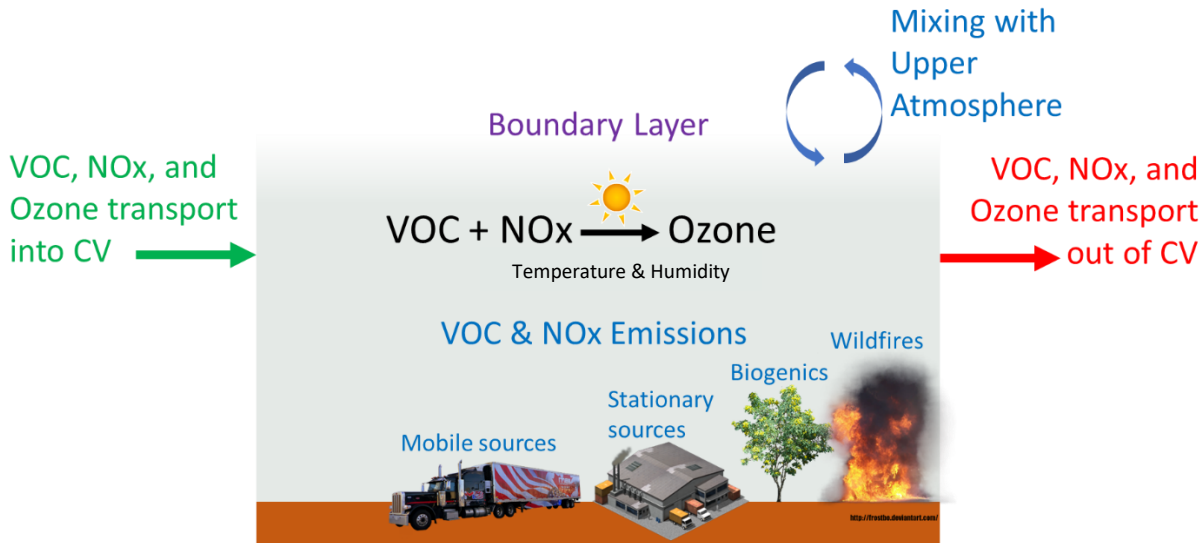


FIGURE 2-1

SCHEMATIC OF PROCESSES INFLUENCING OZONE CONCENTRATIONS IN THE COACHELLA VALLEY.

Atmospheric ozone in the Coachella Valley is both directly transported from the Basin and formed photochemically from precursors emitted upwind and within the Coachella Valley. The precursors are emitted in the greatest quantity in the coastal and central Los Angeles County areas of the South Coast

Air Basin (Basin). The Basin's prevailing sea breeze causes polluted air to be transported inland. As the air is being transported inland, ozone is formed, with peak concentrations occurring in the inland valleys of the Basin, extending from eastern San Fernando Valley through the San Gabriel Valley into the Riverside-San Bernardino area and the adjacent mountains. As the air is transported further inland into the Coachella Valley through the San Geronio Pass, ozone concentrations typically decrease due to dilution, although ozone standards can still be exceeded wind speed and wind direction further influence ozone concentrations throughout the Coachella Valley.

Ozone concentrations are also heavily dependent on meteorological conditions. Concentrations in the Coachella Valley, and the number of days exceeding the federal ozone standards, are greatest in the late spring and summer months, with no exceedances during the winter. Ozone concentrations are a strong function of season for several reasons. The rate of reactions that produce ozone in the atmosphere proceeds faster at higher temperatures. In addition, elevated temperatures lead to increased ozone precursor concentrations by hastening the evaporation into the air of VOCs. Ozone concentrations are also dependent on sunlight intensity, which is stronger during the summer months. The stability of the atmosphere also influences ozone concentrations. Strong inversions inhibit mixing with the upper atmosphere, leading to elevated concentrations at the surface.

Ozone Monitoring Data

Several metrics are used to quantify progress towards attaining the ozone standards in the Coachella Valley. The number of days exceeding the 1997 8-hour ozone standard anywhere in the Coachella Valley is a basic, yet useful tool for assessing progress. This metric has decreased markedly over the past few decades. However, year-to-year variabilities are evident throughout the historical record. Figure 2-2 shows the trend in Coachella Valley ozone exceedance days for the 1979 1-hour standard and the 1997 8-hour standard. Note that the Coachella Valley attained the 1-hour standard in 2013.

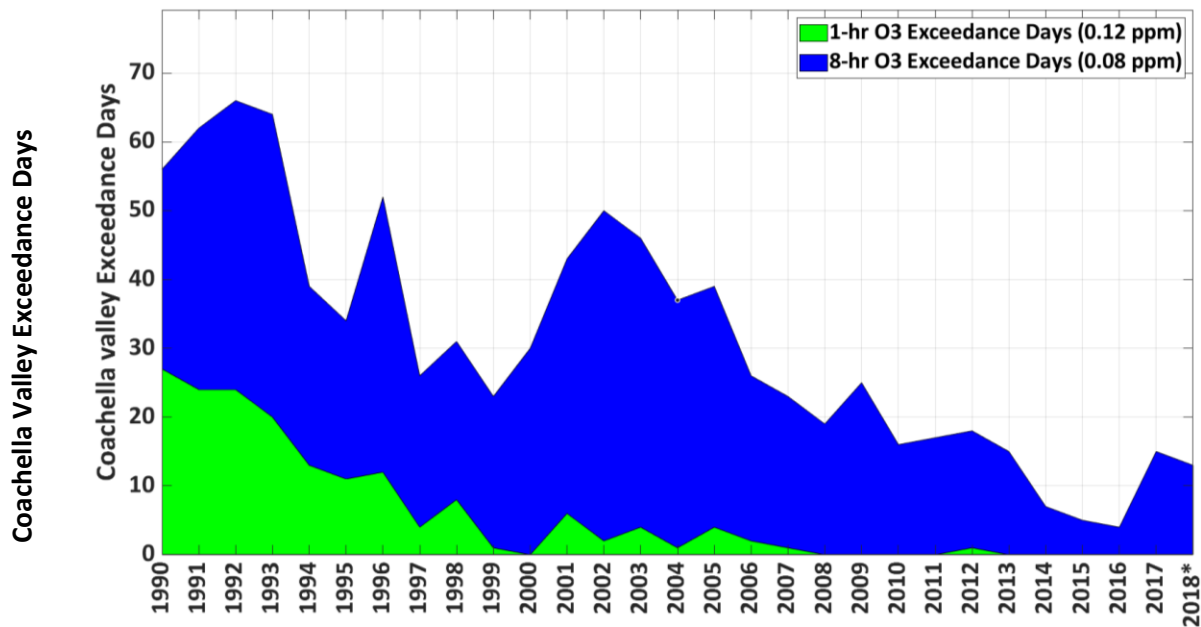


FIGURE 2-2: TRENDS IN OZONE EXCEEDANCE DAYS IN THE COACHELLA VALLEY, 1990–2018 (*2018 DATA IS PRELIMINARY AND SUBJECT TO CHANGE) The Coachella Valley exceeded the 1997 standard on four days in 2016, 15 days in

2017, and 13 days in 2018. This increase in exceedance days was not unique to the area. Similar increases in ozone concentrations occurred in the South Coast Air Basin. Figure 2-3 shows the trend in ozone exceedance days in both the South Coast Air Basin and the Coachella Valley.

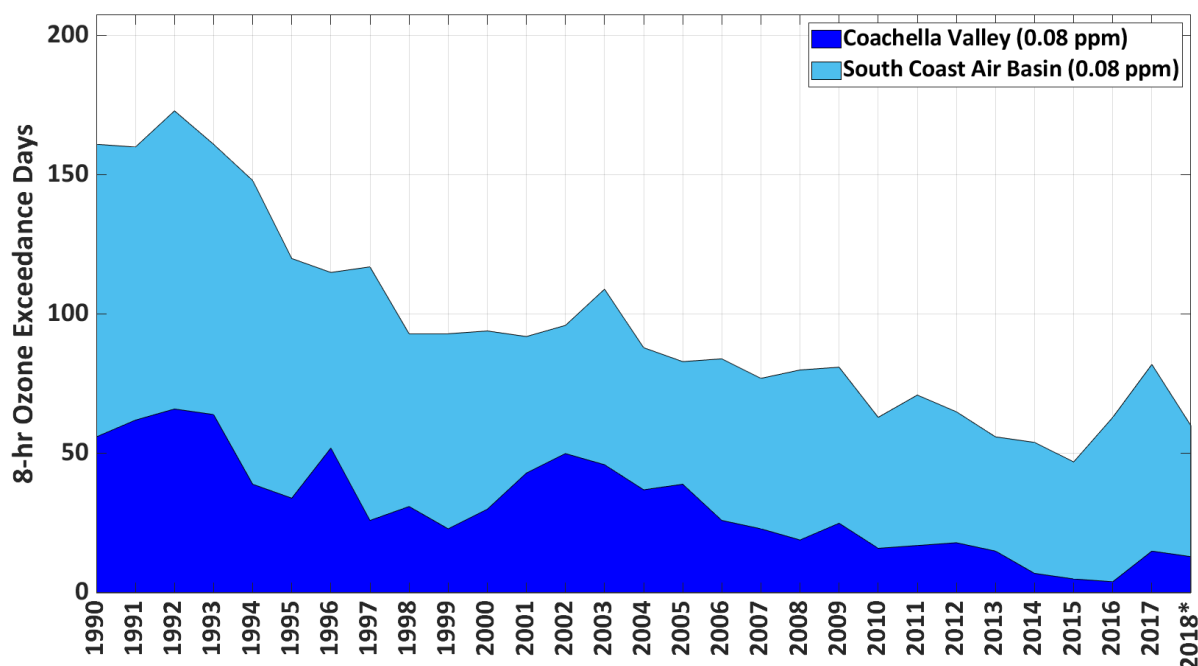


FIGURE 2-3: TRENDS IN OZONE EXCEEDANCE DAYS IN THE COACHELLA VALLEY AND THE SOUTH COAST AIR BASIN, 1990–2018 (*2018 DATA IS PRELIMINARY AND SUBJECT TO CHANGE)

The similarity in the trends in ozone exceedances seen in Figure 2-3 are not unexpected due to typical transport patterns of ozone precursors and ozone from the South Coast Air Basin to the Coachella Valley. In addition, while there are differences in meteorological conditions between the two areas, regional meteorological trends influence conditions in both areas.

The Clean Air Act requires attainment of the ozone standard at the most ozone polluted monitoring station, which for the case of the Coachella Valley, is in Palm Springs. The 8-hour ozone design value is based on the 99th percentile highest value (4th highest daily maximum of 8-hour-average concentrations) in a year, averaged over a three year period. Therefore the 4th highest 8-hour daily max value is a useful metric to assess yearly progress towards attainment of the standard. Figure 2-4 details the 8-hour daily maximum ozone concentrations at the Palm Springs and Indio monitoring stations during the ozone season⁷ for 2016, 2017, and 2018, which are the three years considered for ozone attainment by the 2019 deadline. The four highest values each year are indicated with filled circles, with the fourth highest value further notated with a black “X”.

⁷ The ozone season is defined as May 1 – September 30 by the U.S. EPA.

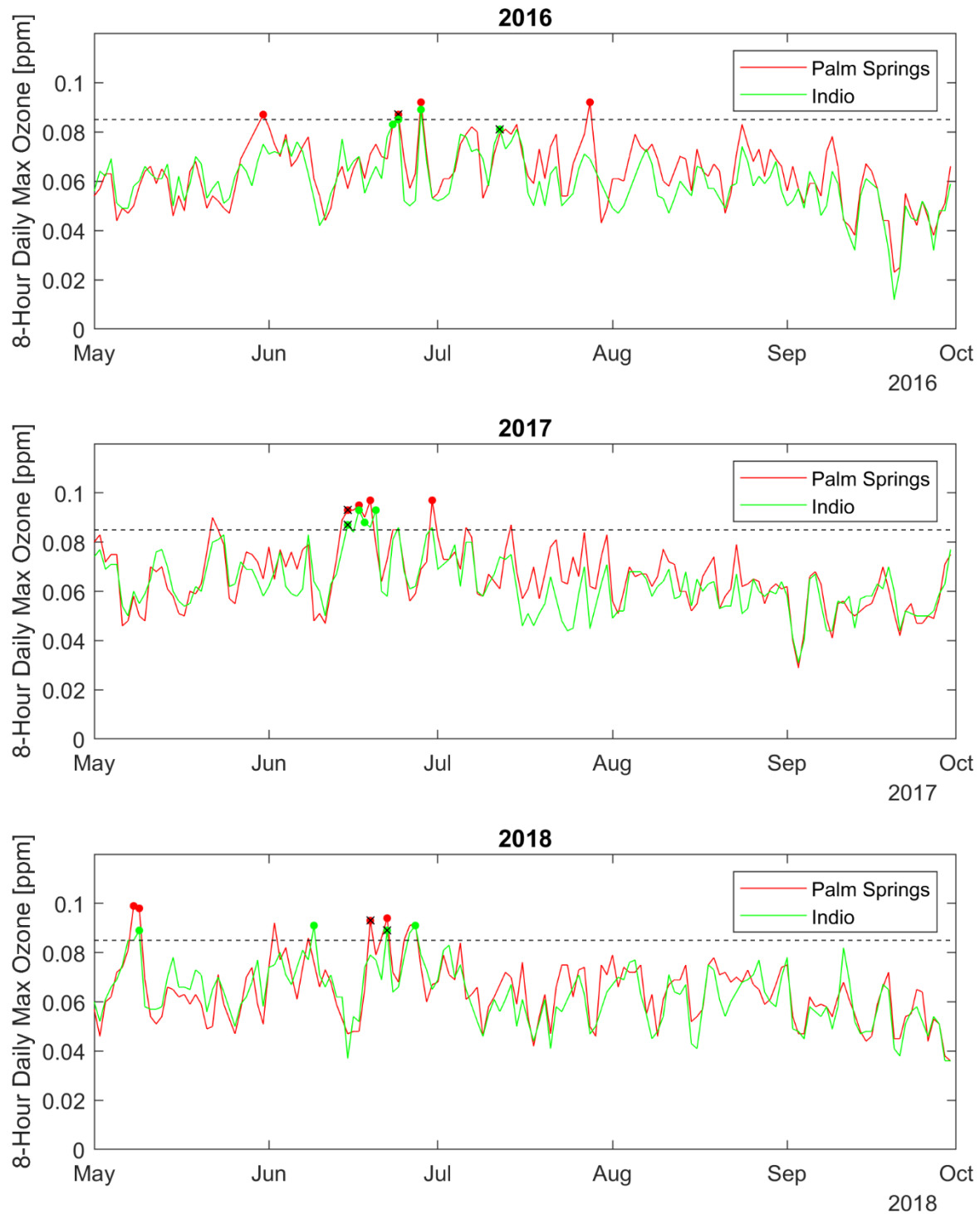


FIGURE 2-4: OZONE MONITORING DATA IN COACHELLA VALLEY FROM 2016-2018. FILLED CIRCLES INDICATE THE FOURTH HIGHEST VALUES IN A YEAR. A BLACK “X” INDICATES THE FOURTH HIGHEST VALUE. THE 1997 8-HOUR OZONE STANDARD IS SHOWN WITH A HORIZONTAL DASHED LINE.

The four highest ozone concentrations in 2016 occurred in four separate episodes. It is possible that the high values recorded on June 23rd and June 27th were influenced by the San Gabriel Complex Fire in Duarte, CA. It is also possible, but less likely, that the high value recorded on July 27th was influenced by the Sand Fire, burning east of the Santa Clarita Valley in northern Los Angeles County. A single multi-day ozone episode in 2017 is responsible for generating three of the four highest values recorded that year. It is possible, but unlikely due to the distances involved that high values recorded on June 17th and June 18th were influenced by emissions from the Lake Fire, which burned near Castaic Lake. The Mart Fire north of Highland may have influenced the elevated ozone concentrations measured on June 29th, 2017.

The U.S. EPA's Exceptional Events Rule allows air authorities to exclude monitoring data in calculating design values if the data was influenced by an event that is not reasonably controllable nor preventable. There must also be a clear causal relationship between the exceedance and the event. Under the Exceptional Events Rule, ozone exceedances caused by wildfires may be approved to be excluded by the U.S. EPA upon successful demonstration by states or local air districts. While there are some exceedances that may be smoke-influenced due to the presence of satellite-detected smoke and/or an active smoke advisory, even if the U.S. EPA approved all of these as exceptional events, the Coachella Valley would still fail to attain the 1997 8-Hour ozone standard.

The increase in ozone concentrations seen in 2017 in the Coachella Valley and the South Coast Air Basin were also seen throughout California (Figure 2-5) and the Western United States (Figure 2-6).

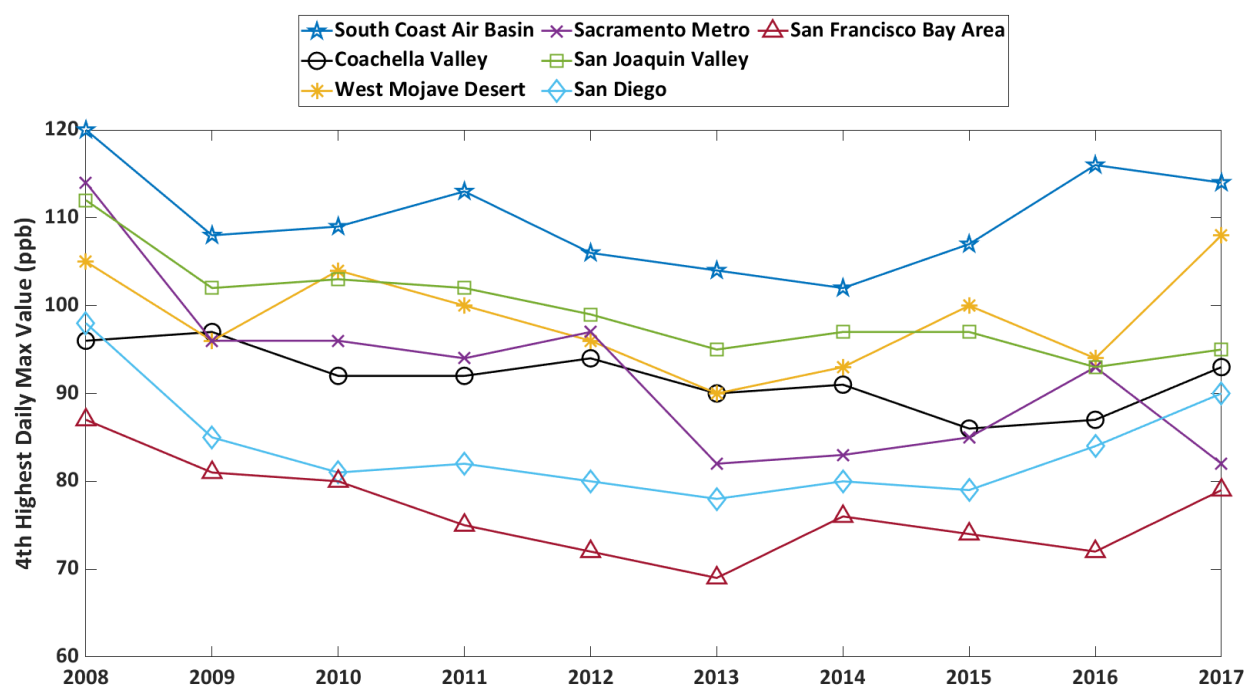


FIGURE 2-5: FOURTH HIGHEST DAILY MAXIMUM OZONE VALUES IN SEVERAL NEARBY CALIFORNIA AIR BASINS FROM 2008 TO 2017. 2018 DATA FOR AIR BASINS OUTSIDE OF THE SOUTH COAST AQMD JURISDICTION IS NOT YET AVAILABLE.

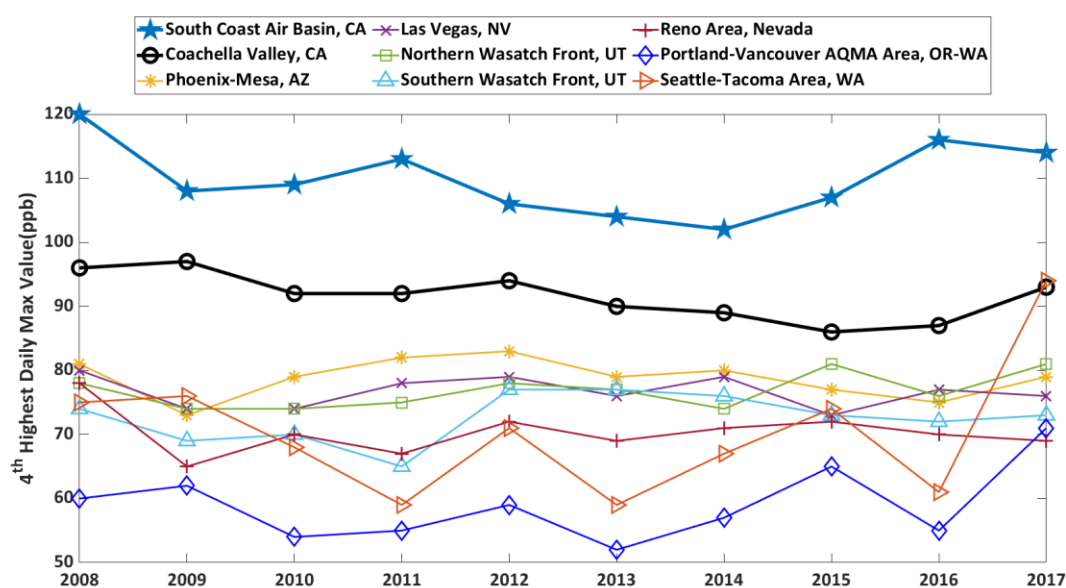


FIGURE 2-6: FOURTH HIGHEST 8-HOUR DAILY MAXIMUM OZONE VALUES AT THE MOST POLLUTED MONITORING SITE IN SEVERAL DESIGNATED AREAS IN WESTERN STATES FROM 2008 TO 2018

South Coast AQMD staff and other researchers in the air quality and meteorology communities are still investigating the reasons for the increase in ozone concentrations starting in 2017 experienced throughout the Western United States. However, the fact that these increases were seen over wide areas can help explain the elevated ozone concentrations. Both unexpected changes in meteorology and/or emissions (e.g., biogenic, anthropogenic) can contribute to this unexpected increase. However, year-to-year increases in ozone are not uncommon in the historical record and one should be careful to not over-interpret temporary increases.

While local wildfires cannot explain all exceedances in the 2016-2018 period in the Coachella Valley, it is possible that wildfire emissions from distant fires could have influenced ozone concentrations throughout the West. 2017 and 2018 were particularly active wildfire seasons in California (Figure 2-7), with total acreage burned surpassing all years since 2008.

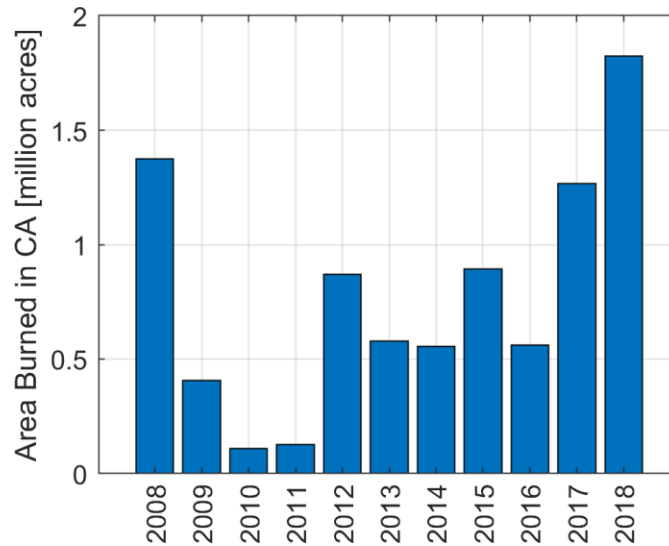


FIGURE 2-7: TOTAL ACRES BURNED BY YEAR WITHIN CALIFORNIA. DATA FROM THE NATIONAL INTERAGENCY FIRE CENTER.

Biogenic VOC emissions (those deriving from vegetation) may also exhibit large year-to-year variations. Vegetation is a large source of VOCs, especially during summer months. Vegetative growth is highly dependent on rainfall during the growing season, which exhibits significant year-to-year variations throughout California.

While it is difficult to measure anthropogenic emissions (emissions from human activity) of NO_x and VOCs directly, emission inventory projections indicate that emissions from anthropogenic sources in the South Coast Air Basin have declined and will continue to decline (Figure 2-8). Emissions in the South Coast Air Basin are the primary contributor to ozone concentrations in the Coachella Valley.

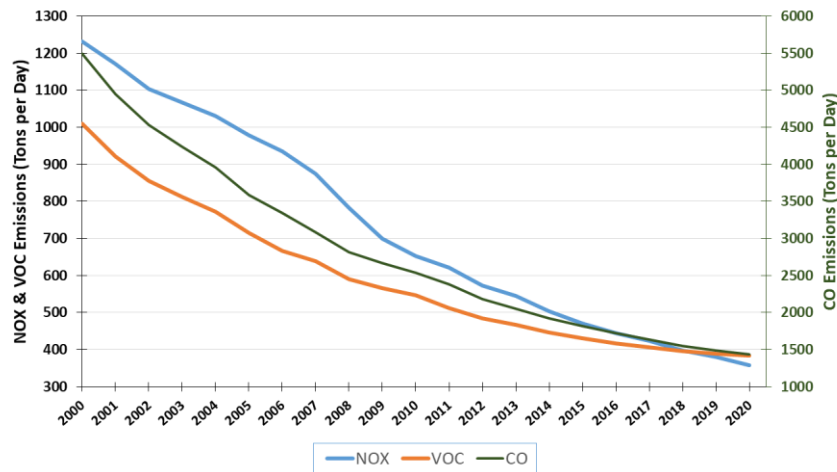


FIGURE 2-8: EMISSION INVENTORY PROJECTIONS IN THE SOUTH COAST AIR BASIN

Nitrogen dioxide (NO₂) concentration is measured hourly throughout the South Coast AQMD boundaries and can be used as a surrogate for NO_x emissions. An analysis of monitoring data between 1990 and 2018 indicate that NO₂ concentration have been reduced by over 60% and have continued to decline year-to-year since 1999 (Figure 2-9).

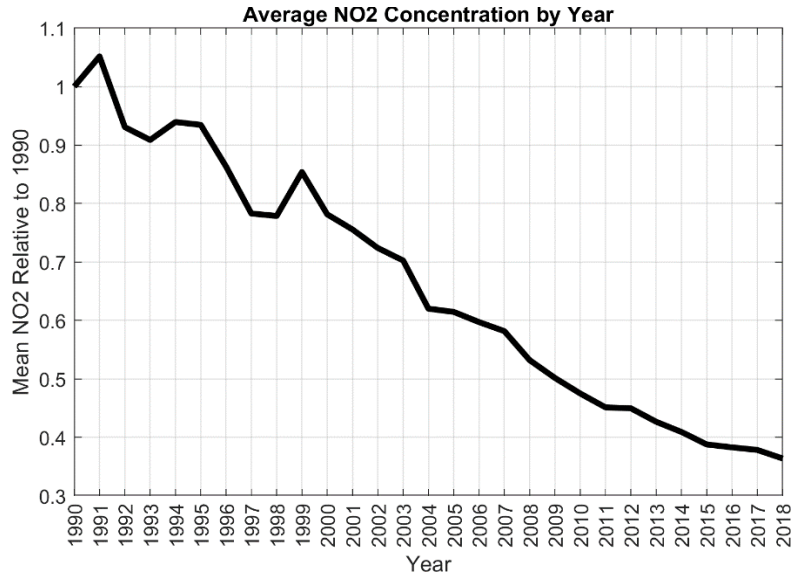


FIGURE 2-9: NO₂ CONCENTRATIONS AT MONITORS IN THE SOUTH COAST AIR BASIN AND THE COACHELLA VALLEY. ONLY MONITORS WITH DATA IN AT LEAST 75% OF THE YEARS ARE INCLUDED IN THIS ANALYSIS.

Meteorology is also an important factor governing ozone concentrations. Year-to-year changes in meteorology can alter transport patterns, leading to changes in precursors and upwind ozone entering the Coachella Valley. Elevated temperatures and reduced atmospheric mixing can also contribute to additional ozone formation. In addition, the North American Monsoon, which can bring an increase in humidity and afternoon thunderstorms into the Coachella Valley between July and September can also affect ozone concentrations.

Ozone Attainment Status

Trends in the 8-hour ozone design value and the 1-hour ozone design value are plotted in Figure 2-10.

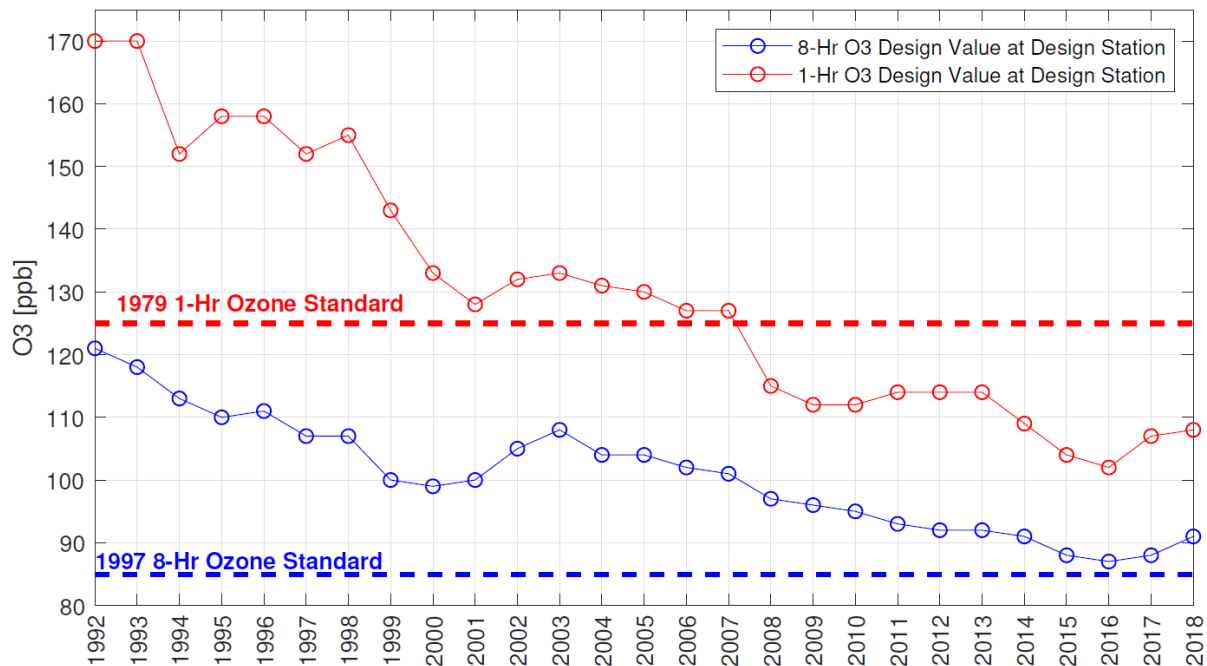


FIGURE 2-10

COACHELLA VALLEY 3-YEAR DESIGN VALUE TRENDS OF OZONE, 1990–2015

(THE YEAR PLOTTED IS THE END YEAR OF THE 3-YEAR DESIGN VALUE, *2018 DATA IS PRELIMINARY AND SUBJECT TO CHANGE)

While the Coachella Valley attains the former 1-hour federal ozone standard, the area exceeds the 8-hour NAAQS. In 2016, the 3-year design value (2014–2016) for the Coachella Valley was 0.087 ppm. The 2017 and 2018 design value increased to 0.088 ppm and 0.091 ppm, respectively. In each of these cases, the Palm Springs monitoring station had the highest design value, and therefore the Palm Springs measurement data reflects the design location for the Coachella Valley. The 2018 design value exceeds the 1997 8-hour standard. The standard is met if the design value is less than or equal to 0.084 ppm, due to rounding conventions associated with the 0.08 ppm standard.

In summary, the Coachella Valley has experienced a multi-decadal trend of steady ozone improvements over the years, however, additional improvements are needed to achieve the 8-hour ozone standard.

3. Request for Reclassification

The Coachella Valley is currently classified as a Severe ozone nonattainment area for the 1997 8-hour standard, with an attainment deadline of June 14, 2019. As previously described in Chapter 2 – Air Quality Trends, the monitoring data shows that the Coachella Valley will not achieve attainment by the attainment deadline and is not eligible to request for a one-year extension of the attainment date due to the number of exceedances in the prior year.

The CAA under section 181(b)(3) allows for a “voluntary reclassification” request by any State to reclassify to a higher classification for a nonattainment area in order to provide additional time to meet the standard. The voluntary request for reclassification to a higher classification is commonly referred to as a “bump up.” Since additional time is needed to bring Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending requesting a voluntary reclassification from Severe to Extreme nonattainment.

Requirements upon Reclassification to an Extreme Nonattainment Area

After the bump-up request is submitted to the U.S. EPA and the U.S. EPA takes final action granting the reclassification request, a revision to the State Implementation Plan (SIP) is required. The new SIP revision will have to include an attainment demonstration with the pathway to attain the 1997 8-hour ozone NAAQS as expeditiously as practicable, but no later than the maximum attainment period set forth in CAA section 182, Table 1. Currently, the Severe classification of Coachella Valley allows for 15 years to reach attainment in 2019. With the approval of the bump-up request to Extreme, the attainment period will be extended to 20 years, or an additional 5 years from the Severe classification, to June 15, 2024. Therefore, upon reclassification to Extreme nonattainment status, the attainment date for Coachella Valley will be updated from June 15, 2019 to as expeditiously as practicable, but no later than June 15, 2024. The updated SIP for an Extreme nonattainment area will require the same elements as the previously developed SIP for a Severe nonattainment area together with the requirements for an Extreme nonattainment area described under CAA section 182 including:

- Section 182(e) - Definition of major sources and major stationary sources
- Section 182(e)(1) - Offset requirement
- Section 182(e)(2) - Modifications
- Section 182(e)(3) - Use of clean fuels or advanced control technology
- Section 182(e)(4) - Traffic control measures during heavy traffic hours
- Section 182(e)(5) - New technologies
- Section 182(f) – NO_x Requirements

Each of these requirements is discussed below.

CAA Section 182(e) Requirements

Currently under the Severe nonattainment designation, the definition of major stationary sources includes facilities with the potential to emit (PTE)⁸ of 25 tons per year (tpy) of VOC and NOx or higher. Following reclassification to an Extreme nonattainment area, the threshold for major stationary sources will be lowered to include facilities with the PTE of 10 tpy of VOC and NOx or higher. This change makes the definition stricter and will cause additional facilities to be subject to requirements (major sources). The potential impacts on stationary sources are discussed later in this chapter. However, this change must also occur even if a “bump-up” is not requested.

CAA Section 182(e)(1) - Offset requirement

Section 182(e)(1) requires a modified offset ratio of 1.5 to 1 of total emission reductions of VOCs to total increased VOC emissions of each air pollutant (due to permit modifications), unless federal best available control technology (BACT) is required for all new or modified existing major sources. South Coast AQMD’s regulations implement best available retrofit control technology (BARCT) which is the equivalent of federal BACT for major and non-major sources, and therefore an offset ratio of 1.2 to 1 is used for NSR offset requirements for all nonattainment criteria air contaminants (Rule 1303). South Coast AQMD’s NSR rules already include these requirements for VOC and NOx sources.

CAA Section 182(e)(2) – Modifications

Section 182(e)(2) requires any increase of emissions at a major stationary source to be considered a modification. South Coast AQMD Regulation XIII requires any new or modified source that results in an emissions increase of any nonattainment air contaminant to be subject to NSR. Therefore, the modification requirement is already addressed in existing NSR rules and no additional action is needed upon reclassification.

CAA Section 182(e)(3) - Use of clean fuels or advanced control technology

Section 182(e)(3) requires each new, modified, and existing electric utility and industrial and commercial boiler that emits more than 25 tpy of NOx to burn a low polluting fuel or use advanced NOx control technology. Existing boilers are already subject to South Coast AQMD Rule 1146 (Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters) and Rule 1135 (Emissions of Oxides of Nitrogen from Electricity Generating Facilities), which require the use of South Coast AQMD’s BARCT for existing equipment. Any new or modified sources with emission increases are also subject to California BACT (federal lowest achievable emission rate [LAER] for the case of major sources) requirements. As such, the implementation of existing California BARCT and BACT already require new, modified, and existing electric utility and industrial and commercial boilers to use advanced NOx control technology, and therefore, no additional action is needed upon reclassification.

⁸ “Potential to emit” is the maximum capacity of a stationary source to emit under its physical and operational design. Any physical or operational limitation on the source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation, or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation is enforceable by the U.S. EPA.

CAA Section 182(e)(4) - Traffic control measures during heavy traffic hours

Section 182(e)(4) allows for control measure programs to reduce use of high polluting or heavy-duty vehicles during heavy traffic hours. These are not required measures and do not require any additional action upon reclassification.

CAA Section 182(e)(5) - New technologies

Section 182(e)(5) allows for Extreme nonattainment area attainment demonstrations to be based on the anticipated development of new technologies or improvement of existing control technologies. These long-term control measures are often referred to as “black box” measures and go beyond the short-term control measures that are based on known and demonstrated technologies. For Extreme nonattainment areas, the “black box” measures may be used as part of the attainment strategy. The ability to use 182(e)(5), however, ceases 3 years prior to the attainment date. Since Coachella Valley is only about 5 years from its new attainment date (June 2024), these long term measures might not be appropriate or needed for the attainment demonstration for the new Extreme area SIP.

CAA Section 182(f) – NO_x requirements

Pursuant to Section 182(f), all provisions required for major stationary sources of VOC shall also apply to major stationary sources of NO_x as defined in 182(e)(1), including the modified offset ratio. Since the offset requirement for an Extreme nonattainment area has already been incorporated into South Coast AQMD’s existing NSR rules, there will not be any additional offset requirements due to reclassification of Coachella Valley to Extreme nonattainment.

Impacts on Major Stationary Sources

U.S. EPA defines a major source as a facility that emits, or has the potential to emit, any criteria pollutant or hazardous air pollutant at levels equal to or greater than the major source thresholds. As a Severe nonattainment area, the definition of a major stationary source in Coachella Valley includes facilities with a PTE of 25 tpy of VOC or NO_x or higher. For the Extreme nonattainment reclassification in Coachella Valley, the major source thresholds will be lowered to 10 tpy or higher of VOC or NO_x. Even if the South Coast AQMD were not to request a reclassification of Coachella Valley from Severe to Extreme and, consequentially, the U.S. EPA issued a finding of a failure to attain the standard, the lower major source thresholds would still apply.⁹ As such, under either scenario, a major source in Coachella Valley will include facilities with a PTE of 10 tpy or higher of VOC or NO_x.

Following reclassification of Coachella Valley to an Extreme nonattainment area, Rule 3001 will need to be amended to lower the threshold for major stationary sources in Coachella Valley to include facilities with a PTE of 10 tpy or higher for VOC or NO_x. This change will cause additional facilities to be subject to requirements for major sources. The threshold for major stationary source is also used to define applicability in the Title V Operating Permit program (Title V Program) and the New Source Review Program. As such, more facilities in Coachella Valley could be subject to the requirements under these programs. To assess the potential impact of the reclassification request, an analysis was done to identify

⁹ Clean Air Act Section 181(b)(4)(B); 42 U.S.C. Section 7511(b)(4)(B).

the facilities within the Coachella Valley with a VOC or NO_x PTE between 10 and 25 tpy, and the results of the analysis are included in the sections below.

The South Coast AQMD staff analysis identified the following eight stationary-source facilities, shown in Table 3-1 as potentially impacted by a change of the VOC and NO_x major source threshold from 25 tpy to 10 tpy.

TABLE 3-1
LIST OF POTENTIALLY IMPACTED FACILITIES IN COACHELLA VALLEY

Facility Name	City
Imperial Irrigation District/Coachella *	Coachella
Sentinel Energy Center LLC *	North Palm Springs
Wildflower Energy LP/Indigo Gen., LLC *	North Palm Springs
Armtec Defense Prod. Co.	Coachella
Eisenhower Medical Center	Rancho Mirage
Palm Springs Aerial Tramway	Palm Springs
County of Riverside (IN702)	Indio
Desert Hospital	Palm Springs

* Existing South Coast AQMD Title V Permit Facility

Title V Program

The Title V permitting program was created in the 1990 amendments to the Clean Air Act to establish a national permit program to standardize air quality permits and the permitting process for major sources of emissions across the country. Title V only applies to "major sources." The South Coast AQMD adopted Regulation XXX – Title V Permits in 1993 to align the permitting requirements with the federal Title V permit program (approved by U.S. EPA on November 30, 2001). The current major source thresholds for the South Coast Air Basin (currently designated as Extreme nonattainment) and Coachella Valley within South Coast AQMD are defined in Rule 3001, and are summarized in Table 3-1 below for VOC and NO_x:

TABLE 3-2:
MAJOR SOURCE PTE EMISSION THRESHOLDS (TONS PER YEAR)

Pollutant	South Coast Air Basin	Coachella Valley
VOC	10	25
NO _x	10	25

Following approval of the reclassification, Rule 3001 will be amended to lower the major source thresholds from 25 tpy to 10 tpy for VOC and NO_x in Coachella Valley.

Under the South Coast AQMD Title V Program, all facilities whose PTE¹⁰ is equal to or greater than the major source thresholds must comply with the Title V regulations unless they have enforceable permit limit(s) keeping their actual emissions below the applicable major source threshold(s) or if they satisfy specific requirements for certain industries through Rule 3008. Title V does not include any new requirements for reducing emissions, but it does include a Title V permit that consolidates and subsumes all of the previously issued air permits for individual pieces of equipment at a major source facility into one Title V permit. It includes public noticing, U.S. EPA approvals, and enhanced monitoring recordkeeping, reporting, and compliance requirements.

South Coast AQMD currently exempts facilities from the Title V permitting requirements if they demonstrate that *their actual emissions* have been permanently reduced through accepting an enforceable permit condition to limit the actual permitted and non-permitted emissions to levels less than the major source emission threshold. These facilities would still be required to comply with major source BACT (synonymous with U.S. EPA LAER). The South Coast AQMD exempts facilities from the Title V permitting requirements as well as the major source BACT if they demonstrate that their PTE has been permanently reduced by accepting an enforceable permit condition to *limit the PTE* to levels less than the major source emission threshold.

New Source Review

New Source Review (NSR) is a preconstruction review program required under both federal and state statutes for new and modified stationary sources located in nonattainment areas for Clean Air Act standards. NSR applies to both individual permits and entire facilities.

The Federal NSR requirements are reflected in South Coast AQMD Regulation XIII - New Source Review. Among other requirements, Regulation XIII (New Source Review) requires applicants to use Best Available Control Technology (BACT, equivalent to federal LAER for the case of major sources) for new sources, relocated sources, and modifications to existing sources that may result in an emission increase of any nonattainment air contaminant. Major source facilities that are subject to NSR are required by the Clean Air Act to have the lowest achievable emission rate (LAER) under South Coast AQMD Reg XIII. LAER is determined through the BACT process at the time the permit is issued, with little regard for cost, and pursuant to U.S. EPA's LAER policy as to what is achieved in practice. For non-major source facilities, BACT will be determined in accordance with state law¹¹ at the time an application is deemed complete unless a more stringent rule requirement becomes applicable prior to permit issuance. For non-major facilities, BACT takes economic feasibility (cost-effectiveness, measured in terms of control costs per ton of air emissions reduced) into account. The BACT guidelines for major and non-major polluting facilities are

¹⁰ PTE is based on permit conditions that limit emissions or throughput. If there are no such permit conditions, PTE is based on the maximum rated capacity; and the maximum daily hours of operation; and physical characteristics of the materials processed.

¹¹ See Health & Safety Code 40440.11.

listed separately¹². Given the potentially different BACT emission limits between a major source and a non-major source, the change in the major source threshold upon reclassification could affect the level of controls needed for facilities that trigger NSR requirements upon modification or installation, namely, the major source threshold, which requires implementing LAER, will be a potential to emit of 10 tpy of VOC or NOx. However, this will occur regardless of whether the area is reclassified or, instead, is declared to have failed to attain.

In addition, facilities with a net increase in emissions are required to offset the emission increase by use of Emission Reduction Credits (ERCs). Low emitting facilities (PTE < 4 tpy of VOC/NOx), as defined in Rule 1304 Table A, are exempt from the emission offset requirement. Instead, the South Coast AQMD maintains an internal bank that can be used to provide the required offsets. These offset requirements will not change as a result of reclassification.

Three existing facilities namely Imperial Irrigation District/Coachella, Sentinel Energy Center LLC, and Wildflower Energy LP/Indigo Gen., LLC will not be impacted by the “bump-up” to Extreme as they are already major sources under the Severe classification. Palm Springs Aerial Tramway, County of Riverside, Desert Hospital, Armtec Defense Prod. Co. and Eisenhower Medical Center currently have actual emissions under 10 tpy of NOx or VOC. These facilities may decide to apply for permit changes to limit their actual and PTE emissions to below the major source thresholds to avoid Title V permit or major source BACT. All new stationary source facilities with over 10 tpy of NOx or VOC or any existing non-major facilities that become a major stationary source will be subject to the new requirements under the Extreme classification.

¹² See BACT Guidelines: <http://www.aqmd.gov/home/permits/bact/guidelines>

4. Staff Recommendation

Considering the overall downward ozone trends in recent years notwithstanding 2017 and 2018, Coachella Valley is anticipated to attain the standard earlier than the attainment deadline of June 15, 2024 under an Extreme nonattainment classification. Therefore, apart from uncertainties in meteorology, the amount of emission reductions required for attainment in Coachella Valley is not as great as what is required upwind in the South Coast Air Basin. Existing regulations that are already implemented or will fully be implemented in the next few years will continue to reduce baseline emissions (business-as-usual situation with no new regulations) in future years. The reduced baseline emissions are expected to be sufficient to demonstrate attainment in 2024. In addition, South Coast AQMD has an aggressive NO_x emission reduction strategy in the 2016 AQMP to attain the 1997 federal 8-hour ozone standard in South Coast Air Basin by 2023. Since the transport of ozone and its precursors from the South Coast Air Basin is the primary cause of the ozone air quality in Coachella Valley, the additional NO_x strategies implemented in the South Coast Air Basin will also contribute to further improvement of ozone air quality in Coachella Valley. Therefore, attainment of the 1997 federal 8-hour ozone standard may occur earlier than June 15, 2024. While the federal ozone standard needs to be attained as expeditiously as possible, uncertainties in meteorological conditions and changes in emissions and chemistry as a possible consequence of changing climate cause greater challenges in attainment efforts and will be considered in the SIP revision to the extent possible. South Coast AQMD is currently conducting a study to evaluate the meteorological trends contributing to recent poor air quality in the South Coast Air Basin. The results from the study are expected to shed more light on the uncertainties associated with changing climate and their implications on air quality. The emissions inventory and numerical modeling platform developed for the 2016 AQMP will be utilized in the attainment demonstration. The new SIP will necessarily continue to rely on emission reductions to be achieved in the South Coast Air Basin.

Given that additional time is needed to bring the Coachella Valley into attainment of the 1997 8-hour ozone standard, staff is recommending formally requesting U.S. EPA reclassify the Coachella Valley as an Extreme nonattainment area for the 1997 8-hour ozone standard based on the monitoring data indicating attainment is not practicable by the current attainment date. The reclassification will provide the Coachella Valley the needed extension of the attainment date to make attainment feasible and alleviate the nonattainment fees imposed on major stationary sources. The reclassification request would have to be approved by the South Coast AQMD Governing Board and then be submitted to CARB for forwarding to U.S. EPA for their approval in their proposed actions on the attainment status of Coachella Valley for the 1997 8-Hour ozone standard. This action will necessitate the development of a new Extreme area SIP, including an attainment demonstration with an attainment deadline as early as practicable but no later than June 15, 2024. Furthermore, the reclassification will require South Coast AQMD rule amendments to lower major stationary source threshold for NO_x and VOC from the 25 tpy to 10 tpy within 12 months after reclassification is final; however, this would also occur if reclassification is not requested. A full analysis for implementation of these requirements and the attainment demonstration will be included in a subsequent SIP submittal following U.S. EPA's final approval of the reclassification.

5. Public Process

Public outreach is being conducted to notify interested parties regarding the Coachella Valley reclassification request for the 1997 8-hour Ozone standard. Notifications including newspaper postings, mass mailings, and email notifications are being sent to all permitted facilities and interested parties in Coachella Valley. Additionally, staff will hold two public consultation meetings on Wednesday, May 1, 2019, in Coachella Valley, with representatives from the public, local communities, environmental groups, and local governments. Written comments on the reclassification request for Coachella Valley and associated staff report will be accepted until May 15, 2019. Response to the comments received will be incorporated into the staff report. The South Coast AQMD Governing Board will consider approval of the reclassification request at its June 7, 2019, meeting.



Informational Briefing for Reclassification of Coachella Valley for the 1997 8-Hour Ozone Standard

Governing Board Meeting

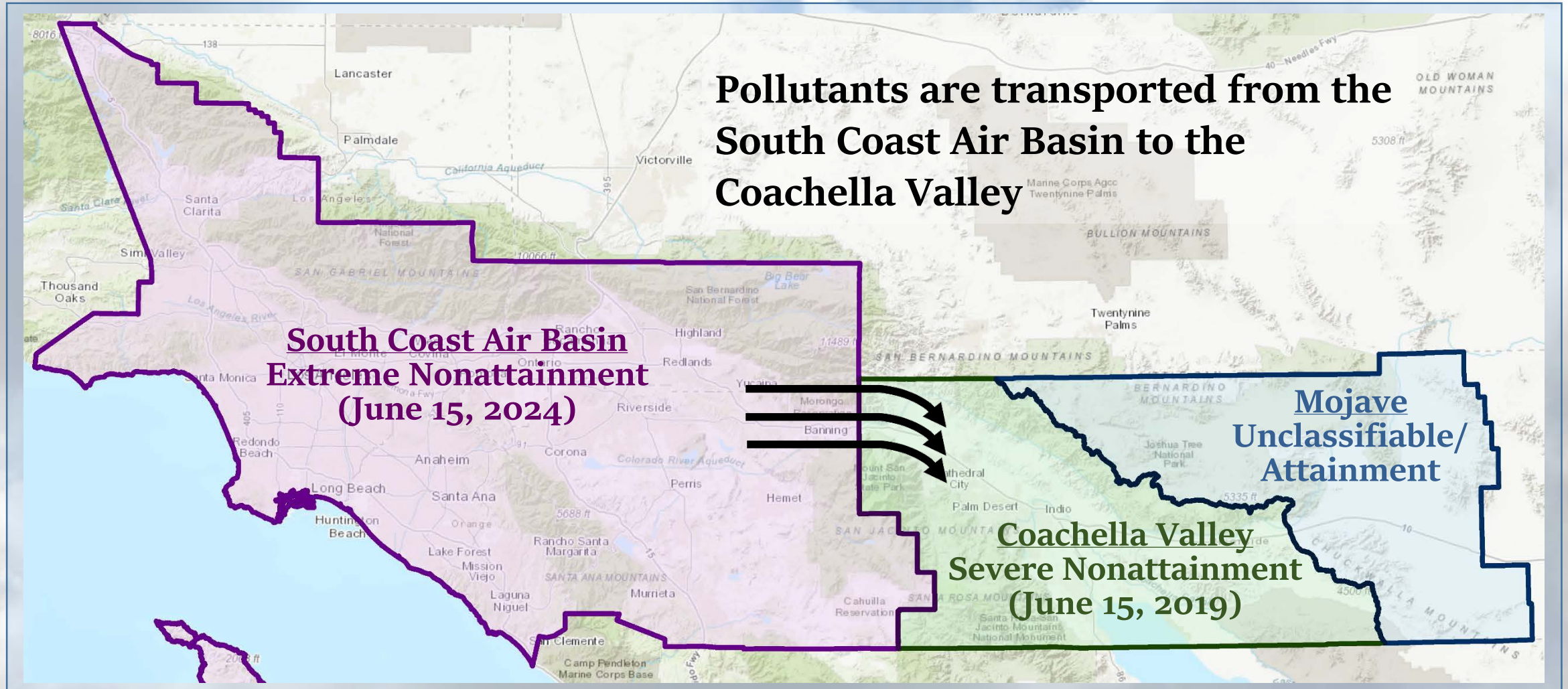
May 3, 2019



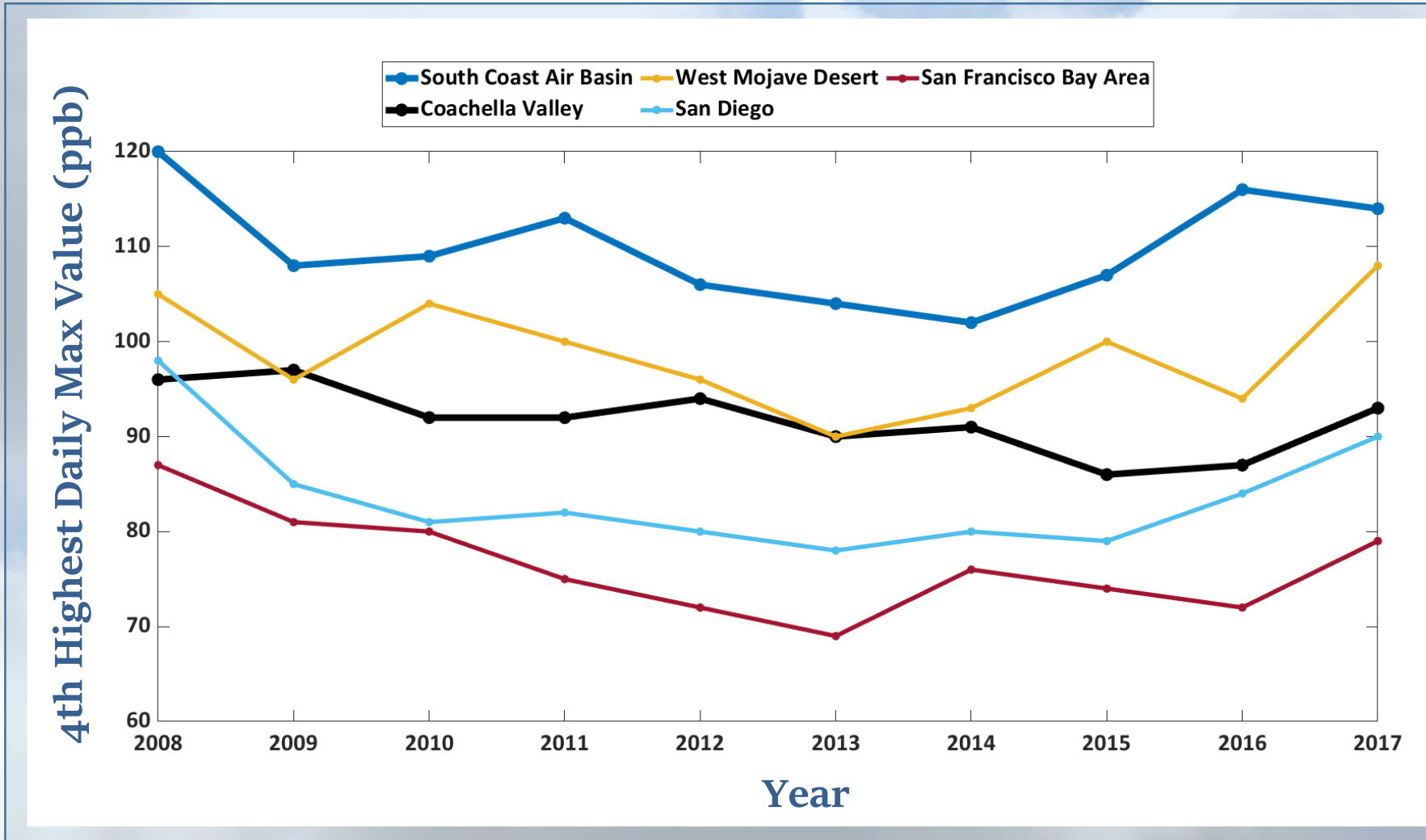
Summary

- **Coachella Valley is classified as a Severe nonattainment area for the 1997 8-hour ozone standard, with an attainment date of June 15, 2019**
- **Based on recent monitoring data, the area will not attain the standard by the attainment date**
- **The Clean Air Act allows reclassification to the next level of ozone nonattainment**
 - **Recommend asking U.S. EPA to reclassify the area as Extreme nonattainment**
 - **This provides an additional 5 years to attain the standard**

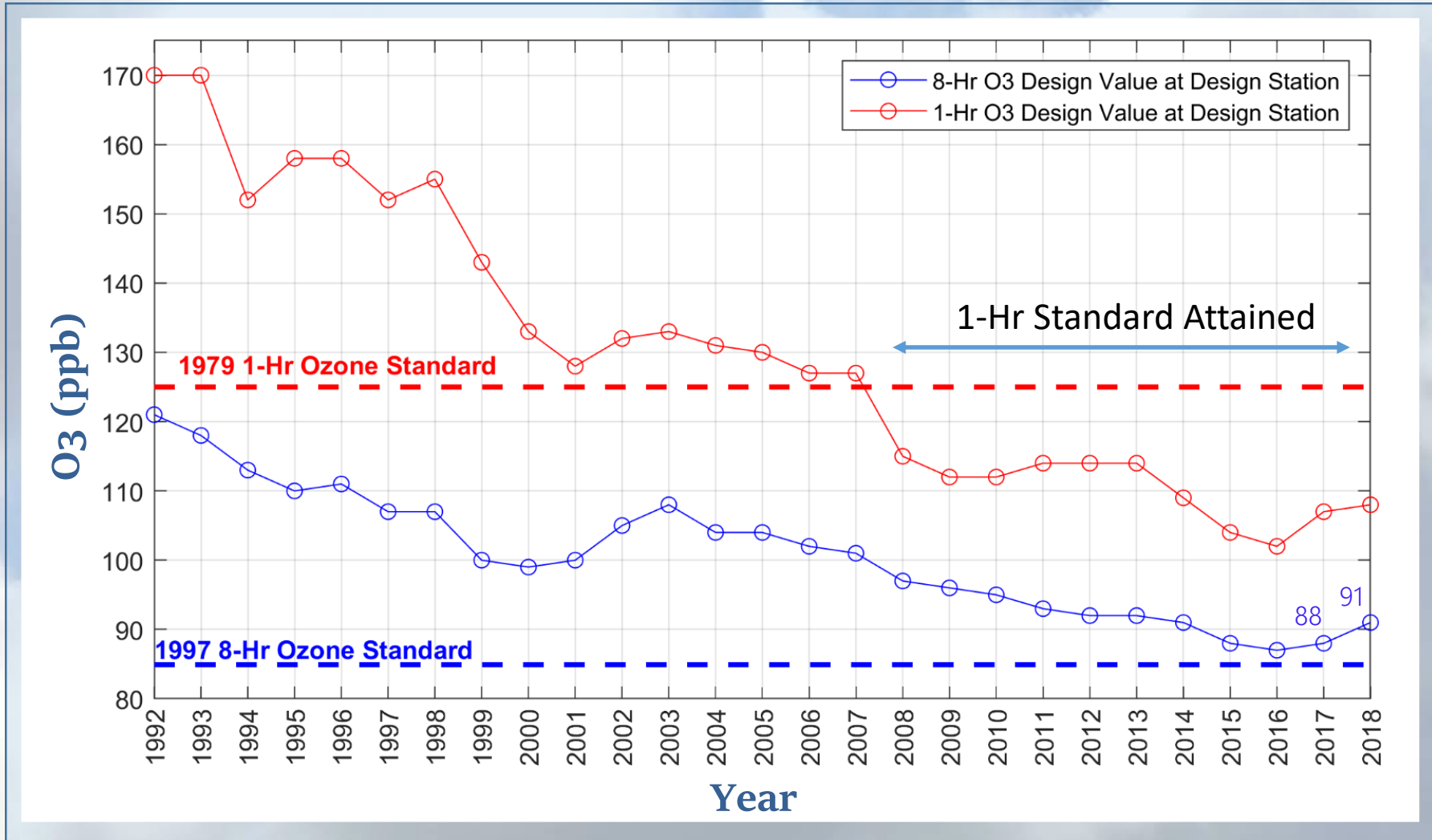
Regional Classifications for the 1997 8-Hour Ozone Standard



Ozone Trends in Other CA Air Basins



Ozone Design Value Trend in Coachella Valley



The Coachella Valley Meets the Federal PM_{2.5} Standards



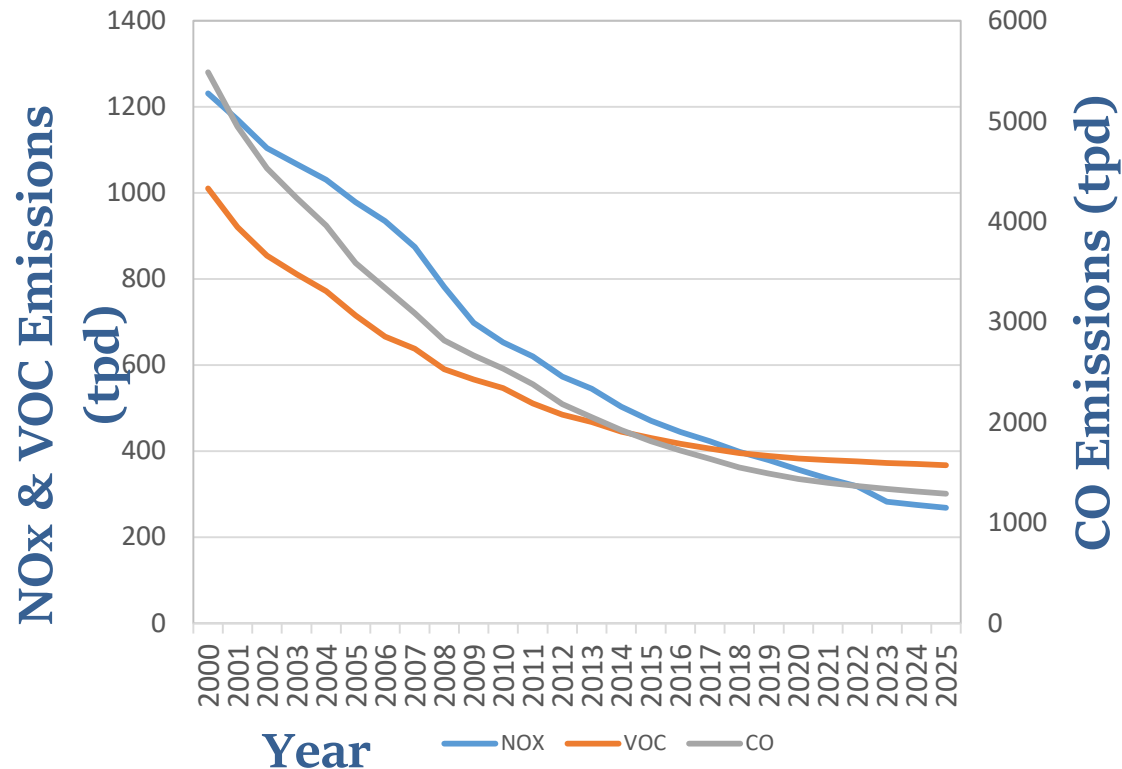


PM₁₀ Attainment in the Coachella Valley

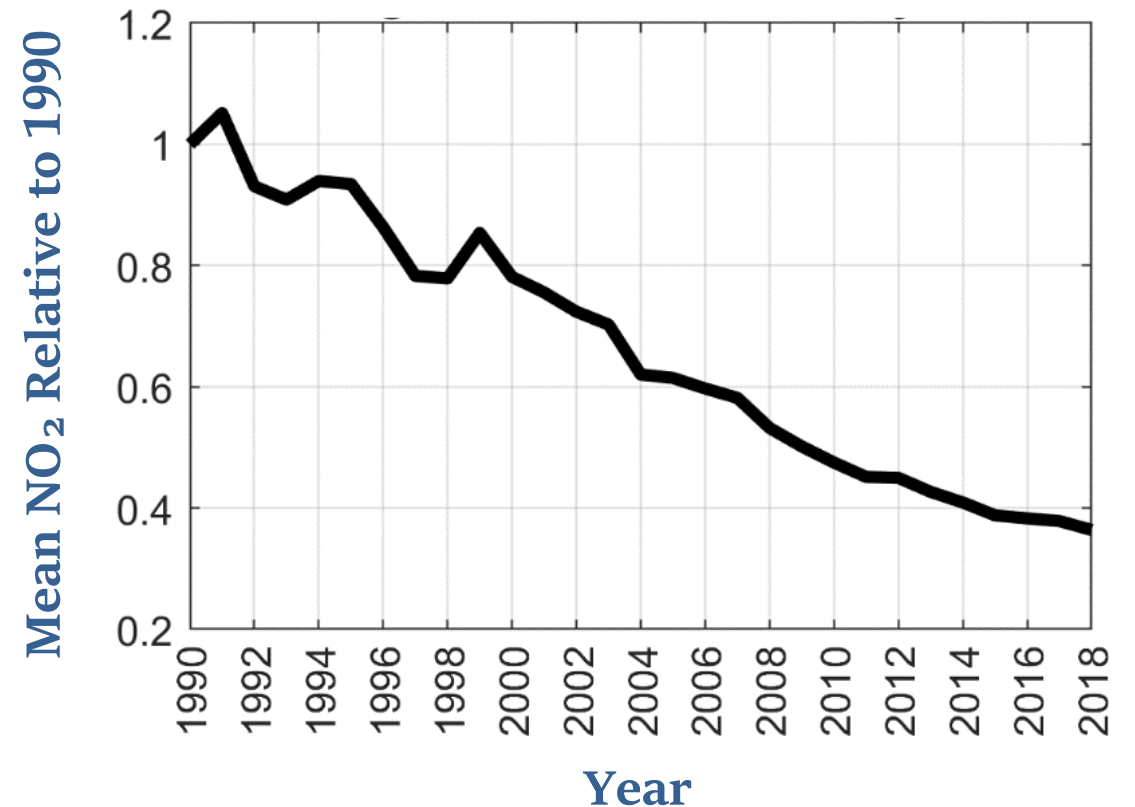
- PM₁₀ measured at Indio, Palm Springs, and Mecca
- Days that exceed the federal 24-hour PM₁₀ standard are associated with high-wind natural events
- Coachella Valley PM₁₀ Attainment Re-designation Request was postponed by U.S. EPA pending additional monitoring and analysis in Mecca
- South Coast AQMD plans to seek re-designation once sufficient data is finalized and evaluated for exceptional events

Trend in Emissions and Measurements

**South Coast Air Basin Annual
Emission Inventory Trend**



Measured Average NO₂ Concentration by Year



Implications of Reclassification



New attainment date of June 2024

Major source threshold changed from 25 to 10 tpy

No nonattainment fee for major sources

Plan revision to demonstrate attainment (due 12 months after EPA's approval)

If no action is taken, the U.S. EPA will issue a finding of failure to attain with similar consequences for major source threshold and plan revision. In addition, nonattainment fee will apply for major sources.



Number of Facilities Under Severe and Extreme Classifications

Attainment Designation	Major Source Threshold for VOC & NO _x (tons per year)	# of Facilities	Facility Potential to Emit (tons per year)	Title V	New Source Review
Severe	25	3	≥25	No additional impacts	
Extreme	10	8	≥10	Potential Impacts	Potential Impacts

Impact on Facilities

- Five existing facilities potentially impacted
 - Industry
 - Manufacturing
 - Hospitals
 - Government
 - Transportation
 - Actual emissions of VOC or NO_x
 - Two facilities emit less than 5 tpy
 - Three facilities emit less than 1 tpy
 - Option to apply for permit changes to limit actual and/or PTE emissions
- Expanding existing facilities becoming major sources
- New major source facilities

Public Process





Staff Recommendation (for June Governing Board Meeting)

- **Submit request to U.S. EPA for reclassification of Coachella Valley to extreme nonattainment status**
 - Avoids nonattainment penalty fee for major sources
 - Provides additional time to demonstrate attainment (up to 5 years)
 - SIP revision to demonstrate attainment as expeditiously as possible, but not later than June 2024

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 28

PROPOSAL: Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend Salary Resolution and Class Specification

SYNOPSIS: The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget is balanced and includes implementation of the last year of phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. There are also proposed amendments to the South Coast Air Quality Management District Salary Resolution relating to Executive Management staff. In addition, staff is proposing amendments to Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5 percent consistent with the Consumer Price Index; 2) new or increased fees, including toxics fees, which are necessary to meet the requirements of recently adopted rules and state mandates and will provide more specific cost recovery for activities by the agency; 3) certain fee reductions related to agency efficiency; 4) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 5) clarification on how permit transfers are considered when there is a change of owner/operator. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 2) Determine that the proposed amendments to Regulation III - Fees and Rule 209 – Transfer and Voiding of Permits are exempt from the California Environmental Quality Act; 3) Amend Regulation III; 4) Amend Rule 209; and 5) Amend Salary Resolution and Class Specification.

COMMITTEE: Special Governing Board Meeting/Budget Study Session, April 12, 2019, Reviewed

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2018-19 Budget;
2. Approve appropriations in the Major Objects for FY 2019-20 of:

Salary and Employee Benefits	\$141,667,712
Services and Supplies	27,992,660
Capital Outlays	395,000
Transfers Out	<u>841,353</u>
Total	<u>\$170,896,725</u>

3. Approve revenues for FY 2019-20 of \$170,896,725;
4. Approve the addition of 1 net authorized/funded position as detailed in the FY 2019-20 Budget;
5. Approve the Executive Officer's FY 2019-20 Goals and Priority Objectives;
6. Approve a projected June 30, 2020 Fund Balance of the following:

Classification¹	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$16,321,000
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	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserves & Unreserved Designations		\$22,550,673
Unassigned	Undesignated Fund Balance	\$43,597,488

7. Adopt the attached Resolution regarding the Proposed Amended Regulation III – Fees (Attachment F):
 - a. Determining that the proposed amendments to 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

¹ The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

- 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, and Proposed Amended Rule 209 – Transfer and Voiding of Permits) are exempt from the requirements of the California Environmental Quality Act; and
- 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, and Rule 209 – Transfer and Voiding of Permits.
8. Amend the Salary Resolution to add and delete Designated Deputy positions, to modify the salary of the Chief Operating Officer position, and to revise a job title to take effect on July 1, 2019 (Attachment L and M):
- a. Deleting the Chief Administrative Officer position, due to the reorganization of the Administrative Office unit;
 - b. Adding Deputy Executive Officer positions for the Finance, Information Management, and Administrative & Human Resources divisions, including Chief Information Officer and Chief Financial Officer, partially offset by deleting the Assistant Deputy Executive Officer positions in each division;
 - c. Increasing the Chief Operating Officer position salary to \$194,037; and
 - d. Revising the Class Specification for the Health Effects Officer position to change the title to Director of Community Air Programs/Health Effects Officer.

Wayne Nastri
Executive Officer

SJ:DRP:tm

Background

Budget

The period covered by the FY 2019-20 budget is July 1, 2019 to June 30, 2020. 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 2019-20 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, a public consultation meeting held on April 9, 2019 and a budget and fee study session for the Board on April 12, 2019.

Regulation III – Fees, establishes the fee rates and schedules to recover South Coast Air Quality Management's (South Coast AQMD) 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 – 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 - Filing Requirements For Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, 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, including, but not limited to, Transportation Programs fees and Area Source fees (architectural coatings). The above referenced fees comprise approximately 60.8 percent of South Coast AQMD's revenue.

In FY 2017-18, the Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities. For Title V facilities, the Board approved an increase of 10.67 percent in each of FY 2017-18 and 2018-19, and 10.66 percent in FY 2019-20. With respect to non-Title V facilities, the Board approved an increase of 4 percent in each of FY 2017-18 and 2018-19. These fee increases were necessary because South Coast AQMD 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 South Coast AQMD's Title V Program. That review also found that South Coast AQMD 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. The non-Title V fee increase has been fully implemented. FY 2019-20 represents the final year of the phased in Title V fee increase.

Staff continues to implement cost recovery initiatives and cost reduction efforts, including limited increases in Services and Supplies expenditures, an increased vacancy rate, the implementation of the California Public Employees' Pension Reform Act (PEPRA) for new employees, and the early payoff of the Diamond Bar headquarters. In the upcoming years, the South Coast AQMD will continue to face a number of fiscal challenges and uncertainties, including potential changes in federal and state grant funding levels, increased retirement costs due to actuarial and investment adjustments that could impact pension liability, the need for major information technology and building infrastructure improvement projects, and annual variations in one-time penalties and settlement revenue.

Proposal

Budget

The proposed budget for FY 2019-20 is a balanced budget with expenditures and revenues of \$170,896,725. The proposed FY 2019-20 budget represents an increase of \$8,265,624 (5.1%) in total expenditures from the budget adopted by the Board in June 2018, primarily due to an increase in retirement costs and grant-funded positions. The proposed budget includes the net addition of 62.6 positions for FY 2019-20 from the FY 2018-19 Adopted Budget and a net increase of one position from the FY 2018-19 Amended Budget. In Services and Supplies, the proposal for FY 2019-20 reflects a decrease of \$681,821 (2.4%) compared to the FY 2018-19 adopted budget while Capital Outlays are decreased by \$693,300 (63.7%).

The proposed FY 2019-20 budget represents an increase of \$8,265,624 (5.1%) in total revenue from the budget adopted by the Board in June 2018. 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 South Coast AQMD Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees. The revenue projections do not include potential increased revenue from proposed amendments to Regulation III.

Regulation III and Rule 209

Proposed Amended Regulation III will: 1) pursuant to Rule 320, include an across-the-board 3.5 percent increase in fee rates with exception of fee rates set by state law and

Rule 311(c) Air Quality Investment Program Fees; 2) add new fees which are necessary to meet the requirements of recently adopted rules and state mandates; 3) add new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency, including but not limited to fees for toxic air contaminants; and 4) make administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact. Proposed Amended Rule 209 will add a clarification on how permit transfers are considered when there is a change of owner/operator.

In recent years, staffs' efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants. As a result of these efforts, the amount of time spent on monitoring, inspecting, and auditing facilities' TAC emission inventories as well as planning and rule development related to permitted sources of TACs has substantially increased. Because of this recent increased workload and its expected continuation into the future, staff estimated the amount of work currently done annually associated with toxics emissions and compared it with the amount of fees collected from toxics emissions. Facilities paid a total of about \$19.5 million in emission fees for emissions that occurred in calendar year 2017, of which about \$0.5 million was attributable to emissions of toxic air contaminants. The South Coast AQMD currently conducts about \$20 million of work annually for which toxics emissions fees could be applied, about half of which is from AB 617 work and the half from other ongoing work on stationary source toxics. There is additional work conducted on toxic air contaminants that is not reflected in this analysis (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). The difference between the amount collected and the amount of staff resources expended is paid from a variety of sources, including emissions fees from criteria pollutants (because toxics emissions fees are a component of all emissions fees), one-time penalties, and most recently from portions of one-time allocations from the state legislature of about \$31 million for the implementation of the first two years of AB 617. There is no guarantee that these one-time revenues will continue into the future.

With respect to costs incurred by the South Coast AQMD, there are two key drivers when considering how resources are spent to conduct work related to the permitting, investigation, audit, enforcement and development of limits on toxics emissions. First, facilities with high toxicity-weighted emissions require greater effort because permitting, rule development, and enforcement related activities in large part are driven by the potential for public health impacts. Second, staff spends extra time working on facilities with more permitted devices with toxics emissions than facilities with the same emissions but less permitted devices. The current fee schedule in Rule 301 does not result in higher fees for facilities with higher toxicity of emissions or with more emission sources.

In order to address the workload disparity staff is proposing to change both the structure of how facilities pay air toxics fees, and how much they pay. The proposal seeks to more closely connect fees to current workload from higher toxic emitting facilities. Specifically, the following fee levels are proposed.

- A new Base Toxics Fee of \$78.03 to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report emissions to South Coast AQMD. This fee would apply to any permitted facility that reports any toxic air contaminant above existing reporting thresholds in Table IV of Rule 301.
- A new Flat Rate Device Fee of \$341.89 per emission source at a permitted facility that emits a toxic air contaminant above reporting thresholds in Rule 301. These fees would be equal to the resources needed to run the entire toxics inventory program, including inventory, auditing, coordination with CARB and U.S. EPA, as well as reporting data to those agencies.
- A new Cancer-Potency Weighted Fee of \$10 per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301. As described above, staff conducts about \$19.7 million of work every year for which toxics emissions fees could be used as a funding source. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million from facilities that currently report emissions to the South Coast AQMD, leaving a significant shortfall. Much of the remaining work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other South Coast AQMD programs. Facilities with higher potential public health concern due to their emissions will pay higher fees to cover the higher level of effort for investigating and enforcement of those facilities.

The proposal has a delayed start for implementing toxic fees. These fees would be phased in over a two year period starting January 1, 2021. Because of the fluctuating nature of toxics work every year, staff anticipates revisiting this fee and workload in future years and will propose rebalancing this fee up or down as necessary.

These newly proposed fees are expected to have the following effect after final phase in.

Fee	New Revenue
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total New Toxics Fees	\$4.9 million
Current Toxics Fees	(\$0.5 million)
Net New Toxics Fees Revenue	\$4.4 million

The new fee schedule would affect all permitted facilities already required to report toxic emissions pursuant to Rule 301, but would not expand the number of facilities required to report emissions or pay associated fees. CARB is currently undergoing rulemaking that may require that more facilities report emissions to the South Coast AQMD outside of any amendments proposed for Regulation III; however, most of those facilities are expected to have relatively low emissions, and associated toxics fees are expected to be minor.

Salary Resolution

Proposed Amendments to the Salary Resolution reflect recommended changes in the Executive Management structure. The Administrative Office unit is currently comprised of the Finance, Information Management, and Administrative & Human Resources divisions and is headed by a Chief Administrative Officer position. Upon review of organizational functions, it was determined that the complex operations and scope of these divisions do not interrelate closely enough to warrant joint management under a single administrator. Efficiencies and cost-savings will be realized through the re-establishment of these three units as separate departments, each led by a Deputy Executive Officer-level position. The existing Assistant Deputy Executive Officer positions in these departments will be deleted. In addition, the proposed amendments to the Salary Resolution assign a higher salary to the Chief Operating Officer (COO) position to better reflect the duties and responsibilities of the role as a direct report to the Executive Officer, with all departments reporting to the COO. Additional proposed amendments would revise the class specification for the Health Effects Officer position, as well as the Salary Resolution, to change the title to Director of Community Air Programs/Health Effects Officer, to better reflect the scope of program responsibilities for the position.

Public Process

The proposed FY 2019-20 budget assumes a 3.5 percent 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 15, 2019. Public comments and responses related to the Proposed Budget and CPI-based fee increase, along with recommendations from the Budget Advisory Committee, were provided to the Board by the April 12, 2019 deadline. Additionally, the Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees was made available to the public on April 2, 2019.

Copies of the Proposed Budget and Work Program for FY 2019-20 have been transmitted to the Board and the document is also available via South Coast AQMD'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 22, 2019 and April 9, 2019. Proposed Amended Regulation III was also discussed at the Budget Advisory Committee on April 5, 2019 and the Board Budget Study Session on April 12, 2019. In addition, South Coast AQMD hosted a webinar on the proposed increase in toxics emission fees on April 19, 2019. 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

Industry representatives commented that staff review and approval of source tests used for emissions reporting should be streamlined, including faster review times and allowing the use of industry pooled source tests. Staff is committed to providing faster turnarounds on source test reviews, and the increased resources provided by this proposed amendment can assist with this effort. Staff is also open to working with industry to develop more accurate emissions estimation methods in the most efficient manner possible while still ensuring accurate emissions reporting. An increased focus on developing new, uniform emissions estimation methods (including through source testing) is one of the required elements of AB 617, and pooled source testing could be one of the key methods used to achieve these goals.

With respect to the proposed implementation schedule for the Toxic Air Contaminants fee modification, industry representatives suggested a longer phase-in than the proposed three-year period in order to minimize cost impacts. Staff's proposal already delays the phase in one year to allow facilities an opportunity to prepare for higher fees. Staff is also committed to coming back to review the impact of the proposed increased fees within twelve months of the final phase in, and making recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

Discussions with stakeholders in the rule development process for the Regulation III amendments have identified a desire for staff to conduct more outreach to the affected industries, particularly those affected by the proposed TAC fee modifications in Rule 301. Based on these comments, staff has increased its outreach for this rule compared to previous years, including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and a webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming fee phase in.

Industry representatives for facilities impacted by the proposed TAC fee modifications commented that many facilities will pay higher fees due to CARB's Criteria and Toxics Reporting (CTR) regulation. CARB has not yet finalized its CTR regulation and it is not clear exactly how many additional facilities may or may not be required to report emissions to South Coast AQMD. The proposed amendments to Regulation III will not require any new facilities to report emissions that are not already reporting. Because existing Rule 301 already captures the highest emitting permitted facilities in our jurisdiction, any new facilities that would be required to report pursuant to CARB's CTR are expected to typically have lower fees than those already required to report pursuant to Rule 301. The structure of the rule has been set to also try to minimize the fiscal impact on these lower emitting facilities, consistent with the expected South Coast AQMD workload.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD Rule 110, the South Coast AQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Regulation III and Rule 209 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 new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 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 Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed 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. Also, the proposed amendment to Rule 209 is categorically exempt because it is designed to further protect

or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be 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 3.5 percent 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 South Coast AQMD would be affected by the proposed fee increases. About 42 percent of the CPI-based fee increase is estimated to be incurred by the manufacturing sector, followed by the services sector (19 percent) and the retail trade sector (14 percent). With respect to the proposed amendments with fee impacts beyond the CPI-based fee increase, facilities within the petroleum and coal products manufacturing and utilities sectors are expected to incur 33 and 17 percent of the additional fee increase, respectively, due to the overall increase in fees on TAC emissions and proposed new toxicity-weighted emission fee. While the fee increase resulting from the proposed amendments is estimated to lead to approximately four jobs foregone annually in the manufacturing sector, it would result in job gains in other sectors, such as finance and insurance, health care and social assistance, and the state and local government sector including South Coast AQMD. Overall, an annual average of 21 net job gains are projected between 2019 and 2028.

Implementation and Resource Impacts

The proposed across-the-board CPI-based adjustments by 3.5 percent 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 2017 to December 2018 pursuant to Rule 320, is estimated to result in an increase in South Coast AQMD's revenue by \$3.4 million for FY 2019-20.

Based on the proposed amendments, the fee impact of PAR III is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter.

Attachments

- A. Summary of Proposals
- B. FY 2019-20 Draft Budget and Work Program
- C. Key Issues and Responses
- D. Rule Development Process for Regulation III and Rule 209
- E. Key Contacts List
- F. Resolution
- G. Proposed Amended Regulation III Rule Language
- G1-G13 Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209
- 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. Proposed Amended South Coast AQMD Salary Resolution
- M. Proposed Amended Class Specification
- N. Board Meeting Presentation

ATTACHMENT A

SUMMARY OF PROPOSALS

Proposed Amended Regulation III – Fees Fiscal Year 2019-20

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

- 1) Increase in all fee rates by 3.5%, which is commensurate with the change in the California CPI from December 2017 to December 2018, with the following exceptions:
 - a. Fee rates set by state law
 - b. 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 and 309

- 1) A fee increase for Toxic Air Contaminants (TAC) listed in Rule 301 Table IV;
- 2) A new fee to include recently adopted Rule 1118.1 in the notification fees outlined in Rule 301(x);
- 3) An increase for CARB Portable Equipment Registration Program (PERP) inspection fees, consistent with recent increases adopted by CARB;
- 4) A new fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification renewals;
- 5) A proposal to correct fees in Rule 309 to reflect an increase that was previously authorized but not applied due to administrative error.

Component 3: Proposals with Certain Fee Removal or Reduction

Proposed Amended Rules: 301 and 308

- 1) Removal of a fee for worksite deletion from a Rule 2202 multi-site or geographic program;
- 2) Removal and reduction of certain fees related to Rule 1403 notifications;
- 3) Creation of a cap for change of owner/operator fees in Rule 301 Table Fee Rate-C and Table VII;
- 4) Removal of Paramount (Delek U.S. Holdings) from the list of facilities in 301(aa)(2), as it is now exempt from Rule 1180 O&M fees;
- 5) Eliminating the surcharge for certain late AER amendments pertaining to emissions developed from source tests; and
- 6) Reducing certain certified copy and permit reissuance fees.

Component 4: Proposals with No Fee Impacts and/or Administrative Changes

Proposed Amended Rules: 209 and 301

- 1) Creation of a “Non-RECLAIM/Non-Title V” facility category in Table VII of Rule 301 for facilities exiting RECLAIM that will be required to retain a facility permit;
- 2) Update Rule 2002 reference for permit reissuance fee;
- 3) A clarification for late surcharges in 301;
- 4) Addition of a severability clause to 301; and
- 5) An amendment to Rule 209 with language that clarifies when a change of owner/operator occurs.



Budget

Fiscal Year 2019-2020

South Coast Air Quality Management District



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

BUDGET

FISCAL YEAR 2019-2020

Prepared by Finance
Sujata Jain, Assistant Deputy Executive Officer - Finance



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

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SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

GOVERNING BOARD

DR. WILLIAM A. BURKE
Chairman
Speaker of the Assembly Appointee

DR. CLARK E. PARKER, SR.
Vice Chair
Senate Rules Committee Appointee

LISA BARTLETT
County of Orange 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

JANICE HAHN
County of Los Angeles Representative

LARRY McCALLON
Cities of San Bernardino County
Representative

JUDITH MITCHELL
Cities of Los Angeles County Representative
Western Region

V. MANUEL PEREZ
County of Riverside Representative

DWIGHT ROBINSON
Cities of Orange County Representative

JANICE RUTHERFORD
County of San Bernardino Representative

VACANT
Governor's Appointee

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 3, 2019

South Coast Air Quality Management District Board and Stakeholders

Transmittal of the Executive Officer's Fiscal Year 2019-20 Budget and Work Program

This document represents South Coast Air Quality Management District's (South Coast AQMD) proposed General Fund Budget and Work Program for FY 2019-20. The budget was developed based on South Coast AQMD's commitment to clean the air and to protect the health of all residents in the South Coast Air District through practical and innovative strategies. The proposed budget for FY 2019-20 is a balanced budget with expenditures and revenues of \$170.9 million.

The proposed FY 2019-20 level of expenditures, up 5.1% from the FY 2018-19 adopted budget, includes increased costs for retirement, salaries due to labor negotiation agreements approved in FY 2017-18, salaries associated with new positions for the AB 617 Community Air Protection Program, the Volkswagen Settlement Project, the China Partnership for Cleaner Shipping, Rule 1180 implementation, and the Career Development Intern Program. There is a net increase of 62.6 FTEs from the FY 2018-19 adopted budget. This includes the addition of two positions in Legislative and Public Affairs/Media Office, the deletion of the Chief Administrative Officer position, and the deletion of 0.4 FTE that provided five months of critical overlap and service continuity before an Assistant Deputy Executive Officer in Science, Technology and Advancement retired in Fall 2018. The net increase in positions also includes the already approved FY 2018-19 mid-year actions adding 47 positions for AB617, four positions for Rule 1180 - Refinery Fenceline and Community Air Monitoring, five positions for the Volkswagen Settlement Project, two positions for the China Partnership for Cleaner Shipping and four positions for the Career Development Intern Program.

The FY 2019-20 proposed revenue budget of \$170.9 million, up 5.1% from the FY 2018-19 adopted budget, includes a CPI fee adjustment of 3.5% and the third and final year of the June 2017 Board approved additional fee adjustment for Title V facilities to permit processing fees and annual operating permit renewal fees of 10.66% to better align program costs with revenue. At \$100.7 million or 58.9% 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 43.9% from \$66.8 million in FY 1991-92 to \$96.1 million (estimated) in FY 2018-19. When adjusted for inflation however, stationary source revenues have decreased by 16% over this same period.

While significant efforts are put forth to develop a detailed budget for the next fiscal year, including a five year projection, uncertain political and economic issues create challenges. These challenges may include changes in federal and state grant revenue funding levels, fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability, increased infrastructure costs due to an aging headquarters building, and onetime Penalties and Settlement revenue that varies annually. South Coast AQMD 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 29% 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 South Coast AQMD website.

In summary, I am proposing a balanced budget for FY 2019-20 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 FY 2019-20 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 Natri,
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, 2018

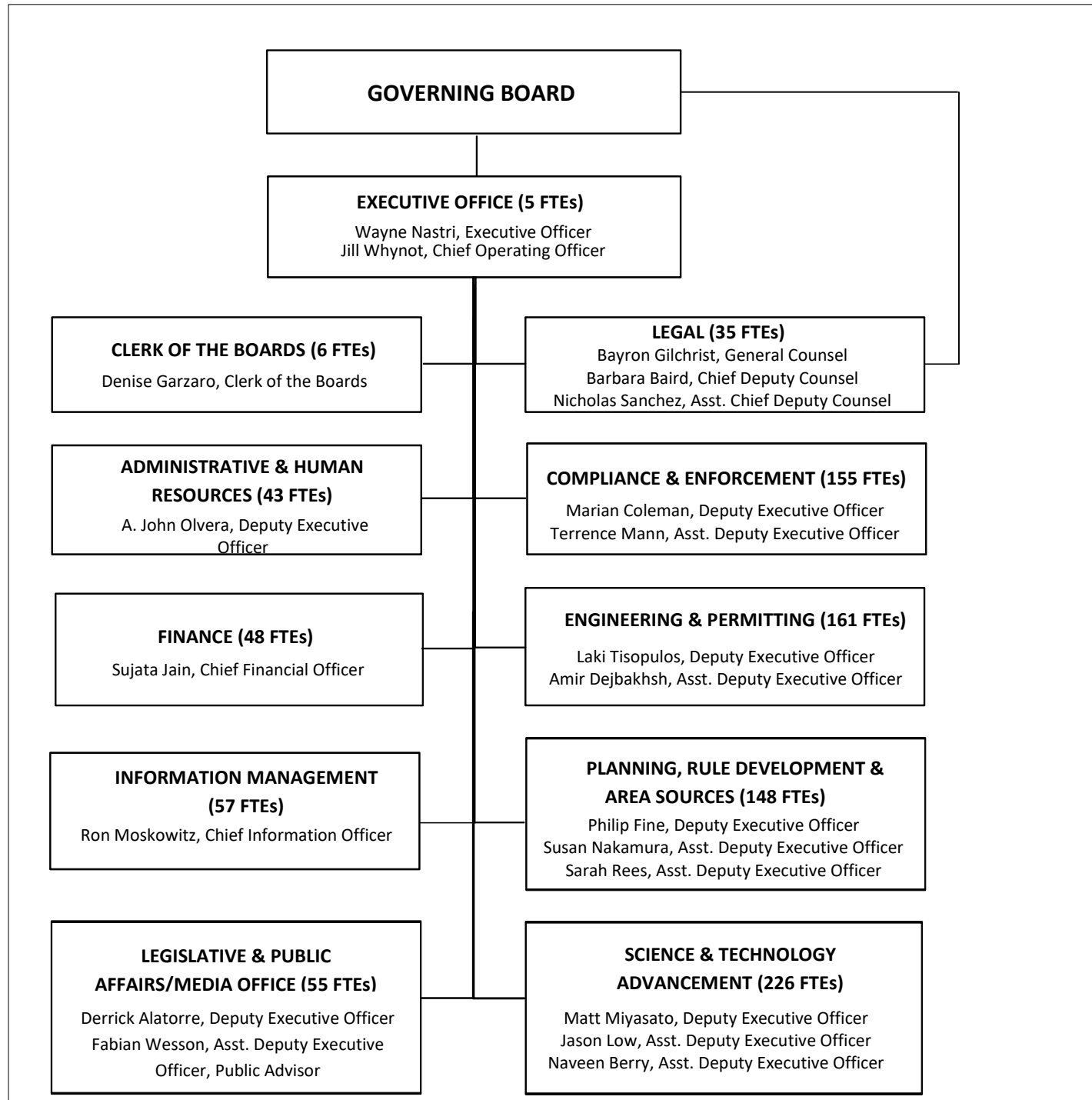
Christopher P. Morill

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, 2018. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, 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
(939 FTEs)



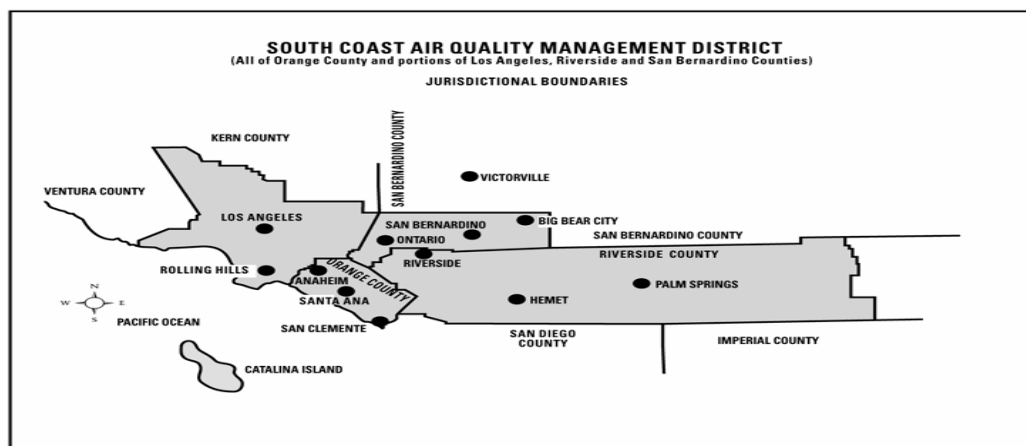
SUMMARY

Preface

This document represents the proposed FY 2019-20 Budget and Work Program of the South Coast Air Quality Management District (South Coast AQMD). 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 9, 2019. In addition, a workshop for the Governing Board is scheduled on April 12, 2019. 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 3, 2019.

Introduction

The South Coast Air Quality Management District (South Coast AQMD) 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 South Coast AQMD 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 South Coast AQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in the South Coast AQMD'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.

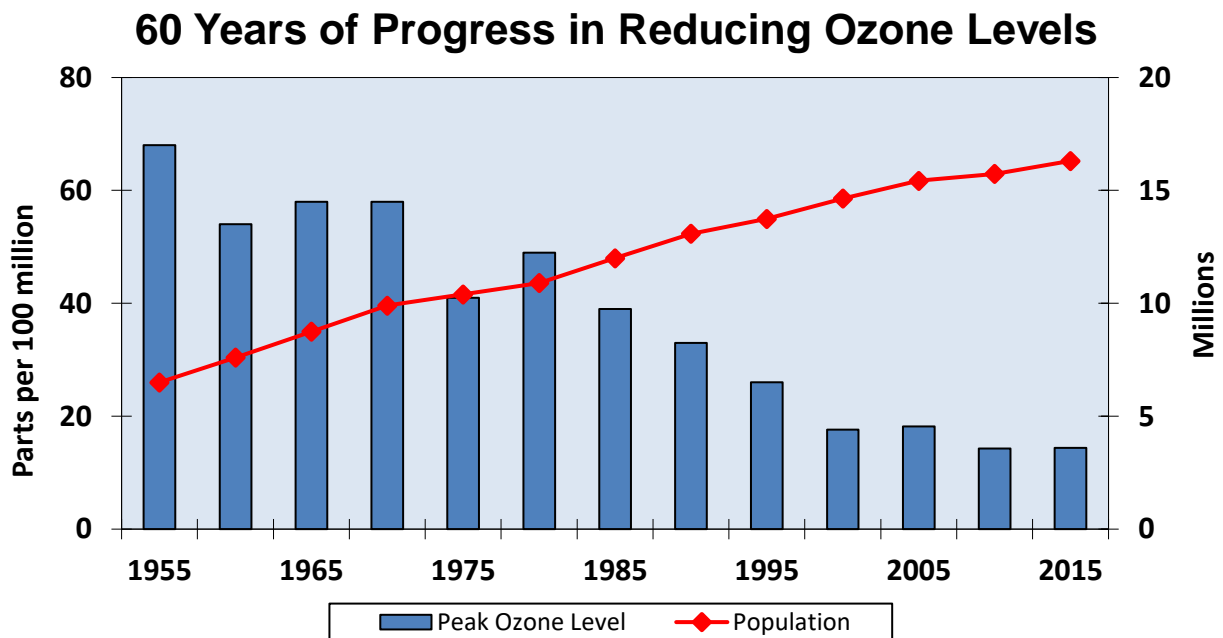


Air Quality History

The South Coast Air Basin (Basin) has suffered unhealthful 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 2017, the region's population has more than tripled from 4.8 million to 17.1 million; the number of motor vehicles has increased almost six-fold from 2.3 million to 13.8 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

South Coast AQMD'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 South Coast

AQMD 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, South Coast AQMD 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 South Coast AQMD's Mission for FY 2019-20:

- 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 South Coast AQMD'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 2018, the new 2015 8-hour ozone NAAQS was exceeded in the Basin on 141 days and the former 2008 ozone NAAQS was exceeded on 109 days. The 2015 ozone NAAQS

was exceeded in the Basin on 145 days in 2017 and 132 days in 2016. The number of exceedance days decreased slightly as compared to 2017. However, there were significantly fewer days with air quality index values that reached the “unhealthy” or “very unhealthy” categories in 2018 compared to the previous two years. Though the trend in ozone exceedance days has been decreasing over the past few decades, year-to-year variability can mask the underlying trends when focusing on short time periods. Year-to-year variability can be caused by enhanced photochemical ozone formation due to persistent weather patterns that limit vertical mixing and warm the lower atmosphere, which likely contributed to elevated concentrations in the 2016 and 2017 ozone season. Changes in the relative emissions of VOC or NO_x can also affect the chemistry of ozone formation and lead to marginal short-term increases in ozone concentrations as NO_x is reduced. While the ozone control strategy continued to reduce precursor emissions from man-made sources in the Basin, ozone-forming emissions transported from several long-term, large wildfires throughout California in the summer and year-to-year changes in the VOC emissions from vegetation resulting from dry and wet rainy-seasons 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 2018 data was 125 ppb, compared to 136 ppb in 2017 and 121 ppb in 2016.

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 2018, the 24-hour PM_{2.5} NAAQS was exceeded on 9 days at the highest station (Long Beach near road site), based on preliminary filter data. The PM_{2.5} NAAQS was exceeded on 19 days in 2018. Because the highest PM_{2.5} concentrations typically occur during the rainy-season, design values are heavily dependent on the frequency of wintertime storm systems, which increase ventilation and remove PM when rainfall is present. PM_{2.5} concentrations are also significantly influenced by wildfire smoke, which can be transported across wide distances. Smoke from historically-large wildfires throughout California in December 2017 and November 2018 contributed to several exceedances of the 24-hour standard all throughout the South Coast Air Basin. Preliminary analysis indicates that removal of wildfire-caused exceedances in 2018 through the U.S. EPA exceptional events demonstration process may lead to 98th percentile concentrations that do not exceed 35 µg/m³. The Basin’s peak annual average PM_{2.5} level in 2018, 14.5 µg/m³ (preliminary data) at the Ontario near road site was lower than the 2017 value, 14.6 µg/m³, which occurred at the same site.

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. With the exception of three high wind events in 2015 and 2016, ambient levels of PM₁₀ in the Basin have continued to meet the federal 24-hour PM₁₀ NAAQS through 2018.

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

South Coast AQMD is governed and directed by a comprehensive federal law (Federal Clean Air Act) and several state laws that provide the regulatory framework for air quality management in the Basin. These laws require South Coast AQMD to take prescribed steps to improve air quality.

Generally speaking, South Coast AQMD is responsible for stationary sources such as factories and businesses. CARB and U.S. EPA are primarily responsible for motor vehicles. South Coast AQMD and CARB share responsibilities with respect to area sources. South Coast AQMD 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 South Coast AQMD. 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.

The following is a more specific summary of the laws governing South Coast AQMD.

Federal Law:

Federal Clean Air Act (CAA): The CAA requires attainment of National Ambient Air Quality Standards (NAAQS) for criteria air pollutants, i.e. pollutants causing human health impacts due to their release from numerous sources. The following criteria pollutants have been identified: ozone, particulate matter (PM₁₀), carbon monoxide, lead, nitrogen dioxide, and sulfur dioxide. Current deadlines vary by pollutant and severity of pollution in the region.

State Implementation Plans: The CAA requires each state to develop a State Implementation Plan (SIP) to attain the NAAQS by the applicable attainment deadlines. SIPs must be approved by U.S. EPA as containing sufficient measures to timely attain NAAQS and meet other requirements described below. SIPs must contain air pollution measures in adopted, "regulatory" form within one year after approval by U.S. EPA. Upon approval by U.S. EPA, SIP requirements can be enforced against regulated sources by U.S. EPA and by any citizen. South Coast AQMD must develop and submit to CARB for review, followed by submittal to U.S. EPA, an element of the SIP referred to as the South Coast AQMD Air Quality Management Plan (AQMP) demonstrating how the Basin will achieve the NAAQS.

Among the numerous other CAA requirements are: a mandate that the region achieve a three percent annual reduction in emissions of ozone precursors (VOC and NO_x); a requirement that new sources over 10 tons per year of VOC or NO_x, and modifications to such sources, achieve lowest achievable emission rate and offset their emission increases by equal reductions elsewhere in the region and transportation control measures to reduce vehicle trips.

To date, the South Coast AQMD's Governing Board has adopted AQMPs in 1989, 1991, 1994, 1997, 1999 (amendments to the plan adopted in 1997), 2003, 2007, 2012 and 2017. The 2016 AQMP was approved in March 2017.

Sanctions, Federal Implementation Plans, and Conformity Findings: The CAA mandates that sanctions be imposed on an area if a suitable SIP 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 South Coast AQMD'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 South Coast AQMD.

Motor Vehicle Emission Controls: The CAA initially required U.S. EPA to adopt emission limitations for motor vehicles. The 1990 Amendments require U.S. EPA to adopt regulations to achieve further reductions in emissions from motor vehicles, as well as from other mobile sources such as locomotives. States are preempted from adopting emission limitations for motor vehicles and certain other mobile sources. Exception: California can adopt motor vehicle standards, and standards for some --but not all-- other mobile sources, and other states can adopt the California standards.

Hazardous Air Pollutants: In addition to criteria pollutants, the CAA regulates "hazardous air pollutants," i.e., those which can cause cancer or other severe localized health effects due to emissions from a single facility. U.S. EPA is required to adopt regulations mandating that new and existing sources emitting 10 tons per year or more of such pollutants employ Maximum Achievable Control Technology (MACT) according to specified schedules. U.S. EPA is to consider further reductions in the future to eliminate any remaining unacceptable residual risk.

California Law:

The California Clean Air Act (CCAA): The CCAA establishes numerous requirements for Air District air quality plans to attain state ambient air quality standards for criteria air contaminants. For example, a plan must contain measures adequate to achieve five percent per year emission reductions or must contain all feasible measures and an expeditious adoption schedule. For Air Districts with serious air pollution, its attainment plan should include the following: no net increase in emissions from new and modified stationary sources; and best available retrofit technology for existing sources.

Toxic Air Contaminants: The Air Toxic Hot Spots Act (Health & Safety Code §§ 44300, et seq.) requires facilities emitting specified quantities of pollutants to conduct risk assessments describing the health impacts to neighboring communities created by their emissions of numerous specified hazardous compounds. If an Air District determines the health impact to be significant, neighbors must be notified. In addition, state law requires the facility to develop and implement a plan to reduce the health impacts to below significance, generally within five years. Additional control requirements for hazardous emissions from specific industries are established by the state and enforced by Air Districts.

State law also includes the following measures:

- 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;
- Authority for South Coast AQMD to adopt a command-and-control regulatory structure requiring Best Available Retrofit Control Technology (BARCT);
- A requirement for South Coast AQMD to establish an expedited schedule for implementing BARCT at pre-determined greenhouse gas and trade facilities;
- A requirement for South Coast AQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels; and
- A requirement for South Coast AQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

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. South Coast AQMD 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: South Coast AQMD, 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, South Coast AQMD 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 South Coast AQMD's AQMP for use in developing the necessary control strategies.

Air Quality Modeling: Using air quality, meteorological and emissions models, South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD 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. South Coast AQMD 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, South Coast AQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. South Coast AQMD also conducts a socioeconomic analysis of the strategies. South Coast AQMD 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. South Coast AQMD 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 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 South Coast AQMD'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: South Coast AQMD 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, South Coast AQMD 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 South Coast AQMD with \$1.20 going to South Coast AQMD for mobile source emissions reductions, \$1.60 subvented 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: South Coast AQMD'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, South Coast AQMD 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

South Coast AQMD'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 2019-20 budget is from July 1, 2019 to June 30, 2020. 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 South Coast AQMD'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.

South Coast AQMD 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

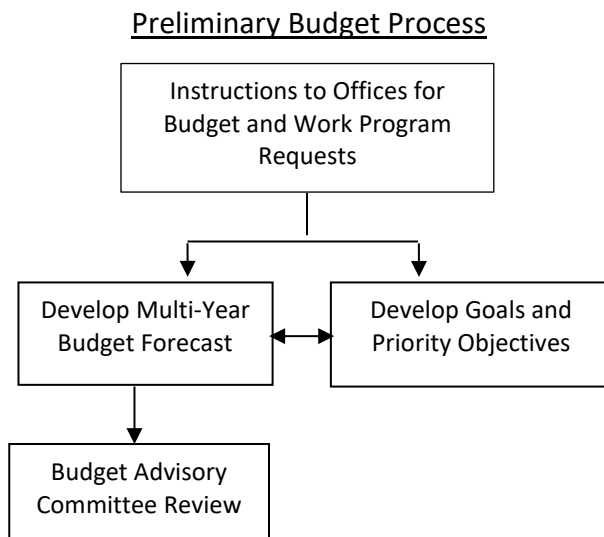
The South Coast AQMD budget process begins with the Assistant Deputy Executive Officer of Finance issuing instructions and guidelines to the Offices. Under the guidance of the Executive Officer, the Chief Operating Officer and the Assistant Deputy Executive Officer of Finance, the Offices also begin 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:

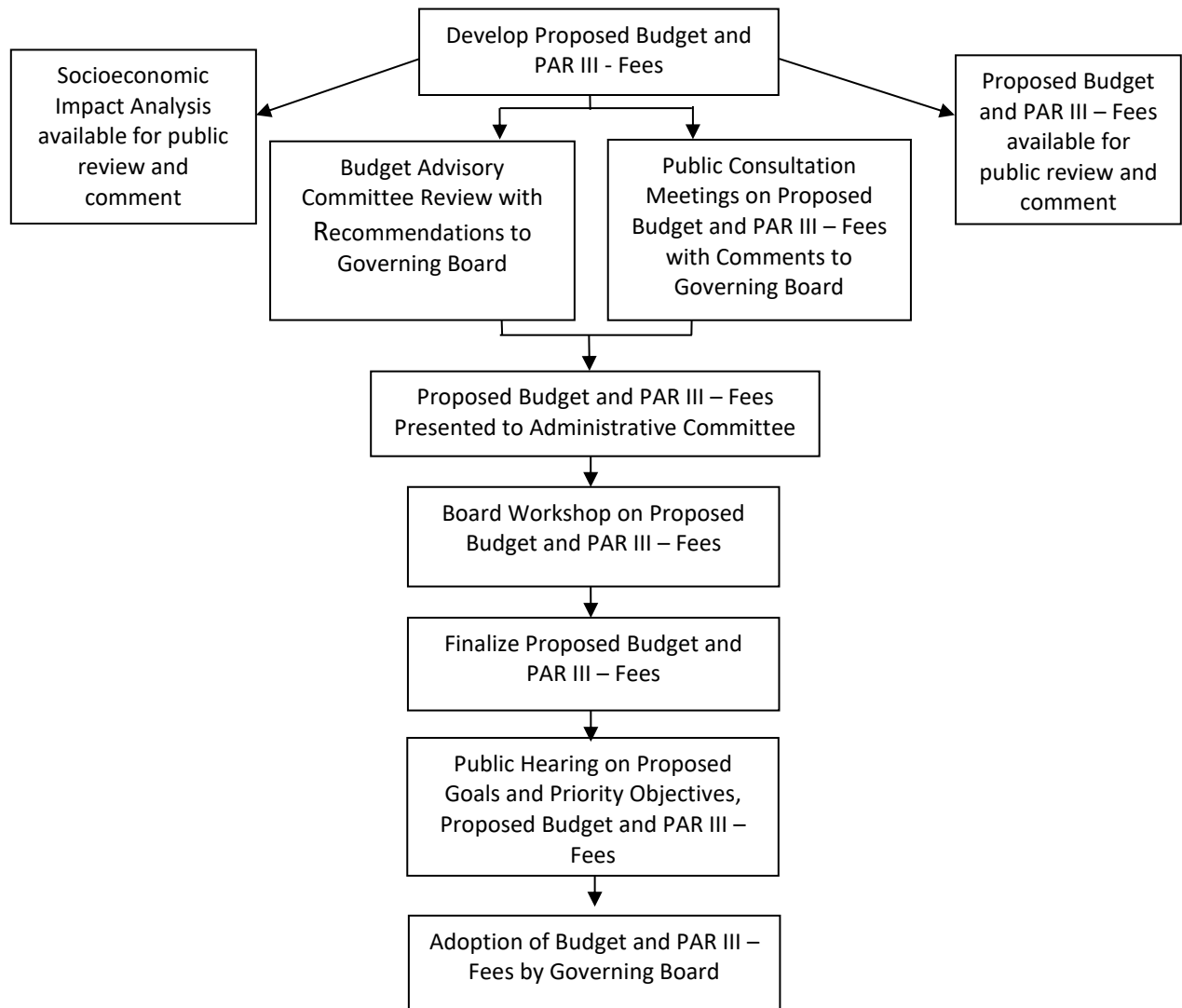
- two meetings of the Budget Advisory Committee whose members include various stakeholder representatives
- one public consultation meeting to discuss the proposed amendments to Regulation III - Fees and a second public consultation meeting to discuss the proposed budget and proposed amendments to Regulation 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 South Coast AQMD's Governing Board at a budget workshop and to South Coast AQMD'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 South Coast AQMD's budget:



Annual Budget Process



Budget Timeline	
Budget submissions received from Offices	Jan 18, 2019
Budget Advisory Committee meeting	Jan 18, 2019
Budget Advisory Committee meeting on proposed budget and PAR III – Fees	April 5, 2019
Proposed budget available for public review	April 9, 2019
Public Consultation Meeting on proposed budget and PAR III - Fees	April 9, 2019
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April 12, 2019
Proposed budget and PAR III – Fees presented to Administrative Committee	April 12, 2019
Governing Board Budget Study Session	April 12, 2019
Public Hearing & Governing Board adoption of budget and PAR III – Fees	May 3, 2019

Proposed Budget & Work Program

Budget Overview

The budget for FY 2019-20 is a balanced budget with revenues/transfers in and expenditures/transfers out of \$170.9 million. To compare against prior years, the following table shows South Coast AQMD's amended budget and actual expenditures for FY 2017-18, adopted and amended budgets for FY 2018-19 and proposed budget for FY 2019-20.

Description	FY 2017-18 Amended	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Amended ¹	FY 2019-20 Proposed
Staffing	872	-	876.4	938	939
Revenue/Transfers In	\$158.7	\$161.9	\$162.6	\$167.5	\$170.9
Expenditures/ Transfers Out	\$164.2	\$153.1	\$162.6	\$175.9	\$170.9

¹ Includes Board approved changes through March 2019

The FY 2019-20 proposed budget reflects a decrease of \$5.0 million in expenditures/transfers out from the FY 2018-19 amended budget and an increase of \$8.3 million in expenditures/transfers out from the budget adopted for FY 2018-19. The increase in expenditures/transfers out from the FY 2018-19 adopted budget can be attributed to increases in retirement costs, salaries associated with 62.6 new positions under the AB 617 Community Air Protection Program, the Volkswagen Settlement Project, the China Partnership for Cleaner Shipping, Rule 1180 implementation and the Career Development Intern Program, and a transfer to the Health Effects Research Fund. The FY 2019-20 proposed budget of 939 positions has a net increase of one position over the FY 2018-19 amended budget with the addition of two positions in Legislative and Public Affairs/Media Office and the deletion of the Chief Administrative Officer position.

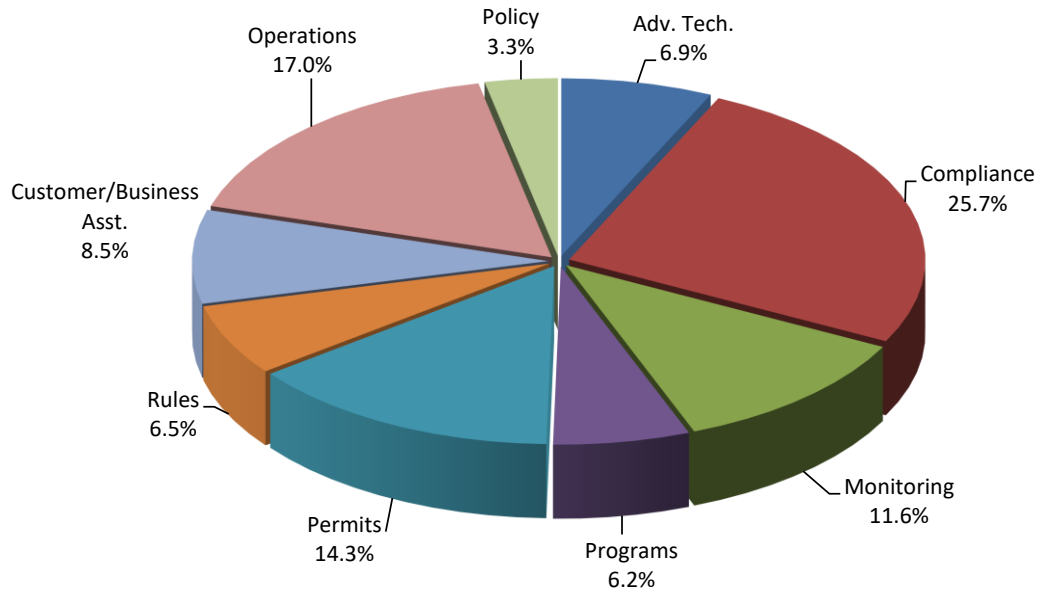
Expenditures

Work Program

South Coast AQMD 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 2019-20.

Work Program Category Expenditures



The following table compares South Coast AQMD Work Program expenditures by category for the FY 2018-19 adopted budget and FY 2019-20 proposed budget.

Work Program Categories	FY 2018-19 Adopted Budget	FY 2019-20 Proposed Budget
Advance Clean Air Technology	\$ 11,108,263	\$ 11,780,542
Customer Service and Business Assistance	14,496,926	14,558,947
Develop Programs to Achieve Clean Air	9,387,075	10,589,771
Develop Rules to Achieve Clean Air	10,982,868	11,082,515
Ensure Compliance with Clean Air Rules	43,655,133	43,912,182
Monitoring Air Quality	15,150,150	19,764,170
Operational Support	28,105,108	29,113,274
Policy Support	5,066,054	5,648,222
Timely Review of Permits	24,679,524	24,447,102
Total	\$ 162,631,101	\$170,896,725

Account Categories

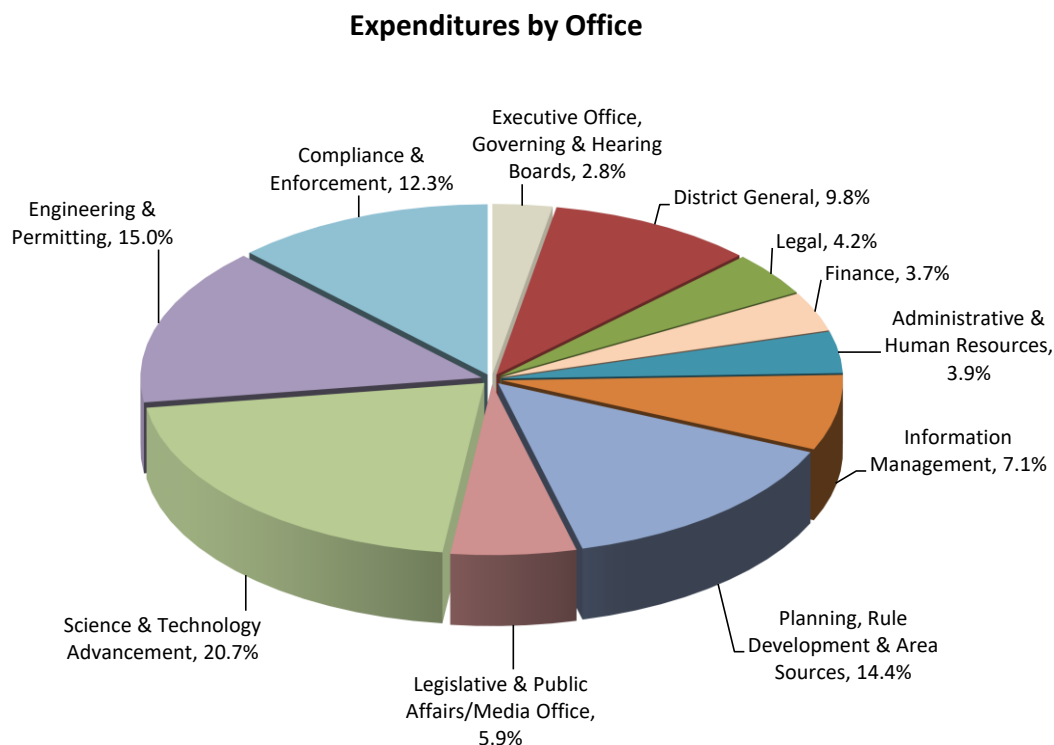
The following table compares the FY 2018-19 adopted budget and the FY 2018-19 amended budget to the proposed budget for FY 2019-20 by account category. The FY 2018-19 amended budget includes the Board-approved mid-year adjustments through March 2019.

Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2019-20 Proposed Budget
Salaries/Benefits	\$132,868,320	\$134,484,879	\$141,667,712
Insurance	1,317,400	1,382,900	1,317,400
Rents	761,071	814,573	511,823
Supplies	2,510,982	3,445,623	2,880,142
Contracts and Services	10,523,187	14,253,370	10,230,004
Maintenance	2,367,143	2,708,872	1,825,343
Travel/Auto Expense	940,445	1,107,751	931,323
Utilities	1,959,620	2,147,788	1,959,620
Communications	717,800	742,573	707,800
Capital Outlays	1,088,300	5,010,344	395,000
Other	1,386,433	1,577,059	1,438,583
Debt Service	6,190,400	6,190,400	6,190,622
Transfers Out	-	2,063,229	841,353
Total	\$162,631,101	\$175,929,361	\$170,896,725

As mentioned previously, the proposed budget for FY 2019-20 represents an approximately \$5.0 million decrease in expenditures from the FY 2018-19 amended budget. The FY 2018-19 amended budget includes mid-year increases associated with the following: the development of a new South Coast AQMD mobile app; the purchase of integrated filter-based samplers for monitoring and laboratory activities; further development of the online permitting modules and security portal system enhancements; consultant services for an impact assessment of a potential indirect source rule on local warehouses; Office 365 licenses and services; the purchase of services and supplies for the fifth Multiple Air Toxics Exposure Study (MATES V); the purchase of fleet vehicles, services and supplies and capital budget for critical projects and programs; the purchase of educational kits to provide learning opportunities for high school students and teachers on air quality; staff for the China Partnership for Cleaner Shipping Project; staff, capital outlay expenditures and contractual services for the Community Air Protection Program under AB 617 and Rule 1180 implementation; staff for the VW Mitigation Projects; and grant-related expenditures offset by revenue.

Office Categories

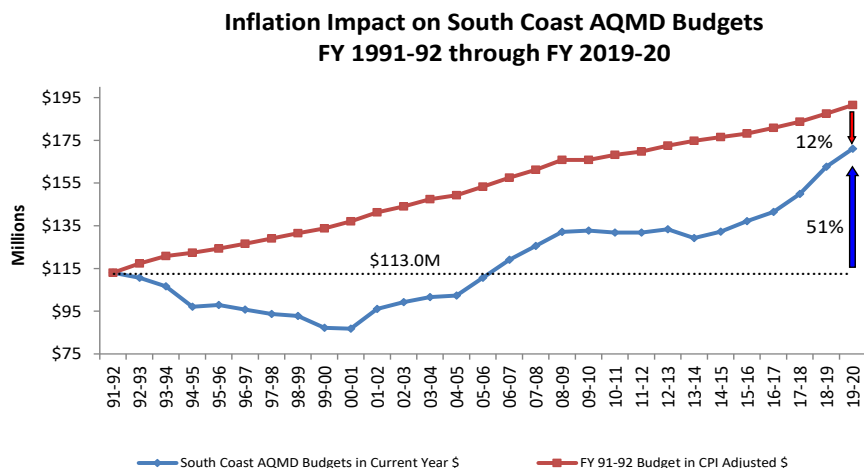
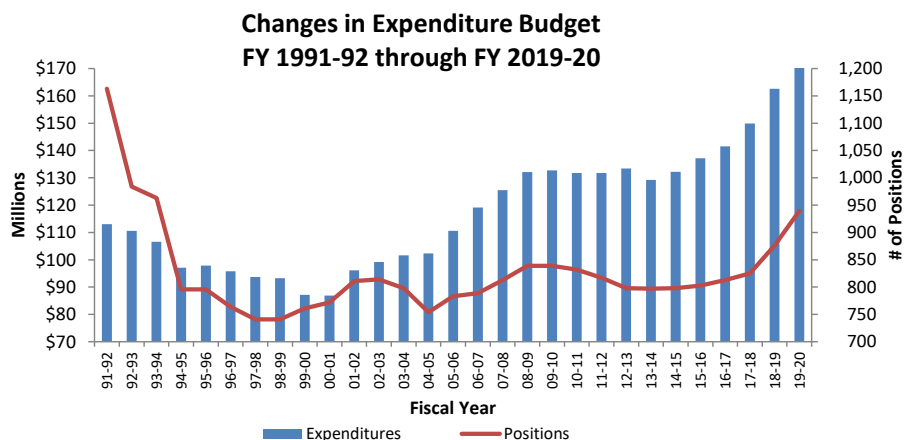
The following pie chart represents budgeted expenditures by Office for FY 2019-20.



Budget Strategy

Over the years, South Coast AQMD 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, and continues to be, on reducing or maintaining expenditure levels 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 whenever possible. However, In FY 2017-18, South Coast AQMD's workload increased substantially when the agency began to receive funding from the California Resource Board under AB 617 to reduce exposure in neighborhoods most impacted by air pollution as well as funding under the AB 134 Community Air Protection Fund. An additional 83 new positions funded by AB 617 and 11 positions funded by AB 134 have been added, along with various services, supplies and capital equipment, to support these programs. Nonetheless, South Coast AQMD's focus continues to be on the efficient use of its resources to keep expenditure and staffing levels as low as possible. In addition, the budgeted vacancy rate is reviewed and adjusted, as necessary, as part of the annual budget process. These efforts have resulted in reduced program costs overall and a balanced budget for FY 2019-20. The following charts show South Coast AQMD's staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2019-20 reflects a staffing level of 939 FTEs. This staffing level is 19% (224 FTEs) below the FY 1991-92 level.

The FY 2019-20 proposed budget is 51% 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 28 years, the FY 2019-20 proposal is 12% lower.



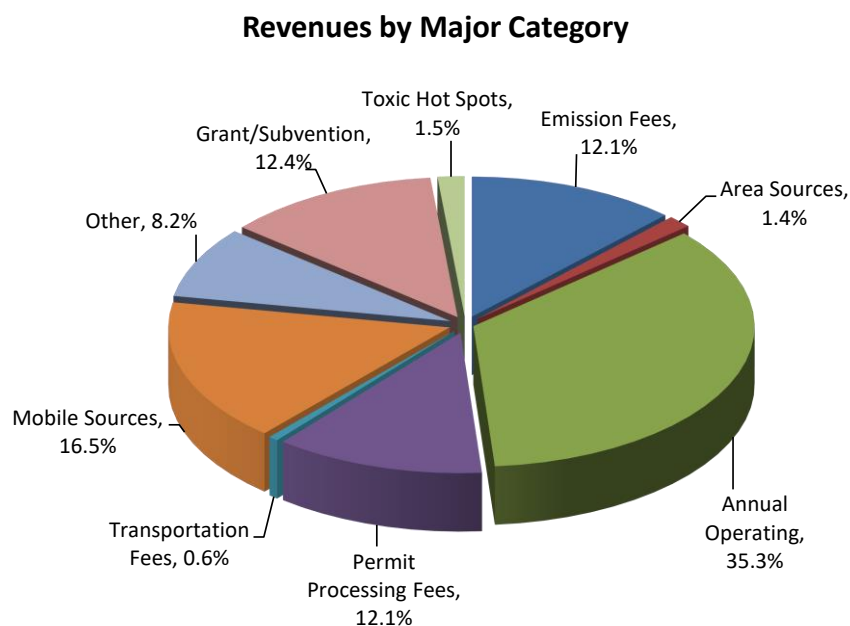
Note: CPI adjustment based on California Consumer Price Index for the preceding Calendar Year

Revenues

Revenue Categories

Each year, in order to meet its financial needs, the South Coast AQMD 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 2019-20, these fees are projected to generate approximately \$107.3 million or about 63% of South Coast AQMD revenues; of this \$107.3 million, \$100.7 million or 59% of South Coast AQMD’s projected revenues are from stationary sources. Other sources, which include

penalties/settlements, Hearing Board fees, interest, and miscellaneous income, are projected to generate approximately 8% of total revenues in FY 2019-20. 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 South Coast AQMD became a fee supported agency no longer receiving financial support from property taxes. The FY 2019-20 proposed revenue budget includes a proposed CPI fee adjustment of 3.5% and the third and final year of the June 2017 Board approved additional fee adjustment for Title V facilities to permit processing fees and annual operating permit renewal fees of 10.66% in order to better align program costs with revenue. The following pie chart represents revenues by Major Category for FY 2019-20.



The following table compares the FY 2018-19 adopted revenue budget and the FY 2018-19 amended revenue budget to the proposed revenue budget for FY 2019-20. The FY 2018-19 amended revenue budget includes Board-approved mid-year changes through March 2019.

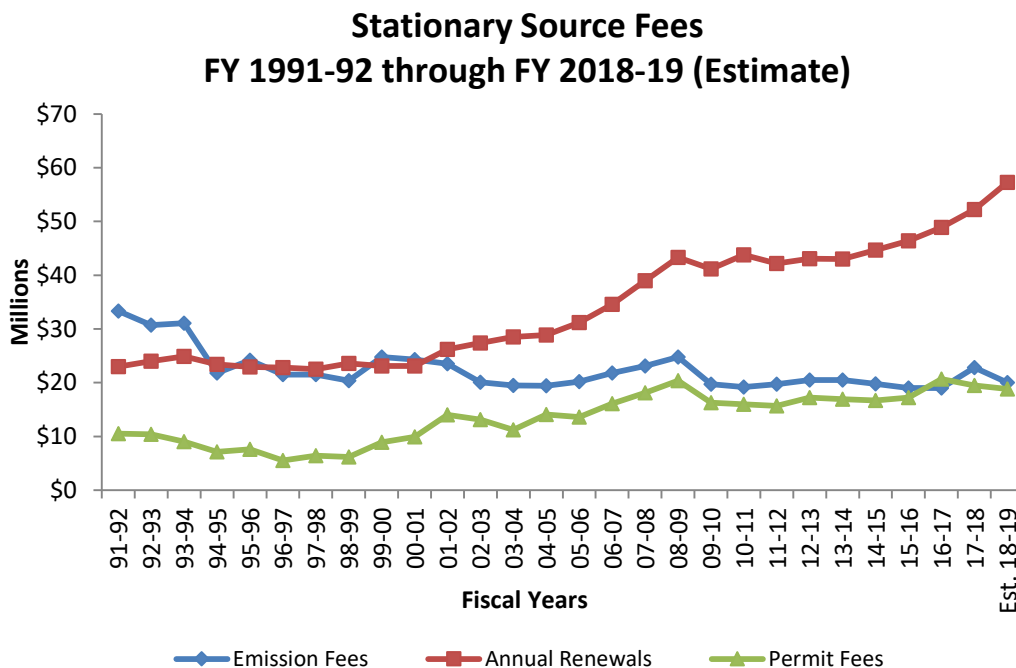
Revenue Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2019-20 Proposed Budget
Annual Operating Emission Fees	\$ 19,729,280	\$ 19,729,280	\$ 20,675,800
Annual Operating Permit Renewal Fees	57,270,930	57,270,930	59,351,020
Permit Processing Fees	19,856,640	19,856,640	20,643,870
Portable Equipment Registration Program	1,200,000	1,200,000	1,000,000
Area Sources	2,274,800	2,274,800	2,277,000
Grants/Subvention	16,888,530	19,829,869	21,155,180
Mobile Sources	30,625,320	30,625,754	28,129,833
Transportation Programs	951,280	951,280	963,900
Toxic Hot Spots	2,849,590	2,849,590	2,647,420
Other ¹	9,700,141	8,173,002	9,763,002
Transfers In	1,284,590	4,750,449	4,289,700
Total	\$162,631,101	\$167,511,594	\$170,896,725
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 44% from \$66.8 million in FY 1991-92 to \$96.1 million (estimated) in FY 2018-19. When adjusted for inflation however, stationary source revenues have decreased by 16% over this same period.

Mobile source revenues that are subvented to the South Coast AQMD by the Department of Motor Vehicles (DMV) are projected to increase slightly from the FY 2018-19 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, Prop 1B, and AB 134) 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 increase in FY 2019-20 from FY 2018-19 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 for FY 2019-20. In addition, funding from CARB for the AB 617 Community Air Protection Program is expected to increase from the FY 2018-19 budgeted level.

The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on South Coast AQMD fee authority) to estimated revenues for FY 2018-19.



Debt Structure

Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the South Coast AQMD in December 1995. In June 2004 the South Coast AQMD 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
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	3,780,000	348,736	4,128,736
2024	4,010,000	118,897	4,128,897
Total	\$19,323,964	\$10,511,082	\$29,835,046

Fund Balance

South Coast AQMD is projecting an Unreserved (Unassigned) Fund Balance for June 30, 2020 of \$43,597,488 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2019-20.

Classification	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$ 16,321,000
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	234,159
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$ 22,550,673

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. South Coast AQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment.

Long-Term Projection

South Coast AQMD continues to face a number of challenges in the upcoming years, including continued higher operating costs, the need for major information technology and building infrastructure improvement projects, and growing program commitments while meeting air quality goals and permit processing targets. Recruiting, training and retaining the high level of technical staffing expertise necessitated by the Community Air Protection Program established

in 2017 under AB 617, the VW Mitigation Settlement Projects, the Refinery Fenceline Air Monitoring Plans under Rule 1180, and additional incentive funding under AB 134, as well as for South Coast AQMD's ongoing projects and programs, will continue to be an issue further complicated by the increasing number of retirements among our current staff.

Increasing retirement costs and any future actions SBCERA may take which could significantly impact South Coast AQMD's level of expenditures remains a primary uncertainty. Any legislative action that may impact the level of federal and state funding from grant awards, particularly AB 617 funding, and subvention funds is another unknown that must be considered as South Coast AQMD plans for the future. Cost recovery within the constraints of Proposition 26 is an additional uncertainty as South Coast AQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, South Coast AQMD 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 South Coast AQMD'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 South Coast AQMD boundaries and remaining sensitive to business. Starting in FY 2023-24, South Coast AQMD will realize a \$3.1M savings in Pension Obligation Bond payments.

Fiscal 2018-19 Estimate and Five Year Projection (\$ in Millions)						
	FY 18-19 Estimate	FY 19-20 Proposed	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected
STAFFING	938	939	939	939	939	939
REVENUES/TRANSFERS IN*	\$165.5	\$170.9	\$175.1	\$175.0	\$176.1	\$178.4
EXPENDITURES/TRANSFERS OUT	\$170.6	\$170.9	\$180.7	\$184.0	\$185.0	\$179.2
Change in Fund Balance	-\$5.1	-	-\$5.6	-\$9.0	-\$8.9	-\$0.8
UNRESERVED FUND BALANCE (at year-end)	\$49.7	\$49.7	\$44.1	\$35.1	\$26.2	\$25.4
% of REVENUE	30%	29%	25%	20%	15%	14%
*Includes proposed CPI fee increase of 3.5% for FY 2019-20 with the third and final year of an additional 10.66% increase for Title V annual operating permit renewal and permit processing fees; a CPI of 3.7% for FY 2020-21; a CPI of 3.2% for FY 2021-22; a CPI of 2.9% for FY 2022-23; and a CPI of 2.8% for FY 2023-24. Starting in FY 2021-22, assumes on-going AB 617 revenue.						

As part of the Five Year Projection, South Coast AQMD 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 primary project proposed to be funded from the Infrastructure Improvement Fund is retrofitting the elevators in the South Coast AQMD headquarters building.

GENERAL FUND POTENTIAL BUILDING MAINTENANCE and CAPITAL OUTLAY PROJECTS FY 2019-20 through 2023-24
Child Care Building Roof Replacement
Elevator Retrofits
Carpet Installation 3 rd & 4 th Floor
Air Handler Fan Walls Retrofit
Leibert AC Units-Computer Room Replacement
Gaylord Air Scrubbers Replacement
Energy Management System Upgrade
Aging Kitchen Equipment Replacement
Pneumatic Controls to Direct Digital Control Conversion
Restroom and Copy/Coffee Sink and Counter Tops Replacement
Vinyl Wall Covering (Various Areas) Replacement
Saw Tooth Lab Roof Refurbishment
Restroom Panels Refurbishment/Replacement
Roofing Surface - Recoat
Parking Lot Repair and Reseal
Sidewalks and Curbs -Concrete Repair
Fire Life Safety System Upgrade
Lighting Controls Upgrade
Can Lighting Retrofit (LED)
Patio Area - Rebuild/Recompact
Building Interior - Repaint
Landscape Renovation
Parking Lot Lights LED Conversion
Conference Center - Repaint and Wallpaper
VCT Tiles (Various Areas) Replacement
Upper Parking Deck Repair and Re-coating
EVES Charger and Support System Upgrades
Fluorescent Office Lighting to LED Conversion



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

SUMMARY OF FISCAL YEAR 2019-20 PROPOSED BUDGET				
	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget ¹	FY 2018-19 Estimate ²	FY 2019-20 Proposed
Funding Sources				
Revenue	\$ 161,346,511	\$ 162,761,145	\$ 160,546,575	\$ 166,607,025
Transfers-In	1,284,590	4,750,449	4,907,253	4,289,700
Total Funding Sources	\$ 162,631,101	\$ 167,511,594	\$ 165,453,828	\$ 170,896,725
Funding Uses				
Salaries & Employee Benefits	\$ 132,868,320	\$ 134,484,879	\$ 129,105,617	\$ 141,667,712
Services & Supplies	28,674,481	34,370,909	34,370,909	27,992,660
Capital Outlays	1,088,300	5,010,344	5,010,344	395,000
Transfers-Out	-	2,063,229	2,063,229	841,353
Total Funding Uses	\$ 162,631,101	\$ 175,929,361	\$ 170,550,099	\$ 170,896,725

Fund Balances - Reserves & Unreserved Designations	Classification	Projected June 30, 2019	Projected June 30, 2020
Reserve for Encumbrances	Committed	\$ 14,941,000	\$ 16,321,000
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	234,159	234,159
Designated for Self-Insurance	Assigned	2,000,000	2,000,000
Designated for Unemployment Claims	Assigned	80,000	80,000
Total Reserves & Unreserved Designations		\$ 21,170,673	\$ 22,550,673
Unassigned Fund Balance	Unassigned	\$ 43,502,488	\$ 43,597,488
Total Fund Balances		\$ 64,673,161	\$ 66,148,161

¹ The FY 18-19 Amended Budget includes mid-year changes through March 2019.

² Includes estimated encumbrances of \$10,800,000 which will be applicable to the fiscal year ending June 30, 2019.

ANALYSIS OF PROJECTED JUNE 30, 2019 FUND BALANCE			
Fund Balances as of June 30, 2018			
Reserves	\$	11,294,214	
Designated		7,228,892	
Unassigned		47,532,700	
Total Fund Balances, June 30, 2018	\$		66,055,806
Add Excess Fiscal Year 2018-19 Revenues over Expenditures			
Revenues	\$	165,453,828	
Expenditures ¹		157,682,244	
Sub-Total	\$		7,771,584
Deduct Decrease in Encumbrances Open on June 30, 2019			(7,091,000)
Deduct Projected FY 2018-19 Transfers Out to Other Funds			(2,063,229)
Total Projected Fund Balances, June 30, 2019	\$		64,673,161
Fund Balances (Projected) at June 30, 2019			
Reserve for Encumbrances	\$		14,941,000
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			234,159
Designated for Self-Insurance			2,000,000
Designated for Unemployment Claims			80,000
Unassigned			43,502,488
Total Projected Fund Balances, June 30, 2019	\$		64,673,161
Note: This analysis summarizes the estimated amount of funds that will be carried into FY 2019-20.			
¹ Expenditures do not include estimated \$10,800,000 encumbrances for the Fiscal Year ended June 30, 2019.			

SCHEDULE OF AVAILABLE FINANCING AND PROPOSED FISCAL YEAR 2019-20 RESERVES AND DESIGNATIONS		
Fund Balances	\$ 64,673,161	
Emission Fees	20,675,800	
Annual Renewal Fees	59,351,020	
Permit Processing Fees	20,643,870	
Portable Equipment Registration Program	1,000,000	
State Subvention	3,924,550	
State Grant	11,090,280	
Federal Grant	6,140,350	
Interest Revenue	1,718,490	
Lease Revenue	176,960	
Source Test/Analysis Fees	755,550	
Hearing Board Fees	217,350	
Penalties and Settlements	5,000,000	
Area Sources	2,277,000	
Transportation Programs	963,900	
Mobile Sources/Clean Fuels	28,129,833	
Air Toxics "Hot Spots"	2,647,420	
Other Revenues/Transfers In	6,184,352	
Total Funds		\$ 235,569,886
Less Proposed Fiscal Year 2019-20 Reserves and Designations		
Reserve for Encumbrances	\$ 16,321,000	
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	234,159	
Designated for Self-Insurance	2,000,000	
Designated for Unemployment Claims	80,000	
Total Proposed Reserves and Designations		\$ 22,550,673
Available Financing		\$ 213,019,213

ANALYSIS OF PROJECTED JUNE 30, 2020 FUND BALANCE		
Fund Balances as of June 30, 2019		
Reserves	\$	15,021,000
Designated		6,149,673
Unassigned		43,502,488
Total Fund Balances, June 30, 2019	\$	64,673,161
Add Excess Fiscal Year 2019-20 Revenues over Expenditures		
Revenues	\$	170,896,725
Expenditures ¹		160,076,725
Sub-Total	\$	10,820,000
Deduct Decrease in Encumbrances Open on July 1, 2019		(9,345,000)
Total Projected Fund Balances, June 30, 2020	\$	66,148,161
Fund Balances (Projected) Fiscal Year 2019-20		
Reserve for Encumbrances	\$	16,321,000
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		234,159
Designated for Self-Insurance		2,000,000
Designated for Unemployment Claims		80,000
Unassigned		43,597,488
Total Projected Fund Balances, June 30, 2020	\$	66,148,161
¹ Expenditures do not include estimated \$10,820,000 encumbrances for the Fiscal Year ended June 30, 2020.		

Revenue Comparison				
Revenue Account	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Estimated	FY 2019-20 Proposed
Emission Fees	\$ 22,786,660	\$ 19,729,280	\$ 19,989,573	\$ 20,675,800
Annual renewal Fees	51,006,780	57,270,930	56,105,118	59,351,020
Permit Processing Fees	19,538,295	19,856,640	18,828,740	20,643,870
Portable Equipment Registration Program	1,175,989	1,200,000	1,225,815	1,000,000
State Subvention	3,939,075	3,939,080	3,924,547	3,924,550
State Grant	5,319,196	8,075,000	11,006,597	11,090,280
Federal Grant	7,949,213	4,874,450	7,833,919	6,140,350
Interest Revenue	1,041,333	1,116,070	1,412,411	1,718,490
Lease Revenue	147,660	166,980	166,682	176,960
Source Test/Analysis Fees	663,011	781,700	698,635	755,550
Hearing Board Fees	351,979	258,500	139,946	217,350
Penalties and Settlements	14,316,145	5,000,000	6,554,100	5,000,000
Area Sources	2,293,947	2,274,800	2,274,800	2,277,000
Transportation Programs	845,718	951,280	1,020,317	963,900
Mobile Sources/Clean Fuels	22,015,710	30,625,320	26,006,515	28,129,833
Air Toxics "Hot Spots"	2,538,247	2,849,590	2,557,890	2,647,420
Other Revenues/Transfers In	5,992,113	3,661,481	5,708,228	6,184,352
Total Revenue	\$ 161,921,070	\$ 162,631,101	\$ 165,453,828	\$ 170,896,725

EXPLANATION OF REVENUE SOURCES

Annual Operating Emissions Fees

The Lewis-Presley Air Quality Management Act (Health & Safety Code Section 40400-40540) authorizes the South Coast AQMD to collect fees for permitted sources to recover the costs of District programs related to these sources. (Health & Safety Code 40410(b)). South Coast AQMD 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 South Coast AQMD Rule 301.

FY 2019-20 Proposed Budget: The non-RECLAIM emissions are based on Annual Emission Report (AER) data for Calendar Year 2017. 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 3.5% CPI increase is included.

Annual Operating Permit Renewal

State law authorizes South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD's compliance program, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, including the South Coast AQMD's Hearing Board, and stationary and area source research projects.

FY 2019-20 Proposed Budget: The projection is based on an estimated number of permits at the various equipment fee schedules. A 3.5% CPI increase is included. Also included is the third and final year of a phased-in increase approved by the Governing Board in June 2017 (a 10.66% increase for Title V annual operating permit renewal fees).

EXPLANATION OF REVENUE SOURCES

Permit Processing Fees

Under the Health & Safety Code 42300, South Coast AQMD may adopt and implement a program requiring that a permit be obtained from South Coast AQMD to construct or operate any equipment which emits or controls air pollution in South Coast AQMD's jurisdictional boundaries before the construction or operation of the equipment. South Coast AQMD has adopted rules requiring such permits, to ensure that equipment in South Coast AQMD's jurisdictional boundaries is in compliance with South Coast AQMD 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 the RECLAIM program in accordance with the South Coast AQMD's Governing Board resolution. Currently, RECLAIM facilities, including both Title V and non-Title V facilities, are subject to a South Coast AQMD-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 permits, with case-by-case analysis of each device (piece of equipment) for incorporation of Non-RECLAIM regulatory limits, monitoring, recordkeeping and reporting requirements, emission factors, emission limits, and removing permit conditions and requirements related to RECLAIM that are no longer applicable. This is a one-time fee for the proposed transition process associated with exiting the RECLAIM program.

FY 2019-20 Proposed Budget: The projection is based on the anticipated number and type of applications that will be processed. A 3.5% CPI increase is included. Also included is the third and final year of a phased-in increase approved by the Governing Board in June 2017 (a 10.66% increase for Title V permit processing 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 South Coast AQMD field staff are collected by CARB at the time of registration and passed through to South Coast AQMD on an annual basis. Fees for

EXPLANATION OF REVENUE SOURCES

inspection of all other PERP-registered equipment are billed at an hourly rate set forth in South Coast AQMD Rule 301, as determined by CARB and collected by South Coast AQMD at the time the inspection is conducted.

FY 2019-20 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. South Coast AQMD 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 South Coast AQMD's jurisdiction. This revenue allows South Coast AQMD to recover the costs of staff working on compliance, laboratory support, architectural coatings emissions data, rule development, and architectural coatings revenue collection.

FY 2019-20 Proposed Budget: Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within and for use in the South Coast AQMD for the previous calendar year. Emissions are decreasing while sales volume is increasing. A 3.5% 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. South Coast AQMD has received subvention funds since its inception beginning in 1977.

FY 2019-20 Proposed Budget: The current amount of \$3.9 million is included in the FY 2019-20 proposed budget.

State Grant

Under AB 617, recently adopted by the state legislature, CARB funding is distributed to air districts to implement the Community Air Protection Program which includes monitoring and developing emissions reductions plans in disadvantaged communities with high cumulative exposure to air toxics.

FY 2019-20 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

South Coast AQMD receives funding from EPA Section 103 and 105 grants to help support the South Coast AQMD in its administration of active air quality control and monitoring programs where the South Coast AQMD 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 2019-20 Proposed Budget: The revenue projection is based on funding levels from current federal grants.

EXPLANATION OF REVENUE SOURCES

Interest

Revenue from this source is the result of investing South Coast AQMD's General Fund cash balances.

FY 2019-20 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 South Coast AQMD's Headquarters facility.

FY 2019-20 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 2019-20 Proposed Budget: The revenue projection is based on the anticipated number of tests and analyses. A 3.5% 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 South Coast AQMD; therefore, there are no Hearing Board fees/revenue related to these proceedings.

FY 2019-20 Proposed Budget: The estimate is based on the projected number of hearings to be held and cases to be heard. A 3.5% CPI increase is included.

Penalties/Settlements

The revenue from this source is derived from cash settlements for violations of permit conditions, South Coast AQMD Rules, or state law. This revenue source is available for the general support of the South Coast AQMD's programs.

FY 2019-20 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 South Coast AQMD four dollars for every vehicle registered in South Coast AQMD's jurisdictional boundaries. Thirty percent of the money (\$1.20 per vehicle) collected is recognized in South Coast AQMD's General Fund as mobile sources revenue and is used

EXPLANATION OF REVENUE SOURCES

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 South Coast AQMD 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 South Coast AQMD 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 2019-20 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 South Coast AQMD 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 South Coast AQMD's jurisdictional boundaries, forwarded to South Coast AQMD, 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),

EXPLANATION OF REVENUE SOURCES

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 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 2019-20 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, South Coast AQMD'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 2019-20 Proposed Budget: The projection is based on the anticipated number of registrations. A 3.5% CPI increase is included.

Toxic "Hot Spots"

Health and Safety Code Section 44380 requires South Coast AQMD to assess and collect fees from facilities that emit toxic compounds. Fees collected are used to recover state and South Coast AQMD 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. 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 2019-20 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 South Coast AQMD 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 and grant payments under the VW Mitigation Settlement.

FY 2019-20 Proposed Budget: The revenue projections are based on historical trend information and anticipated receipts.



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

South Coast AQMD Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 76,378,242	\$ 84,908,295	\$ 86,501,594	\$ 83,011,215	\$ 89,957,250
53000-55000	Employee Benefits	39,046,777	47,960,025	47,983,285	46,094,402	51,710,462
Sub-total Salary & Employee Benefits		\$ 115,425,019	\$ 132,868,320	\$ 134,484,879	\$ 129,105,617	\$ 141,667,712
Services & Supplies						
67250	Insurance	\$ 1,518,801	\$ 1,317,400	\$ 1,382,900	\$ 1,382,900	\$ 1,317,400
67300	Rents & Leases Equipment	245,890	214,280	254,139	254,139	212,280
67350	Rents & Leases Structure	298,687	546,791	560,434	560,434	299,543
67400	Household	654,730	763,800	763,800	763,800	817,322
67450	Professional & Special Services	9,109,521	8,256,242	11,599,026	11,599,026	8,066,737
67460	Temporary Agency Services	1,129,280	862,049	1,246,448	1,246,448	744,049
67500	Public Notice & Advertising	437,050	479,666	465,666	465,666	439,966
67550	Demurrage	102,728	161,430	178,430	178,430	161,930
67600	Maintenance of Equipment	1,058,595	864,664	1,174,278	1,174,278	822,864
67650	Building Maintenance	1,070,974	1,502,479	1,534,594	1,534,594	1,002,479
67700	Auto Mileage	144,273	130,627	250,562	250,562	95,627
67750	Auto Service	573,447	471,000	471,000	471,000	471,000
67800	Travel	389,673	338,818	386,189	386,189	364,696
67850	Utilities	1,398,700	1,959,620	2,147,788	2,147,788	1,959,620
67900	Communications	630,003	717,800	742,573	742,573	707,800
67950	Interest Expense	3,756,716	3,637,290	3,637,290	3,637,290	3,503,982
68000	Clothing	39,829	51,623	59,761	59,761	53,805
68050	Laboratory Supplies	532,896	332,000	544,877	544,877	307,000
68060	Postage	365,745	448,826	333,512	333,512	465,803
68100	Office Expense	1,762,951	1,068,950	1,576,407	1,576,407	1,459,260
68200	Office Furniture	244,470	4,000	16,127	16,127	14,000
68250	Subscriptions & Books	254,791	178,517	184,836	184,836	178,517
68300	Small Tools, Instruments, Equipment	205,370	135,045	438,082	438,082	109,736
68400	Gas and Oil	188,215	292,021	292,021	292,021	292,021
69500	Training/Conference/Tuition/ Board Exp.	884,139	975,257	1,140,714	1,140,714	976,357
69550	Memberships	162,986	68,428	72,288	72,288	68,678
69600	Taxes	33,379	59,000	64,685	64,685	59,000
69650	Awards	11,649	79,023	79,023	79,023	79,023
69700	Miscellaneous Expenses	142,893	204,725	220,349	220,349	255,525
69750	Prior Year Expense	(50,616)	-	-	-	-
69800	Uncollectable Accounts Receivable	410,438	-	-	-	-
89100	Principal Repayment	2,432,798	2,553,110	2,553,110	2,553,110	2,686,640
Sub-total Services & Supplies		\$ 30,141,002	\$ 28,674,481	\$ 34,370,909	\$ 34,370,909	\$ 27,992,660
77000	Capital Outlays	\$ 7,301,003	\$ 1,088,300	\$ 5,010,344	\$ 5,010,344	\$ 395,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
99950	Transfers Out	\$ 250,000	\$ -	\$ 2,063,229	\$ 2,063,229	\$ 841,353
Total Expenditures		\$ 153,117,023	\$ 162,631,101	\$ 175,929,361	\$ 170,550,099	\$ 170,896,725
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

SALARIES & EMPLOYEE BENEFITS

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
51000-52000	SALARIES	\$ 84,908,295	\$ 86,501,594	\$ 84,026,356	\$ 89,957,250	\$5,048,955
<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 2019-20 Proposed Budget reflects a 10% vacancy rate (actual vacant positions are currently at 15%). The FY 2019-20 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 main reason for the increase from the FY 2018-19 Adopted Budget is the addition of 62 positions mid-year in FY 2018-19 for the following programs: AB 617 (47 FTEs); VW Environmental Mitigation (5 FTEs), Career Interns (4 FTEs), China Partnership for Cleaner Shipping (2 FTEs) and Rule 1180 (4 FTEs). In addition, the increase from the FY 2018-19 Adopted Budget can be attributed to the costs associated with second year of a three year labor agreement that went into effect in the third quarter of FY 2017-18.</p>						
53000	EMPLOYEE BENEFITS	\$ 3,620,875	\$ 3,620,875	\$ 3,611,072	\$ 3,774,162	\$ 153,287
<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	\$ 34,350,829	\$ 34,350,829	\$ 32,497,662	\$ 36,805,778	\$ 2,454,949
<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 62 positions mid-year in Fiscal Year 2018-19.</p>						
55000	INSURANCE	\$ 9,988,321	\$ 10,011,581	\$ 9,985,668	\$ 11,130,521	\$1,142,200
<p>This account includes employer's share of health, life, dental, vision care and accident insurance.</p>						

^(a) FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

South Coast AQMD Personnel Summary – Authorized/Funded Positions						
Positions as of	Mid-Year Adjustments		Positions as of	FY 2019-20 Request		Positions as of
June 30, 2018	Add	Delete	June 30, 2019	Add	Delete	July 1, 2018
876.4	72	(10.4)	938	8	(7)	939

SALARIES & EMPLOYEE BENEFITS

Fiscal Year 2018-19 Mid-Year Changes in Authorized/Funded Positions				
Office	Position	Add	Delete	Total
Administrative and Human Resources	Career Development Intern	4	-	4
Administrative and Human Resources	Office Assistant	-	(1)	(1)
Administrative and Human Resources	Senior Office Assistant	2	-	2
Compliance and Enforcement	Air Quality Inspector II	2	-	2
Compliance and Enforcement	Air Quality Inspector III	1	-	1
Finance	Financial Analyst	1	-	1
Information Management	Assistant Deputy Executive Officer/Information Management	-	(1)	(1)
Information Management	Assistant Deputy Executive Officer/Chief Information Officer	1	-	1
Information Management	Information Technology Specialist II	-	(1)	(1)
Information Management	Senior Information Technology Specialist	1	-	1
Information Management	Systems Analyst	1	-	1
Information Management	Systems & Programming Supervisor	2	-	2
Information Management	Technology Implementation Manager	-	(2)	(2)
Information Management	Information Technology Manager	2	-	2
Legal	Senior Deputy District Counsel	1	-	1
Legislative & Public Affairs/Media Office	Community Relations Manager	-	(1)	(1)
Legislative & Public Affairs/Media Office	Public Affairs Manager	1	-	1
Legislative & Public Affairs/Media Office	Senior Public Information Specialist	3	-	3
Planning, Rule Development, & Area Sources	Air Quality Engineer II	1	-	1
Planning, Rule Development, & Area Sources	Air Quality Specialist	7	-	7
Planning, Rule Development, & Area Sources	Planning & Rules Manager	1	-	1
Planning, Rule Development, & Area Sources	Program Supervisor	4	-	4
Planning, Rule Development, & Area Sources	Senior Air Quality Engineer	1	-	1
Science & Technology Advancement	Air Quality Chemist	2	-	2
Science & Technology Advancement	Air Quality Instrument Specialist I	4	-	4
Science & Technology Advancement	Air Quality Instrument Specialist II	8	-	8
Science & Technology Advancement	Air Quality Specialist	6	-	6
Science & Technology Advancement	Assistant Deputy Executive Officer/Science & Technology Advancement	-	(0.4)	(0.4)
Science & Technology Advancement	Contracts Assistant	2	-	2
Science & Technology Advancement	Laboratory Technician	1	-	1
Science & Technology Advancement	Monitoring Operations Manager	1	-	1
Science & Technology Advancement	Office Assistant	-	(3)	(3)
Science & Technology Advancement	Principal Air Quality Chemist	1	-	1
Science & Technology Advancement	Principal Air Quality Instrument Specialist	-	(1)	(1)

SALARIES & EMPLOYEE BENEFITS

Fiscal Year 2018-19 Mid-Year Changes in Authorized/Funded Positions (cont.)				
Office	Position	Add	Delete	Total
Science & Technology Advancement	Program Supervisor	2	-	2
Science & Technology Advancement	Senior Air Quality Chemist	1	-	1
Science & Technology Advancement	Senior Air Quality Engineer	2	-	2
Science & Technology Advancement	Senior Air Quality Instrument Specialist	3	-	3
Science & Technology Advancement	Senior Office Assistant	2	-	2
Science & Technology Advancement	Senior Staff Specialist	1	-	1
Total Mid-Year Changes		72	(10.4)	61.6

Fiscal Year 2019-20 Proposed Personnel Actions				
Office	Position	Add	Delete	Total
Administrative and Human Resources	Assistant Deputy Executive Officer/Administrative and Human Resources	-	(1)	(1)
Administrative and Human Resources	Deputy Executive Officer/Administrative and Human Resources	1	-	1
Engineering & Permitting	Principal Office Assistant	-	(1)	(1)
Engineering & Permitting	Supervising Office Assistant	1	-	1
Finance	Assistant Deputy Executive Officer/Finance	-	(1)	(1)
Finance	Chief Administrative Officer	-	(1)	(1)
Finance	Deputy Executive Officer/Chief Financial Officer	1	-	1
Information Management	Assistant Deputy Executive Officer/Chief Information Officer	-	(1)	(1)
Information Management	Deputy Executive Officer/Chief Information Officer	1	-	1
Information Management	Principal Office Assistant	-	(1)	(1)
Information Management	Supervising Office Assistant	1	-	1
Legislative & Public Affairs/Media Office	Administrative Secretary	1	-	1
Legislative & Public Affairs/Media Office	Program Supervisor	1	-	1
Planning, Rule Development & Area Sources	Health Effects Officer *	-	(1)	-
Planning, Rule Development & Area Sources	Director of Community Air Programs/Health Effects Officer*	1	-	1
Total Fiscal Year 2019-20 Proposed Personnel Actions		8	(7)	1

* Title change only

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
67250	INSURANCE	\$1,317,400	\$1,382,900	\$1,382,900	\$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. South Coast AQMD 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 South Coast AQMD's insurance deductibles, and liability claim payments.</p>						
67300	RENTS & LEASES EQUIPMENT	\$214,280	\$254,139	\$254,139	\$212,280	(\$2,000)
<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 decrease from the FY 2018-19 Adopted Budget reflects a decrease in equipment rentals for outside meetings.</p>						
67350	RENTS & LEASES STRUCTURE	\$546,791	\$560,434	\$560,434	\$299,543	(\$247,248)
<p>This account is for expenditures associated with structures and lot leases, and off-site storage rentals: Long Beach field office - \$111,543; Conference and meeting rooms - \$9,000; Air monitoring sites/Wind Stations - \$171,000; and Public Meetings - \$8,000</p> <p>Free and low-cost public facilities are used whenever possible for public workshops and informational meetings. The decrease in FY 2019-20 reflects the decision to appropriate budget mid-year for the implementation of the Rule 1180 air monitoring program. The FY 2019-20 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	\$763,800	\$763,800	\$763,800	\$817,322	\$ 53,522
<p>This account is used for trash disposal, landscape maintenance, parking lot maintenance, janitorial supplies, and janitorial contracts. The increase from the FY 2018-19 Adopted Budget is due to an increase in the janitorial contract.</p>						
67450	PROFESSIONAL & SPECIAL SERVICES	\$8,256,242	\$11,599,026	\$11,599,026	\$8,066,737	(\$189,505)
<p>This account is for services rendered to South Coast AQMD by outside contractors. The FY 2019-20 Professional & Special Services supporting detail is located at the end of this section. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

^(a)FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
67460	TEMPORARY AGENCY SERVICES	\$862,049	\$1,246,448	\$1,246,448	\$744,049	(\$118,000)
<p>Funds budgeted in this account are used for specialized temporary services that supplement staff in support of South Coast AQMD 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 decrease from the FY 2018-19 Adopted Budget reflects an anticipated reduction in the use of temporary services. The FY 2019-20 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	\$479,666	\$465,666	\$465,666	\$439,966	(\$39,700)
<p>This account is used for legally required publications such as Requests for Proposals, Requests for Quotations, personnel recruitment, public outreach, advertisement of South Coast AQMD Governing Board and Hearing Board meetings, and public notification of South Coast AQMD rulemaking activities. The decrease from the FY 2018-19 Adopted Budget is due to an anticipated decrease in legally required publications.</p>						
67550	DEMURRAGE	\$161,430	\$178,430	\$178,430	\$161,930	\$500
<p>This account is for various freight and cylinder charges as well as workspace reconfigurations and personnel moves. The increase from the FY 2018-19 Adopted Budget is based on anticipated needs due to increased staff. The FY 2019-20 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	\$864,664	\$1,174,278	\$1,174,278	\$822,864	(\$41,800)
<p>This account is for maintenance costs of South Coast AQMD equipment such as the following: mainframe computer hardware, phone switch, air monitoring equipment, print shop equipment, copiers, and audio visual equipment. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also 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	\$1,502,479	\$1,534,594	\$1,534,594	\$1,002,479	(\$500,000)
<p>This account reflects expenditures for maintaining South Coast AQMD 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 decrease from the FY 2018-19 Adopted Budget is due to a one-time project budgeted in FY 2018-19. The FY 2019-20 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 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
67700	AUTO MILEAGE	\$130,627	\$250,562	\$250,562	\$95,627	(\$35,000)
<p>This account is used to reimburse employees for the cost of using personal vehicles while on South Coast AQMD 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 South Coast AQMD-related business, conferences, and seminars and to attend various community, business and intergovernmental events. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also 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	\$471,000	\$471,000	\$0
<p>This account is used for the maintenance, towing, repair, and expired CNG tank replacement of South Coast AQMD fleet vehicles.</p>						
67800	TRAVEL	\$338,818	\$386,189	\$386,189	\$364,696	\$ 25,878
<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 2018-19 Adopted Budget is for expenditures under the China Partnership for Cleaner Shipping project. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67850	UTILITIES	\$1,959,620	\$2,147,788	\$2,147,788	\$1,959,620	\$0
<p>This account is used to pay gas, water, and electricity costs at the South Coast AQMD's headquarters building, the Long Beach field office, and air monitoring stations.</p>						
67900	COMMUNICATIONS	\$717,800	\$742,573	\$742,573	\$707,800	(\$10,000)
<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 decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also 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	\$3,637,290	\$3,637,290	\$3,637,290	\$3,503,982	(\$113,308)
<p>This account is for the interest due on the 1995 and 2004 Pension Obligation Bonds. The decrease from the FY 2018-19 Adopted Budget reflects scheduled payments for FY 2019-20.</p>						

^(a) FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
68000	CLOTHING	\$51,632	\$59,761	\$59,761	\$53,805	\$2,173
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 2018-19 Adopted Budget reflects the anticipated level of expenditures for FY 2019-20.						
68050	LABORATORY SUPPLIES	\$332,000	\$544,877	\$544,877	\$307,000	(\$25,000)
This account is used to purchase various supplies such as chemicals, calibration gases and glassware for laboratory services. The FY 2019-20 Proposed Budget reflects the anticipated reduction in needs and does not include amounts for federally funded grant programs. Expenditure appropriations will occur mid-year for those programs.						
68060	POSTAGE	\$448,826	\$333,512	\$333,512	\$465,803	\$ 16,977
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 2019-20 Proposed Budget reflects the recent postal rate increases.						
68100	OFFICE EXPENSE	\$1,068,950	\$1,576,407	\$1,576,407	\$1,459,260	\$390,310
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 increase from the FY 2018-19 Adopted Budget reflects the cost of Office 365 licenses and services and Regional Modeling supplies. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
68200	OFFICE FURNITURE	\$4,000	\$16,127	\$16,127	\$14,000	\$10,000
This account is for office furniture under \$5,000. The increase in the FY 2019-20 Proposed Budget reflects an anticipated increases in needs due to staffing changes.						
68250	SUBSCRIPTIONS & BOOKS	\$178,517	\$184,836	\$184,836	\$178,517	\$0
This account is used to purchase reference materials, magazine subscriptions, books, and on-line database legal research services. The FY 2019-20 Proposed Budget reflects no anticipated change in costs.						
68300	SMALL TOOLS, INSTRUMENTS, EQUIPMENT	\$135,045	\$438,082	\$438,082	\$109,736	(\$25,309)
This account covers the purchase of small tools and equipment for air monitoring stations, laboratory, and headquarters building maintenance. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. Expenditure appropriations will occur mid-year for these programs.						

^(a)FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
68400	GAS & OIL	\$292,021	\$292,021	\$292,021	\$292,021	\$0
This account is for the purchase of gasoline, oil, and alternative fuels for the South Coast AQMD fleet. The FY 2019-20 Proposed Budget reflects no change in anticipated needs.						
69500	TRAINING/CONF/ TUITION/BOARD EXP	\$975,257	\$1,140,714	\$1,140,714	\$976,357	\$1,100
This account is used for tuition reimbursement, conference and training registrations, certain costs associated with South Coast AQMD's Governing and Hearing Boards and advisory groups, and training-related travel expenditures. The FY 2019-20 Proposed Budget reflects a slight increase for tuition reimbursement.						
69550	MEMBERSHIPS	\$68,428	\$72,288	\$72,288	\$68,678	\$250
This account provides for South Coast AQMD membership in in scientific, clean fuels, advanced technology, and related environmental business/policy organizations. Membership costs are anticipated to increase marginally from the FY 2018-19 Adopted Budget.						
69600	TAXES	\$59,000	\$64,685	\$64,685	\$59,000	\$0
This account is for unsecured property and use taxes, fuel taxes, and sales taxes. The FY 2019-20 Proposed Budget reflects no change in expenditures from the FY 2018-19 Adopted Budget.						
69650	AWARDS	\$79,023	\$79,023	\$79,023	\$79,023	\$0
This account covers employee service awards for continuous service, employee recognition programs, plaques/awards the South Coast AQMD may present to individuals/businesses/community groups for outstanding contributions towards air quality goals, and promotional items for community events. No change in the level of expenditures from the FY 2018-19 Adopted Budget is anticipated for FY 2019-20.						
69700	MISCELLANEOUS EXPENSES	\$204,725	\$220,349	\$220,349	\$255,525	\$50,800
This account is to record expenditures that do not fall in any other account such as South Coast AQMD advisory group per diems, meeting and event expenses, and sponsorships. The increase from the FY 2018-19 Adopted Budget reflects the addition of document conversion expenditures for FY 2019-20.						
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 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

SERVICES & SUPPLIES

	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 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	\$2,553,110	\$2,553,110	\$2,553,110	\$2,686,640	\$133,530
This account reflects the principal due on pension obligation bonds. The increase from the FY 2018-19 Adopted Budget reflects scheduled payments for FY 2019-20.						

^(a) FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 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	200,000
	Dist. General Overhead	Health Reimbursement Arrangement Plan Administration	5,000
	Dist. General Overhead	Insurance Brokerage	50,000
	Dist. General Overhead	LACERA OPEB Actuary Services	20,000
	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	546,877
	Dist. General Overhead	Wellness Program	37,500
	Sub-total District General		\$1,254,852
Governing Board	Operational Support	Board Member Assistant/Consultants	\$807,784
	Sub-total Governing Board		\$807,784
Executive Office	Develop Programs	Professional & Special Services	\$75,000
	Sub-total Executive Office		\$75,000
Finance	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	55,528
	Operational Support	Financial Consultant for Treasury Management	23,000
	Operational Support	LA County Treasurer Office - PGP Maintenance	1,650
	Sub-total Finance		\$155,178
Legal	Ensure Compliance	Experts/Court Reporters/Attorney Services	\$30,000
	Ensure Compliance	Litigation Counsel	131,001
	Ensure Compliance	Software Maintenance & Licensing	35,000
	Operational Support	Specialized Legal Services	50,000
	Sub-total Legal		\$246,001

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Administrative & Human Resources	Operational Support	In-house Training Classes	\$4,000
	Operational Support	Medical Services Provider	30,000
	Operational Support	NEOGOV Multiple Contracts	51,750
	Operational Support	Occupational Health Services	25,000
	Customer Service & Business Assistance	Outside Binding Services	6,000
	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		\$85,200
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 (MailShield) 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/DPO Maintenance	10,000

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 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 (SmartFilter) Maintenance/Support	70,000
	Operational Support	Kronos Time Keeper	2,000
	Operational Support	Microsoft Developer Network - 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

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Information Management (cont.)	Operational Support	South Coast AQMD 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 and Mailing	\$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	25,000
	Monitoring Air Quality	Maintain Wind Stations and Analyze Data	60,000
	Monitoring Air Quality	MATES V	10,000
	Monitoring Air Quality	Meteorological Data Services	7,500
	Develop Rules	Mobile Source Related Data Licenses and Subscriptions	75,000
	Develop Rules	PM and Ozone Model Consulting	50,000
	Develop Programs	Rule 2202 Computer System Maintenance	15,000
	Develop Programs	Rule 2202 EMovers System Maintenance	20,000
	Customer Service & Business Assistance	Rule 2202 ETC On-Line Training	10,000

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Planning, Rule Development, & Area Sources (cont.)	Ensure Compliance	Rules 1118 and 1118.1 Notifications	\$61,000
	Develop Programs	SIP, AQMP and Rule Printing	8,000
	Develop Programs	Software, Data Products, and Technical Support for Economic Modeling	150,000
	Develop Rules	Technical Assessment in of Regional Modeling	20,000
	Ensure Compliance	Technology Assessment Studies	20,000
	Monitoring Air Quality	Weather Data Services Communications	7,500
	Ensure Compliance	Web-based Annual Emissions Reporting (AER) Program	100,000
	Sub-total Planning, Rule Development & Area Sources		\$894,000
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	277,005
	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		\$1,515,851
Science & Technology Advancement	Ensure Compliance	Laboratory Analytical Services	\$15,000
	Ensure Compliance	Source Testing Services	30,000
	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	300,000

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Science & Technology Advancement (cont.)	Develop Programs	Technical Assistance, Expert Consultation, Outreach/Education – Prop 1B	\$75,000
	Ensure Compliance	Technical Support for Air Monitoring and Community Complaint Resolution	35,000
	Sub-total Science & Technology Advancement		\$1,455,000
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	12,000
	Operational Support	Workspace Reconfiguration	4,500
	Sub-total Compliance & Enforcement		\$19,500
Total Professional & Special Services			\$8,066,737

CAPITAL OUTLAYS & BUILDING REMODELING

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
77000	CAPITAL OUTLAYS	\$1,088,300	\$5,010,344	\$5,010,344	\$395,000	(\$693,300)

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 FY 2019-20 Proposed Budget reflects projects that are either offset by revenue or critical for operational support. Depending on funding availability, budget will be requested mid-year for additional projects. The FY 2019-20 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 2019-20 is provided at the end of this section.

^(a)FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 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 2019-20.

^(a)FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) ^(a)
99950	TRANSFERS OUT	\$0	\$2,063,229	\$2,063,229	\$841,353	\$841,353

The FY 2019-20 Proposed Budget includes a transfer to the Health Effects Research Fund, pursuant to Governing Board policy.

^(a)FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

CAPITAL OUTLAYS & BUILDING REMODELING

Fiscal Year 2019-20 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
	Sub-total District General			\$75,000
Information Management	Operational Support	New	<u>Miscellaneous Telecommunication Upgrade/Enhancement</u> – To enable Telecommunications to meet unforeseen network needs/changes required to support South Coast AQMD staff.	\$35,000
	Sub-total Information Management			\$35,000
Science & Technology Advancement	Advance Clean Air Technology	New	<u>Clean Fuels</u> – For advanced technology vehicles and infrastructure.	\$285,000
	Sub-total Science & Technology Advancement			\$285,000
Total Capital Outlays				\$395,000

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT DRAFT
GOALS AND PRIORITY OBJECTIVES FOR FY 2019-2020**

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 South Coast AQMD’s Mission in Fiscal Year 2019-20.

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	Secure Incentive Funding for Emissions Reduction	Dollar amount of new funding sources for pollution reduction projects.	Secure \$300 Million of new funding sources.
3	AB 617 Implementation in Communities	Conduct air monitoring and implement Community Emission Reduction Plans for each of the three Year 1 communities, and conduct outreach to develop recommendations for Year 2 communities	Complete the development and begin implementation of the Community Emission Reduction Plans for each of the three Year 1 communities. Complete the first year of air monitoring for each of the three Year 1 communities.
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the South Coast AQMD 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 100% 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 at or near 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.

GOAL I. Achieve Clean Air Standards (cont.).

Priority Objective		Performance Indicator	Performance Measurement
8	Incentive Programs	% of grant money executed in contracts.	50% of grant money contracted within six months after receipt of funds.
9	Complete field study and begin data analysis for the fifth Multiple Air Toxics Exposure Study	Conduct monitoring and updates to emissions inventory for the evaluation of air toxics health impacts.	Finalize data for fixed-site monitoring at 10 sites, continue updating the emissions inventory, and complete deployment of 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	Number of large community outreach events conducted in each County and effective information distribution for major incidents.	Conduct 4 large community outreach events, including 1 in each County. Develop and implement SOPs to provide information to the public as quickly and accurately as possible.
3	Timely Investigation of Community Complaints	Initiate complaint investigation within 2 hours of complaint receipt.	During normal South Coast AQMD 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	High School Educational Outreach	Number of high schools participating in the air quality education program in environmental justice communities.	Outreach and conduct air quality education program in 100 high schools throughout the 4 Counties in environmental justice communities.

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 prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public three days 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 2 meetings of the Permit Streamlining Task Force subcommittee and stakeholders.
5	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.
6	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 South Coast AQMD'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 South Coast AQMD rules for existing major and small stationary sources.

- (A) Verify compliance with South Coast AQMD 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 South Coast AQMD 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 access and input into the regulatory and policy processes of South Coast AQMD.
- (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 and 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 South Coast AQMD 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 South Coast AQMD'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 South Coast AQMD offices to function properly. Services include facility administration, human resources and financial services.
- (B) Provide information management services in support of all South Coast AQMD operations, including automation of permitting and compliance records, systems analysis and design, computer programming and operations, records management, and library services.
- (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 South Coast AQMD.
- (B) Respond to Congressional and Senatorial inquiries regarding South Coast AQMD programs, policies or initiatives.
- (C) Assist South Coast AQMD consultants in identifying potential funding sources and securing funding for South Coast AQMD 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 South Coast AQMD revenue offsets operational support costs of the South Coast AQMD.

1a Allocatable South Coast AQMD: 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)**

XX. **State Grant**

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 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	08 001	I	LEG	AB2766/Mob Src/Legal Advice	AB2766 Leg Adv: Trans/Mob Source	0.05	0.00	0.05	\$ 10,620	\$ 112	\$ 10,732	IX
2	04 003	III	FIN	AB2766/MSRC	MSRC Program Administration	0.35	0.00	0.35	52,379	(3)	52,376	IX
3	08 003	I	LEG	AB2766/MSRC	Legal Advice: MSRC Prog Admin	0.10	0.00	0.10	21,239	224	21,464	IX
4	44 003	I	STA	Advisory Group/Small Business	Mob Src Review Comm Prog Admin	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
5	44 004	I	STA	AB2766/MSRC/Contract Admin	AB2766 Admin Discretionary Prog	3.00	0.00	3.00	519,814	(21,194)	498,620	IX
6	44 012	I	STA	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	1.00	0.00	1.00	173,271	(7,065)	166,207	VIII
7	04 030	I	FIN	AB 134	AB 134	2.00	0.00	2.00	299,306	(17)	299,289	IX
8	08 030	I	LEG	AB 134	AB 134	2.00	-0.50	1.50	424,788	(102,830)	321,958	IX
9	44 030	I	STA	AB 134	AB 134	6.00	-1.00	5.00	1,039,628	(208,595)	831,033	IX
10	44 039	I	STA	Admin/Office Mgt/Tech Adv	Admin Support/Coordination	0.77	0.00	0.77	133,419	(5,440)	127,979	VIII
11	44 048	I	STA	Admin/Prog Mgmt/Tech Advance	Overall TA Program Mgmt/Coord	1.55	0.00	1.55	268,570	(10,950)	257,620	VIII
12	44 095	I	STA	CA Natural Gas Veh Partnership	CA Natural Gas Veh Partnership	0.10	0.00	0.10	17,327	(706)	16,621	VIII
13	44 121	I	STA	China Cin Shipping	China Partnership Cleaner Shpng	0.00	0.90	0.90	-	149,586	149,586	IX
14	04 130	III	FIN	Clean Fuels/Contract Admin	Clean Fuels Contract Admin/Monitor	0.15	0.00	0.15	22,448	(1)	22,447	VIII
15	44 130	I	STA	Clean Fuels/Contract Admin	Admin/Project Supp for TA Cont	4.40	-0.50	3.90	762,394	(114,188)	648,206	VIII
16	08 131	I	LEG	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	0.15	0.00	0.15	31,859	337	32,196	VIII
17	44 132	I	STA	Clean Fuels/Mobile Sources	Dev/Impl Mobile Src Proj/Demo	1.50	-0.50	1.00	1,544,907	(93,700)	1,451,207	VIII
18	44 134	I	STA	Clean Fuels/Stationary Combust	Dev/Demo Clean Combustion Tech	0.30	0.00	0.30	51,981	(2,119)	49,862	VIII
19	44 135	I	STA	Clean Fuels/Stationary Energy	Dev/Demo Alt Clean Energy	0.55	0.00	0.55	95,299	(3,886)	91,414	VIII
20	44 136	I	STA	Clean Fuels/Tech Transfer	Disseminate Low Emiss CF Tech	2.31	-0.51	1.80	400,257	(101,085)	299,172	VIII
21	44 187	I	STA	DERA Sch Bus Repl	DERA Sch Bus Repl Admin/Impl	0.03	0.07	0.10	5,198	11,423	16,621	V
22	44 188	I	STA	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	0.10	0.00	0.10	17,327	(706)	16,621	XVII
23	44 190	I	STA	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	0.11	0.09	0.20	19,060	14,181	33,241	V
24	44 203	I	STA	EFMP Program Support	EFMP Program Support	5.00	0.00	5.00	866,356	(35,323)	831,033	XVII
25	44 258	I	STA	FARMER Grant	Fund Ag Replacement Measures	0.00	2.50	2.50	-	415,517	415,517	XVII
26	44 356	I	STA	GGRF ZEDT Demo	GGRF ZEDT Demo Admin	1.00	0.10	1.10	173,271	9,556	182,827	XVII
27	44 453	I	STA	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	1.50	0.00	1.50	259,907	(10,597)	249,310	VIII,IX
28	04 457	III	FIN	Mobile Source/Moyer Adm	Carl Moyer: Contract/Fin Admin	1.02	0.00	1.02	152,646	(9)	152,637	IX
29	08 457	I	LEG	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	0.10	0.00	0.10	21,239	224	21,464	IX
30	16 457	I	AHR	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	0.10	0.00	0.10	18,454	(1,460)	16,994	IX
31	44 457	I	STA	Mob Src/C Moyer Adm/Outreach	Carl Moyer: Impl/Admin Grant	12.15	0.95	13.10	2,180,246	297,061	2,477,307	IX
32	44 459	I	STA	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	3.00	0.00	3.00	519,814	(21,194)	498,620	IX
33	44 460	I	STA	VIP Admin	VIP Admin/Outreach/Impl	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
34	44 533	I	STA	POLB AMECS Demo	POLB AMECS Demo-Admin/Impl	0.47	-0.37	0.10	81,437	(64,817)	16,621	XVII
35	04 542	I	FIN	Prop 1B:Goods Movement	Contracts/Finance Admin	0.50	0.00	0.50	74,827	(4)	74,822	IX
36	16 542	I	AHR	Prop 1B:Goods Movement	Prop 1B: Goods Movement	0.10	0.00	0.10	18,454	(1,460)	16,994	IX
37	04 544	I	FIN	Prop 1B:Low Emiss Sch Bus	Grants/Finance Admin	0.05	0.00	0.05	7,483	(0)	7,482	IX
38	44 677	I	STA	School Bus/Lower Emission Prog	School Bus Program Oversight	1.50	0.50	2.00	259,907	72,506	332,413	IX
39	44 738	I	STA	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.50	0.00	0.50	86,636	(3,532)	83,103	V,XVII
40	44 740	I	STA	Tech Adv/Commercialization	Assess CFs/Adv Tech Potential	0.25	0.00	0.25	43,318	(1,766)	41,552	VIII
41	44 741	I	STA	Tech Adv/Non-Combustion	Dev/Demo Non-Combustion Tech	1.00	-0.40	0.60	173,271	(73,547)	99,724	VIII
42	44 816	I	STA	Transportation Research	Transport Research/Adv Systems	0.50	-0.40	0.10	86,636	(70,015)	16,621	VIII
43	44 827	I	STA	VW-Program Development	VW-Program Development	0.00	4.00	4.00	-	664,826	664,826	XVII

Total Advance Clean Air Technology	56.26	4.93	61.19	\$ 11,108,263	\$ 672,279	\$ 11,780,542
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Customer Service and Business Assistance Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	04 002	III	FIN	AB2766/Mobile Source	Prog Admin: Monitor/Dist/Audit	0.10	0.00	0.10	\$ 24,965	\$ (10,001)	\$ 14,964	IX
2	26 007	I	PRA	AB2766/MSRC	AB2766 Prov Tech Asst to Cities	1.20	-1.20	0.00	212,601	(212,601)	-	IX
3	35 037	I	LPA	AB 617-Outreach	AB 617-Outreach	2.00	3.00	5.00	352,644	538,476	891,120	XX
4	50 038	I	EP	Admin/Office Management	Dev/Coord Goals/Policies/Overs	3.00	0.00	3.00	528,349	2,548	530,896	lb
5	60 038	III	CE	Admin/Office Budget	Dev/Coord Goals/Policies/Overs	7.00	-1.00	6.00	1,081,925	(183,127)	898,798	lb
6	35 046	III	LPA	Admin/Prog Mgmt	Admin Office/Units/SuppCoord Staff	4.02	1.00	5.02	708,815	178,645	887,461	lb
7	50 047	I	EP	Admin/Operations Support	Budget/Contracts/Reports/Projects	3.00	0.00	3.00	530,849	2,548	533,396	lb
8	60 047	I	CE	Admin/Operations Support	Budget/Contracts/Reports/Projects	4.90	0.00	4.90	760,447	(8,489)	751,959	lb
9	35 126	II	LPA	Clean Air Connections	Coord of region-wide community group	1.00	0.00	1.00	176,322	1,902	178,224	II,IX
10	04 170	I	FIN	Billing Services	Answer/Resp/Resolv Prob & Inq	8.00	0.00	8.00	1,212,725	(69)	1,212,656	II,III,IV
11	50 200	I	EP	Economic Dev/Bus Retention	Perm Proc/Public Participation	0.10	0.00	0.10	17,612	85	17,697	III
12	35 205	II	LPA	Environmental Education	Curriculum Dev/Project Coord	0.25	0.00	0.25	44,081	475	44,556	II,IX,XV
13	35 240	I	LPA	Environmental Justice	Impl Board's EJ Pgrms/Policies	2.00	0.00	2.00	352,644	3,804	356,448	II,IV
14	04 260	III	FIN	Fee Review	Cnte Mtg/Fee-Related Complaint	0.10	0.00	0.10	14,965	(1)	14,964	II,III,IV,XV
15	35 260	III	LPA	Fee Review	Cnte Mtg/Fee-Related Complaint	0.50	0.00	0.50	88,161	951	89,112	II,III,IV,XV
16	50 260	III	EP	Fee Review	Fee Review Committee	0.45	0.00	0.45	79,252	382	79,634	II,III,IV
17	04 355	III	FIN	Grants Management	Grant Anlyz/Eval/Negot/Acc/Rpt	1.00	0.00	1.00	149,653	(9)	149,644	IV,V,XV
18	35 381	III	LPA	Interagency Liaison	Interact Gov Agns/Promote SCAQMD	0.15	0.00	0.15	26,448	285	26,734	la,XV
19	35 390	I	LPA	Intergov/Geographic Deployment	Dev/Impl Local Govt Outreach	10.50	0.00	10.50	1,889,383	19,970	1,909,353	II,IX
20	08 404	I	LEG	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs	0.25	-0.25	0.00	53,098	(53,098)	-	II,IX
21	50 425	I	EP	Lobby Permit Services	Supp Perm Proc/Customer Svc	1.00	0.00	1.00	176,116	849	176,965	III
22	27 481	III	IM	New System Development	Dev sys in supp of Dist-wide	1.75	0.00	1.75	371,644	573	372,217	la,III
23	03 490	II	EO	Outreach	Publ Awareness Clean Air Prog	0.97	0.00	0.97	301,935	1,950	303,886	la
24	35 491	II	LPA	Outreach/Business	Chambers/Business Meetings	1.00	0.00	1.00	176,322	1,902	178,224	II,IV
25	35 492	II	LPA	Public Education/Public Events	Pub Events/Conf/Rideshare Fair	1.00	1.00	2.00	453,327	1,902	455,229	II,V,IX,XV
26	60 492	II	CE	Outreach/Business	Pub Events/Conf/Rideshare Fair	0.20	0.00	0.20	30,855	(346)	30,509	IX
27	35 496	II	LPA	Outreach/Visiting Dignitary	Tours/Briefings-Dignitary	0.25	0.00	0.25	44,081	475	44,556	la
28	35 514	I	LPA	Permit: Expired Permit Program	Assist w Permit Reinstatement	0.30	0.00	0.30	52,897	571	53,467	IV
29	50 520	I	EP	Perm Proc/Pre-Appl Mtg Outreac	Pre-App Mtgs/Genl Prescreening	1.00	0.00	1.00	176,116	849	176,965	III
30	16 540	III	AHR	Print Shop	Printing/Collating/Binding	4.00	0.00	4.00	775,897	(90,152)	685,745	la
31	35 555	II	LPA	Public Information Center	Inform public of unhealthy air	1.00	0.00	1.00	266,322	1,902	268,224	II,V,IX
32	03 565	III	EO	Public Records Act	Comply w/ Public Req for Info	0.01	0.00	0.01	3,113	20	3,133	la
33	04 565	I	FIN	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	2,993	(0)	2,993	la
34	08 565	III	LEG	Public Records Act	Comply w/ Public Rec Requests	1.50	0.00	1.50	318,591	3,367	321,958	la
35	16 565	III	AHR	Public Records Act	Comply w/ Public Rec Requests	0.05	0.00	0.05	9,227	(730)	8,497	la
36	17 565	III	CB	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	4,796	11	4,807	la
37	26 565	III	PRA	Public Records Act	Comply w/ Public Rec Requests	0.82	-0.03	0.79	145,277	(4,742)	140,535	la
38	27 565	III	IM	Public Records Act	Comply w/ Public Req for Info	4.75	0.00	4.75	925,147	26,513	951,660	la
39	35 565	III	LPA	Public Records Act	Comply w/ Public Req for Info	0.10	0.00	0.10	17,632	190	17,822	la

Customer Service and Business Assistance (Cont.) Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
40	44	565	III	STA	Public Records Act	0.17	0.00	0.17	\$ 29,456	\$ (1,201)	\$ 28,255	la
41	50	565	III	EP	Public Records Act	0.25	0.00	0.25	44,029	212	44,241	la
42	60	565	III	CE	Public Records Act	3.00	0.00	3.00	462,825	(5,197)	457,628	la
43	04	631	III	FIN	Cash Mgmt/Refunds	0.30	0.00	0.30	44,896	(3)	44,893	III,IV,XI
44	35	679	III	LPA	Small Business Assistance	1.00	0.00	1.00	176,322	1,902	178,224	III
45	08	681	III	LEG	Small Business/Legal Advice	0.05	0.00	0.05	10,620	112	10,732	II,III
46	50	690	I	EP	Source Education	2.80	0.00	2.80	493,125	2,378	495,503	III,IV,V,XV
47	60	690	I	CE	Source Education	0.40	0.00	0.40	61,710	(693)	61,017	III,IV,V,XV
48	44	701	I	STA	Source Testing/Customer Svc	0.05	0.00	0.05	8,664	(353)	8,310	VI
49	44	709	I	STA	VOC Sample Analysis/SBA/Other	0.50	0.00	0.50	86,636	(3,532)	83,103	VI
50	35	710	I	LPA	Speakers Bureau	0.10	0.00	0.10	17,632	190	17,822	la
51	16	720	I	AHR	Subscription Services	1.70	-1.00	0.70	313,712	(194,757)	118,955	IV,XVII
52	26	788	I	PRA	AB2588 Mailing/Venue	0.00	0.05	0.05		8,895	8,895	XVII
53	35	791	I	LPA	Toxics/AB2588	0.01	0.00	0.01	1,763	19	1,782	X
54	26	833	II	PRA	Rule 2202 ETC Training	0.95	0.20	1.15	188,309	26,267	214,576	XI
Total Customer Service & Business Assistance						80.54	1.77	82.31	\$ 14,496,926	\$ 62,021	\$ 14,558,947	

**Develop Programs
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	26 002	I	PRA	AB2766/Mobile Source	AB2766 Mobile Source Outreach	1.05	1.65	2.70	\$ 186,026	\$ 294,283	\$ 480,308	IX
2	04 009	I	FIN	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.13	0.00	0.13	19,455	(1)	19,454	XVII
3	44 009	I	STA	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.75	-0.50	0.25	129,953	(88,402)	41,552	XVII
4	03 010	I	EO	AQMP	Develop/Implement AQMP	0.05	0.00	0.05	15,564	101	15,664	II,IX
5	08 010	I	LEG	AQMP	AQMP Revision/CEQA Review	0.10	0.00	0.10	21,239	224	21,464	II,IX
6	26 010	I	PRA	AQMP	AQMP Special Studies	0.10	1.50	1.60	25,717	266,910	292,627	IV,V,IX,XV
7	03 028	I	EO	Admin/SCAQMD Policy	Dev/Coord Goals/Policies/Overs	0.44	0.00	0.44	211,960	885	212,845	Ia
8	26 033	I	PRA	AB 617-Em Inventory	AB 617-Em Inventory	0.50	2.50	3.00	88,584	445,092	533,676	XX
9	26 034	I	PRA	AB 617-Em Reduc Plns	AB 617-Em Reduc Plns	0.50	9.65	10.15	88,584	1,717,020	1,805,603	XX
10	26 038	I	PRA	Admin/Office Management	Coordinate Off/Admin Activities	4.55	0.00	4.55	806,111	18,298	824,408	Ib
11	26 068	II	PRA	SCAQMD Projects	Prepare Environmental Assessments	3.35	0.00	3.35	768,510	2,438	770,938	II,IV,IX
12	44 069	I	STA	AQIP Evaluation	AQIP Contract Admin/Evaluation	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
13	26 102	II	PRA	CEQA Document Projects	Review/Prepare CEQA Comments	3.75	0.00	3.75	664,377	2,718	667,095	II,IX
14	26 104	I	PRA	CEQA Policy Development	ID/Develop/Impl CEQA Policy	0.50	0.00	0.50	113,584	362	113,946	IV,IX
15	26 121	I	PRA	China Cln Shipping	China Partnership Cleaner Shpng	0.00	1.00	1.00	-	177,892	177,892	IX
16	26 128	I	PRA	Cln Communities Pln	Cln Communities Plan Admn/Impl	0.25	-0.25	0.00	44,292	(44,292)	-	II,IX
17	26 217	I	PRA	Emissions Inventory Studies	Dev Emiss DB/Dev/Update Emiss	0.50	0.25	0.75	88,584	44,835	133,419	II,V,IX,XV
18	26 218	I	PRA	AQMP/Emissions Inventory	Dev Emiss Inv: Forecasts/RFPs	0.74	0.51	1.25	131,104	91,261	222,365	II,IX
19	26 368	I	PRA	Incentive RFP Emiss Red Projs	Incentive Projects Admin	0.00	1.00	1.00	-	177,892	177,892	XVII
20	44 368	I	STA	Incentive RFP Emiss Red Projs	Incentive Projects Admin	0.00	3.00	3.00	-	498,620	498,620	XVII
21	44 396	I	STA	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	0.30	0.00	0.30	51,981	(2,119)	49,862	XVII
22	26 397	II	PRA	Lead Agency Projects	Prep Envrnmt Assmts/Perm Proj	2.50	0.00	2.50	442,918	1,812	444,730	III
23	26 451	I	PRA	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src Fuel Policies	0.50	0.00	0.50	88,584	362	88,946	IX
24	26 452	I	PRA	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	0.50	-0.30	0.20	88,584	(53,005)	35,578	IX,XVII
25	44 458	I	STA	Mobile Source Strategies	Implement Fleet Rules	1.00	0.00	1.00	173,271	(7,065)	166,207	VIII
26	26 503	I	PRA	PM Strategies	PM10 Plan/Analyze/Strategy Dev	3.40	-2.40	1.00	602,368	(424,476)	177,892	II,V,XV
27	44 542	I	STA	Prop 1B:Goods Movement	Prop 1B:Goods Movement	9.00	-7.00	2.00	1,859,441	(1,452,028)	407,413	IX
28	35 560	I	LPA	Public Notification	Public notif of rules/hearings	0.50	0.00	0.50	108,161	951	109,112	II,IV,IX
29	26 685	I	PRA	Socio-Economic	Apply econ models/Socio-econ	4.50	-0.50	4.00	1,058,552	(196,984)	861,568	II,IV
30	44 702	I	STA	ST Methods Development	Eval ST Methods/Validate	0.95	0.00	0.95	164,608	(6,711)	157,896	II
31	44 705	I	STA	ST Sample Analysis/Air Program	Analyze ST Samples/Air Prgrms	0.25	0.00	0.25	43,318	(1,766)	41,552	II
32	26 745	I	PRA	Rideshare	Dist Rideshare/Telecommute Prog	0.68	-0.13	0.55	120,474	(22,633)	97,841	IX
33	26 816	I	PRA	Transportation Regional Progs	Dev AQMP Meas/Coord w/Reg Agn	0.35	0.05	0.40	137,009	(60,852)	76,157	V,IX
34	26 834	I	PRA	Rule 2202 Implement	Rule 2202 Proc/Sub Plans/Tech Eval	2.67	-0.52	2.15	473,036	(90,569)	382,468	XI
35	26 836	I	PRA	Rule 2202 Support	R2202 Supt/CmptrMaint/WebSubmt	2.65	-0.60	2.05	484,493	(84,814)	399,679	V,XI

Total Develop Programs

47.51	8.91	56.42	\$ 9,387,075	\$ 1,202,696	\$ 10,589,771
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Develop Rules Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	26 031	I	PRA	AB 617-BARCT Rules	AB 617-BARCT Rules	11.40	4.80	16.20	\$ 2,019,706	\$ 862,144	\$ 2,881,850	XX
2	26 035	I	PRA	AB 617-General	AB 617-General	1.60	2.55	4.15	283,467	454,784	738,252	XX
3	50 035	I	EP	AB617-General	AB617-General	0.00	1.00	1.00	-	176,965	176,965	XX
4	44 043	I	STA	Admin/Office Mgmt/Rules	Rules: Assign/Manage/Supp	0.15	0.00	0.15	25,991	(1,060)	24,931	lb
5	26 050	I	PRA	Admin/Rule Dev/PRA	Admin: Rule Development	1.10	0.00	1.10	194,884	797	195,681	lb
6	26 071	I	PRA	Arch Ctgs - Admin	Rdev/Aud/DB/TA/SCAQMD/Rpts/AER	1.00	-0.50	0.50	177,167	(88,221)	88,946	XVIII
7	26 077	I	PRA	Area Sources/Rulemaking	Dev/Eval/Impl Area Source Prog	2.00	-1.50	0.50	354,334	(265,388)	88,946	II,IX
8	26 165	I	PRA	Conformity	Monitor Transp. Conformity	0.25	0.00	0.25	44,292	181	44,473	V,IX
9	26 257	I	PRA	Fac Based Mob Src	Facility Based Mobile Src Meas	5.00	1.25	6.25	885,836	300,989	1,186,825	IX
10	26 362	II	PRA	Health Effects	Study Health Effect/Toxicology	2.25	-1.55	0.70	398,626	(274,102)	124,524	II,III,IX
11	26 385	I	PRA	Criteria Pollutants/Mob Srcs	Dev/Impl Intercredit Trading	0.75	0.00	0.75	132,875	544	133,419	IV,IX
12	26 449	I	PRA	Mob Src/SCAQMD Rulemaking	Prepare SCAQMD Mob Src rulemaking proposals	2.30	1.30	3.60	407,484	232,927	640,411	IX
13	44 456	I	STA	MS & AQMP Control Strategies	AQMP Control Strategies	0.30	0.00	0.30	51,981	(2,119)	49,862	VIII
14	26 460	I	PRA	Regional Modeling	Rule Impact/Analyses/Model Dev	4.40	0.60	5.00	1,019,536	(60,076)	959,460	II,V,IX
15	26 646	I	PRA	R1180 Community Mon	R1180 Comm Monitoring Refinery	0.00	0.20	0.20	-	35,578	35,578	XVII
16	50 650	I	EP	Rulemaking	Dev/Amend/Impl Rules	0.25	0.00	0.25	44,029	212	44,241	II,XV
17	08 651	I	LEG	Rules/Legal Advice	Legal Advice: Rules/Draft Regs	1.20	0.00	1.20	254,873	2,694	257,567	II
18	44 653	I	STA	Rulemaking/BACT	Dev/Amend BACT Guidelines	2.00	-0.50	1.50	346,543	(97,233)	249,310	II
19	26 654	I	PRA	Rulemaking/NOX	Rulemaking/NOX	2.50	-1.60	0.90	442,918	(282,815)	160,103	II,IV,XV
20	26 655	I	PRA	NSR/Adm Rulemaking	Amend/Develop NSR & Admin Rules	2.50	-1.60	0.90	442,918	(282,815)	160,103	II,IV,V,XV
21	26 656	I	PRA	Rulemaking/VOC	Dev/Amend VOC Rules	3.25	-0.25	3.00	575,793	(42,117)	533,676	II,IV,XV
22	44 657	I	STA	Rulemaking/Support PRA	Assist PRA w/ Rulemaking	0.05	0.00	0.05	8,664	(353)	8,310	II
23	50 657	I	EP	Rulemaking/Support PRA	Provide Rule Development Supp	0.25	0.00	0.25	44,029	212	44,241	II,XV
24	60 657	I	CE	Rulemaking/Support PRA	Provide Rule Development Supp	1.00	0.00	1.00	154,275	(1,732)	152,543	IV,XV
25	26 659	I	PRA	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	11.00	-2.25	8.75	1,948,839	(392,284)	1,556,555	II,XV
26	08 661	I	LEG	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	0.50	0.00	0.50	106,197	1,122	107,319	II
27	26 661	I	PRA	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Is	2.50	-1.00	1.50	442,918	(176,080)	266,838	II
28	44 706	I	STA	ST Sample Analysis/Air Program	Analyze ST Samples/Rules	0.25	0.00	0.25	43,318	(1,766)	41,552	II
29	44 708	I	STA	VOC Sample Analysis/Rules	VOC Analysis & Rptg/Rules	0.25	0.00	0.25	43,318	(1,766)	41,552	II,XV
30	50 752	I	EP	Title III Rulemaking	Title III Dev/Implement Rules	0.25	0.00	0.25	44,029	212	44,241	II,V,XV
31	50 773	I	EP	Title V & NSR Rulemaking-Supp	Title V Rules Dev/Amend/Impl	0.25	0.00	0.25	44,029	212	44,241	II
Total Develop Rules						60.50	0.95	61.45	\$ 10,982,868	\$ 99,647	\$ 11,082,515	

**Ensure Compliance
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	44 015	I	STA	Acid Rain Program	Acid Rain CEMS Eval/Cert	0.50	0.00	0.50	\$ 86,636	\$ (3,532)	\$ 83,103	II,IV
2	60 032	I	CE	AB617-Compliance	AB617-Compliance	0.00	8.00	8.00	-	1,220,341	1,220,341	XX
3	44 042	I	STA	Admin/Office Mgmt/Compliance	Compliance: Assign/Manage/Supp	0.37	0.00	0.37	64,110	(2,614)	61,496	IIb
4	60 070	I	CE	CARB PERP Program	CARB Audits/Statewide Equip Reg	6.00	0.00	6.00	925,650	(10,394)	915,255	XIX
5	08 072	I	LEG	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	10,620	112	10,732	XVIII
6	26 072	I	PRA	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	141,734	36,158	177,892	XVIII
7	44 072	I	STA	Arch Ctgs - End User	Sample Analysis/Rpts	2.00	0.00	2.00	346,543	(14,129)	332,413	XVIII
8	08 073	I	LEG	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	10,620	112	10,732	XVIII
9	26 073	I	PRA	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	141,734	36,158	177,892	XVIII
10	26 076	I	PRA	Area Sources/Compliance	Area Source Compliance	4.50	0.00	4.50	897,252	(76,738)	820,514	III,IV,V,IX,XV
11	16 080	III	AHR	Auto Services	Vehicle/Radio Repair & Maint	3.00	0.00	3.00	553,610	(43,801)	509,809	Ia
12	44 105	I	STA	CEMS Certification	CEMS Review/Approval	6.15	0.00	6.15	1,065,618	(43,448)	1,022,171	II,III,VI
13	35 111	II	LPA	Call Center/CUT SMOG	Smoking Vehicle Complaints	8.00	0.00	8.00	1,410,578	15,215	1,425,793	IX,XV
14	08 115	I	LEG	Case Disposition	Trial/Dispo-Civil Case/Injunct	4.75	0.00	4.75	1,008,871	10,663	1,019,535	II,IV,V,VI,XV
15	60 152	III	CE	Compliance/IM Related Activiti	Assist IM: Design/Review/Test	0.50	0.00	0.50	80,137	(866)	79,271	IV
16	08 154	I	LEG	Compliance/NOV Administration	Review/Track/Prep NOV's/MSAs	0.75	0.00	0.75	159,295	1,684	160,979	IV
17	60 155	I	CE	Compliance Guidelines	Procedures/Memos/Manuals	1.50	0.00	1.50	231,412	(2,599)	228,814	IV
18	50 156	I	EP	Perm Proc/Info to Compliance	Prov Permit Info to Compliance	3.00	0.00	3.00	528,349	2,548	530,896	III,IV,XV
19	60 157	I	CE	Compliance/Special Projects	Prog Audits/Data Req/Brd Supp	3.00	0.00	3.00	462,825	(5,197)	457,628	II
20	60 158	I	CE	Compliance Testing	R461/Combustion Equip Testing	1.00	0.00	1.00	162,275	2,268	164,543	IV
21	44 175	I	STA	DB/Computerization	Develop Systems/Database	0.44	0.00	0.44	76,239	(3,108)	73,131	II,IV,VI
22	08 185	I	LEG	Database Management	Support IM/Dev Tracking System	1.00	0.00	1.00	242,394	7,245	249,639	IV
23	26 215	I	PRA	Annual Emission Reporting	Annl Des/Impl/Emiss Monitor Sys	11.00	0.00	11.00	1,953,839	107,973	2,061,812	II,IV
24	08 235	I	LEG	Enforcement Litigation	Maj Prosecutions/Civil Actions	2.00	0.00	2.00	424,788	4,490	429,278	IV
25	50 240	I	EP	Environmental Justice	R461/Combustion Equip Testing	0.50	0.00	0.50	88,058	425	88,483	II,IV,XV
26	26 358	I	PRA	GHG Rules-Compl	Green House Gas Rules-Compliance	0.70	0.30	1.00	134,017	43,875	177,892	IV
27	17 364	I	CB	Hearing Board/Abatement Orders	Attn/Recrd/Monitr Mtgs	0.10	0.00	0.10	23,979	57	24,036	IV
28	17 365	I	CB	Hearing Board/Variances/Appeal	Attend/Recrd/Monitor HB Mtgs	3.20	0.00	3.20	852,536	1,825	854,361	IV,V,VII
29	50 365	I	EP	Hearing Bd/Variances	Variances/Orders of Abatement	0.75	0.00	0.75	132,087	637	132,724	VII
30	60 365	I	CE	Hearing Bd/Variances	Variances/Orders of Abatement	2.00	0.00	2.00	308,550	(3,465)	305,085	VII
31	08 366	I	LEG	Hearing Board/Legal	Hear/Disp-Variant/Appeal/Rev	3.00	0.00	3.00	637,182	6,735	643,917	IV,V,XV
32	60 375	I	CE	Inspections	Compliance/Inspection/Follow-up	88.00	-3.00	85.00	13,576,198	(610,079)	12,966,118	II,V,XV
33	50 377	I	EP	Inspections/RECLAIM Audits	Audit/Compliance Assurance	6.00	0.00	6.00	1,056,697	5,095	1,061,792	II,IV
34	60 377	I	CE	Inspections/RECLAIM Audits	Audit/Compliance Assurance	14.00	0.00	14.00	2,159,850	(24,254)	2,135,596	II,IV
35	08 380	I	LEG	Interagency Coordination	Coordinate with Other Agencies	0.20	0.00	0.20	42,479	449	42,928	II,V
36	08 403	III	LEG	Legal Rep/Litigation	Prep/Hearing/Disposition	3.50	0.00	3.50	914,580	(2,343)	912,237	Ia,II
37	44 450	I	STA	Microscopic Analysis	Asbestos/PM/Metals Analysis	2.00	0.00	2.00	346,543	(14,129)	332,413	VI
38	08 465	I	LEG	Mutual Settlement	Mutual Settlement Program	1.50	0.00	1.50	318,591	3,367	321,958	IV
39	50 492	I	EP	Customer Service	Compliance/Inspection/Follow-up	0.50	0.00	0.50	88,058	425	88,483	II,V,IX,XV
40	44 500	I	STA	PM2.5 Program	Est/Operate/Maint PM2.5 Network	11.30	-1.00	10.30	1,957,965	(246,037)	1,711,928	II,V,IX
41	60 539	I	CE	Procedure 5 Review	Evaluate Proc 5 Asbestos Plans	0.40	0.00	0.40	61,710	(693)	61,017	XVII

Ensure Compliance (Cont.) Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
42	60	550	II	CE	Public Complaints/Breakdowns	10.00	-1.00	9.00	\$ 1,542,750	\$ (169,867)	\$ 1,372,883	II,IV,V,XV
43	50	605	I	EP	RECLAIM/Admin Support	6.50	0.00	6.50	1,144,755	5,520	1,150,275	II,III,IV,XV
44	60	605	I	CE	RECLAIM/Admin Support	0.50	0.00	0.50	77,137	(866)	76,271	II,III,IV,XV
45	26	620	I	PRA	Refinery Pilot Project	0.00	1.80	1.80	-	381,206	381,206	II
46	26	645	I	PRA	Rule 1610 Plan Verification	0.75	-0.25	0.50	132,875	(43,929)	88,946	V,IX
47	50	678	I	EP	School Siting	0.25	0.00	0.25	44,029	212	44,241	II
48	50	680	I	EP	Small Business Assistance	0.50	0.00	0.50	88,058	425	88,483	III,IV
49	44	700	I	STA	Source Testing/Compliance	2.25	0.00	2.25	419,860	(15,895)	403,965	VI
50	44	704	I	STA	ST/Sample Analysis/Compliance	4.00	0.00	4.00	693,085	(28,259)	664,826	VI
51	44	707	I	STA	VOC Sample Analysis/Compliance	7.00	0.00	7.00	1,249,899	(49,453)	1,200,446	IV,XV
52	44	716	I	STA	Special Monitoring	2.20	0.00	2.20	416,197	(15,542)	400,655	III,IV,IX,XV
53	60	771	I	CE	Title V	4.50	0.00	4.50	694,237	(7,796)	686,442	II,IV
54	04	791	III	FIN	Toxics/AB2588	0.15	0.00	0.15	37,448	(1)	37,447	X
55	08	791	I	LEG	AB2588 Legal Advice: Plan & Impl	0.05	0.00	0.05	10,620	112	10,732	X
56	27	791	III	IM	Toxics/AB2588 Database Software Supp	0.50	0.00	0.50	152,984	(13,807)	139,176	X
57	50	791	I	EP	Toxics/AB2588 Rev Rptrs/Risk Redplans	0.25	0.00	0.25	44,029	212	44,241	X
58	60	791	I	CE	Toxics/AB2588 Risk Reduct Plan Rvw/Comm Mtgs	0.10	0.00	0.10	15,427	(173)	15,254	X
59	26	794	I	PRA	Toxics/AB2588 Core, Tracking, IWS	13.00	0.00	13.00	2,303,173	9,422	2,312,596	X
60	44	794	I	STA	Toxics/AB2588 Eval Protocols/Methods/ST	4.25	-1.00	3.25	736,403	(196,231)	540,171	X
61	44	795	I	STA	Toxics/Engineering R1401 Toxics/HRA Prot/Rpt Eval	0.05	0.00	0.05	8,664	(353)	8,310	VI,X
62	08	805	III	LEG	Continuing Education/Training	0.75	0.00	0.75	159,295	1,684	160,979	lb
Total Ensure Compliance						256.36	4.25	260.61	\$ 43,655,133	\$ 257,048	\$ 43,912,182	

**Monitoring Air Quality
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	44 036	I	STA	AB 617-Monitoring	AB 617-Monitoring	12.00	27.00	39.00	\$ 2,079,255	\$ 4,402,803	\$ 6,482,058	XX
2	44 038	I	STA	Admin/Office Mgmt/Monitoring	Overall Program Mgmt/Coord	1.40	0.00	1.40	242,580	(9,891)	232,689	Ib
3	44 046	I	STA	Admin/Program Management	STA Program Administration	2.00	0.00	2.00	358,543	(14,129)	344,413	Ib
4	26 061	I	PRA	Air Quality Evaluation	Air Quality Evaluation	2.25	0.25	2.50	398,626	46,104	444,730	IX
5	44 063	I	STA	Ambient Air Analysis	Analyze Criteria/Tox/Pollutants	8.91	0.00	8.91	2,498,628	(1,017,727)	1,480,901	II,V,IX
6	44 064	I	STA	Ambient Network	Air Monitoring/Toxics Network	19.05	-1.00	18.05	3,630,917	(523,288)	3,107,629	II,IV,V,IX
7	44 065	I	STA	Air Quality Data Management	AM Audit/Validation/Reporting	1.00	0.00	1.00	173,271	(7,065)	166,207	II,V,IX
8	44 067	II	STA	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	0.50	0.00	0.50	86,636	(3,532)	83,103	IV
9	44 073	I	STA	Arch Ctgs - Other	Sample Analysis/Rpts	2.00	0.00	2.00	346,543	(14,129)	332,413	XVIII
10	44 079	II	STA	AQ SPEC	AQ SPEC	3.00	3.19	6.19	519,814	509,005	1,028,819	XVII
11	44 081	I	STA	Air Filtration EPA	Air Filtration EPA/Admin/Impl	0.10	0.05	0.15	17,327	7,604	24,931	V
12	44 082	I	STA	Air Filtration Other	Air Filtration Other/Admin/Impl	0.48	-0.38	0.10	83,170	(66,550)	16,621	XVII
13	44 161	I	STA	Comm Air Tox Init	Community Air Toxics Initiative	2.19	-2.19	0.00	379,464	(379,464)	-	XVII
14	60 210	II	CE	Emergency Response	Emerg Tech Asst to Public Saf	0.10	0.00	0.10	15,427	(173)	15,254	IV,XV
15	44 240	I	STA	Environmental Justice	Implement Environmental Justice	0.45	0.00	0.45	77,972	(3,179)	74,793	II,IX
16	44 248	I	STA	EPA Community Scale AQ-SPEC	EPA Community Scale AQ-SPEC	1.00	0.00	1.00	173,271	(7,065)	166,207	V,XVII
17	26 443	I	PRA	MATES V	MATES V	0.30	0.00	0.30	103,150	(39,783)	63,368	XVII
18	26 444	I	PRA	MATES V Refinery	MATES V Refinery	0.00	0.10	0.10	-	17,789	17,789	XVII
19	26 445	I	PRA	Meteorology	ModelDev/Data Analysis/Forecast	2.45	0.05	2.50	584,060	(14,330)	569,730	II,V,IX
20	44 468	I	STA	NATTS(Natl Air Tox Trends Sta)	NATTS (Natl Air Tox Trends)	1.50	-0.50	1.00	259,907	(93,700)	166,207	II,V,IX
21	44 469	I	STA	Near Roadway Mon	Near Roadway Monitoring	1.50	0.00	1.50	259,907	(10,597)	249,310	IV,V,IX
22	44 505	I	STA	PM Sampling Program (EPA)	PM Sampling Program - Addition	8.41	0.00	8.41	1,457,211	(59,414)	1,397,798	V
23	44 507	I	STA	PM Sampling Spec	PM Sampling Special Events	0.10	0.00	0.10	17,327	(706)	16,621	V
24	26 530	I	PRA	Photochemical Assessment	Photochemical Assessment	0.25	-0.25	0.00	44,292	(44,292)	-	II,V
25	44 530	I	STA	Photochemical Assessment	Photochemical Assess & Monitor	3.00	0.00	3.00	519,814	(21,194)	498,620	V,IX
26	44 585	I	STA	Quality Assurance	Quality Assurance Branch	4.00	3.00	7.00	693,085	470,361	1,163,446	II,V,IX
27	44 646	I	STA	R1180 Community Mon	R1180 Comm Monitoring Refinery	5.00	4.00	9.00	-	1,495,860	1,495,860	XVII
28	44 663	I	STA	Salton Sea Monit	Mon/Analyze Hydrogen Sulfide	0.25	0.00	0.25	43,318	(1,766)	41,552	XVII
29	44 715	II	STA	Spec Monitoring/Emerg Response	Emergency Response	0.50	0.00	0.50	86,636	(3,532)	83,103	II

Total Monitoring Air Quality 83.69 33.32 117.01 \$ 15,150,150 \$ 4,614,020 \$ 19,764,170

**Operational Support
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	04 020	III	FIN	Admin/SCAQMD Budget	Analyze/Prepare/Impl/Track WP	2.65	0.00	2.65	\$ 396,581	\$ (23)	\$ 396,558	la
2	04 021	III	FIN	Admin/SCAQMD Contracts	Contract Admin/Monitor/Process	3.20	0.00	3.20	478,890	(28)	478,862	la
3	04 023	III	FIN	Admin/SCAQMD Capital Assets	FA Rep/Reconcile/Inv/Acct	0.70	0.00	0.70	104,757	(6)	104,751	la
4	17 024	III	CB	Admin/SCAQMD/GB/HB Mgmt	Admin Governing/Hearing Brds	1.25	0.00	1.25	299,741	713	300,454	la,VII,XV
5	08 025	III	LEG	Admin/SCAQMD-Legal Research	Legal Research/Staff/Exec Mgmt	1.20	0.00	1.20	254,873	2,694	257,567	la
6	16 026	III	AHR	SCAQMD Mail	Posting/Mailing/Delivery	2.30	0.00	2.30	424,434	(33,581)	390,853	la
7	04 035	I	FIN	AB 617-General	AB 617-General	0.50	0.00	0.50	74,827	(4)	74,822	XX
8	08 035	I	LEG	AB 617-General	AB 617-General	1.00	1.50	2.50	212,394	324,203	536,597	XX
9	16 035	I	AHR	AB 617-General	AB 617-General	2.00	1.00	3.00	369,073	140,735	509,809	XX
10	27 035	I	IM	AB 617-General	AB 617-General	5.00	3.00	8.00	973,839	628,957	1,602,796	XX
11	03 038	III	EO	Admin/Office Management	Budget/Program Management	1.00	0.00	1.00	311,274	20,469	331,742	lb
12	04 038	III	FIN	Admin/Office Management	Fin Mgmt/Oversee Activities	3.75	-1.00	2.75	561,199	(273,542)	287,657	lb
13	08 038	III	LEG	Admin/Office Management	Attorney Timekeeping/Perf Eval	3.50	0.00	3.50	750,629	7,857	758,486	lb
14	16 038	III	AHR	Admin/Office Management	Reports/Proj/Budget/Contracts	3.85	0.00	3.85	727,466	(38,615)	688,852	lb
15	27 038	III	IM	Admin/Office Management	Overall Direction/Coord of IM	2.00	0.00	2.00	389,535	28,238	417,773	lb
16	04 045	III	FIN	Admin/Office Budget	Office Budget/Prep/Impl/Track	0.05	0.00	0.05	7,483	(0)	7,482	lb
17	16 060	III	AHR	Equal Employment Opportunity	Program Dev/Monitor/Reporting	0.10	0.00	0.10	18,454	(1,460)	16,994	la
18	04 071	I	FIN	Arch Ctgs - Admin	Cost Analysis/Payments	0.04	0.00	0.04	5,986	(0)	5,986	XVIII
19	08 071	I	LEG	Arch Ctgs - Admin	Rule Dev/TA/Reinterpretations	0.05	0.00	0.05	10,620	112	10,732	XVIII
20	27 071	I	IM	Arch Ctgs - Admin	Database Dev/Maintenance	0.25	0.00	0.25	48,692	1,395	50,087	XVIII
21	04 085	III	FIN	Building Corporation	Building Corp Act/Fin Reports	0.02	0.00	0.02	2,993	(0)	2,993	la
22	16 090	III	AHR	Building Maintenance	Repairs & Preventative Maint	7.00	1.00	8.00	1,301,757	57,733	1,359,490	la
23	16 092	III	AHR	Business Services	Building Services Admin/Contracts	2.55	0.00	2.55	470,569	(37,231)	433,337	la
24	08 102	II	LEG	CEQA Document Projects	CEQA Review	0.75	0.00	0.75	159,295	1,684	160,979	II,III,IX
25	27 160	III	IM	Computer Operations	Oper/Manage Host Computer Sys	5.25	0.00	5.25	1,431,481	46,704	1,478,185	la
26	27 184	III	IM	Database Information Support	Ad Hoc Reports/Bulk Data Update	1.00	0.00	1.00	214,768	(389)	214,379	la
27	27 185	III	IM	Database Management	Dev/Maintain Central Database	2.25	0.00	2.25	438,227	12,559	450,786	la
28	27 215	I	IM	Annual Emission Reporting	System Enhancements for GHG	0.50	0.00	0.50	97,384	2,791	100,175	II,XVII
29	16 225	III	AHR	Employee Benefits	Benefits Analysis/Orient/Records	1.50	0.00	1.50	276,805	(21,901)	254,904	la
30	16 226	III	AHR	Classification & Pay	Class & Salary Studies	0.30	0.00	0.30	55,361	(4,380)	50,981	la
31	08 227	III	LEG	Employee/Employment Law	Legal Advice: Employment Law	0.50	0.00	0.50	106,197	1,122	107,319	la
32	16 228	III	AHR	Recruitment & Selection	Recruit Candidates for SCAQMD	3.25	0.00	3.25	626,744	(3,701)	623,043	la
33	16 232	III	AHR	Position Control	Track Positions/Workforce Anlys	0.55	0.00	0.55	101,495	(8,030)	93,465	la
34	04 233	III	FIN	Employee Relations	Assist HR/Interpret Salary Res	0.10	0.00	0.10	14,965	(1)	14,964	la
35	16 233	III	AHR	Employee Relations	Meet/Confer/Labor-Mgmt/Grievance	2.20	0.00	2.20	405,981	(32,121)	373,860	la
36	16 255	III	AHR	Facilities Services	Phones/Space/Keys/Audio-Visual	1.00	0.00	1.00	186,537	(16,600)	169,936	la
37	04 265	III	FIN	Financial Mgmt/Accounting	Record Accts Rec & Pay/Rpts	6.20	0.00	6.20	981,759	1,565	983,324	la
38	04 266	III	FIN	Financial Mgmt/Fin Analysis	Fin/SCAQMD Stat Analysis & Audit	0.80	0.00	0.80	119,722	(7)	119,716	la
39	04 267	III	FIN	Financial Mgmt/Treasury Mgmt	Treas Mgt Anlyz/Trk/Proj/Invst	1.00	0.00	1.00	234,303	(9)	234,294	la
40	04 268	III	FIN	Financial Systems	CLASS/Rev/Acct/PR/Sys Analyze	0.10	0.00	0.10	14,965	(1)	14,964	la
41	02 275	II	GB	Governing Board	Rep of Dist Meet/Conf/Testimony	0.00	0.00	0.00	1,783,687	59,900	1,843,587	la
42	08 275	III	LEG	Governing Board	Legal Advice:Attend Board/Cmte Mtgs	1.00	0.00	1.00	212,394	2,245	214,639	la
43	17 275	III	CB	Governing Board	Attend/Record/Monitor Meetings	1.40	0.00	1.40	335,709	799	336,508	la
44	35 350	III	LPA	Graphic Arts	Graphic Arts	2.00	0.00	2.00	352,644	3,804	356,448	la

Operational Support (Cont.) Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
45	27	370	III	IM	Information Technology Svcs	Enhance Oper Effic/Productivity	2.75	0.00	\$ 558,361	\$ 15,350	\$ 573,711	la
46	08	401	III	LEG	Legal Advice/SCAQMD Programs	General Advice: Contracts	2.00	0.00	474,788	4,490	479,278	la
47	27	420	III	IM	Library	General Library Svcs/Archives	0.25	0.00	57,042	1,395	58,437	la
48	04	447	I	FIN	Mobile Sources/Accounting	Record Act Rec & Pay/Special Funds	0.65	0.00	97,274	(6)	97,269	IX
49	27	470	III	IM	Network Operations/Telecomm	Operate/Maintain/Implem SCAQMD	9.25	0.00	2,052,263	87,469	2,139,731	la
50	27	480	III	IM	New System Development	Dev sys for special oper needs	2.50	0.00	554,115	(1,569)	552,546	II,IV
51	04	493	II	FIN	Outreach/SB/MB/DVBE	Outreach/Incr SB/DVBE Partic	0.05	0.00	7,483	(0)	7,482	la
52	04	510	III	FIN	Payroll	Ded/Ret Rpts/PR/St & Fed Rpts	4.10	0.00	661,078	(35)	661,042	la
53	04	570	III	FIN	Purchasing	Purch/Track Svcs & Supplies	2.50	0.00	449,933	(75,821)	374,111	la
54	04	571	III	FIN	Purchasing/Receiving	Receive/Record SCAQMD Purchases	1.20	0.00	179,584	(10)	179,573	la
55	04	572	III	FIN	Purchasing-Receiving/Stockroom	Track/Monitor SCAQMD Supplies	1.00	0.00	149,653	(9)	149,644	la
56	27	615	III	IM	Records Information Mgmt Plan	Plan/Impl/Dir/Records Mgmt plan	1.25	0.00	295,460	(1,382)	294,078	la
57	27	616	III	IM	Records Services	Records/Documents processing	3.75	0.00	861,379	34,932	896,311	la,III,IV
58	04	630	III	FIN	Cash Mgmt/Revenue Receiving	Receive/Post Pymts/Reconcile	5.25	0.00	785,679	(45)	785,633	II,III,IV,XI
59	16	640	III	AHR	Risk Management	Liabl/Property/Wk Comp/Selfins	2.25	0.00	490,208	(32,851)	457,357	la
60	27	735	III	IM	Systems Maintenance	Maintain Existing Software Prog	4.50	0.00	1,329,668	17,109	1,346,777	II,III,IV
61	27	736	III	IM	Systems Implementation/Peoples	Fin/HR PeopleSoft Systems Impl	1.50	0.00	292,152	8,373	300,524	la
62	04	805	III	FIN	Training	Continuing Education/Training	0.20	0.00	29,931	(2)	29,929	lb
63	26	805	III	PRA	Training	Training	0.25	0.29	44,292	51,770	96,062	lb
64	50	805	III	EP	Training	Dist/Org Unit Training	3.10	0.00	545,960	2,633	548,593	lb
65	60	805	III	CE	Training	Dist/Org Unit Training	2.00	0.00	308,550	(3,465)	305,085	lb
66	04	825	III	FIN	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	2,993	(0)	2,993	la
67	26	825	III	PRA	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.02	3,543	3,572	7,116	la
68	35	825	III	LPA	Union Negotiations	Official Labor/Mgmt Negotiate	0.01	0.00	1,763	19	1,782	la
69	44	825	III	STA	Union Negotiations	Labor/Mgmt Negotiations	0.05	0.00	8,664	(353)	8,310	la
70	50	825	III	EP	Union Negotiations	Official Labor/Mgmt Negotiate	0.05	0.00	8,806	42	8,848	la
71	60	825	III	CE	Union Negotiations	Official Labor/Mgmt Negotiate	0.10	0.00	15,427	(173)	15,254	la
72	04	826	III	FIN	Union Steward Activities	Rep Employees in Grievance Act	0.01	0.00	1,497	(0)	1,496	la
73	26	826	III	PRA	Union Steward Activities	Rep Employees in Grievance Act	0.02	0.06	3,543	10,688	14,231	la
74	35	826	III	LPA	Union Steward Activities	Union Steward Activities	0.01	0.00	1,763	19	1,782	la
75	44	826	III	STA	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	8,664	(353)	8,310	la
76	50	826	III	EP	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	8,806	42	8,848	la
77	60	826	III	CE	Union Steward Activities	Rep Employees in Grievance Act	0.10	0.00	15,427	(173)	15,254	la
78	04	827	I	FIN	VW-Program Development	VW-Program Development	0.00	1.00	149,644	149,644	149,644	XVII
79	03	855	II	EO	Web Tasks	Create/edit/review web content	0.03	0.00	9,338	60	9,399	la
80	04	855	II	FIN	Web Tasks	Create/edit/review web content	0.02	0.00	2,993	(0)	2,993	la
81	17	855	II	CB	Web Tasks	Create/edit/review web content	0.03	0.00	7,194	17	7,211	la
82	26	855	II	PRA	Web Tasks	Create/edit/review web content	0.50	-0.40	88,584	(70,794)	17,789	la
83	27	855	II	IM	Web Tasks	Create/edit/review web content	3.25	0.00	918,795	14,558	933,354	la
84	35	855	II	LPA	Web Tasks	Create/edit/review web content	0.40	0.00	70,529	761	71,290	la
85	50	855	II	EP	Web Tasks	Creation/Update of Web Content	0.25	0.00	44,029	212	44,241	la
86	60	855	II	CE	Web Tasks	Creation/Update of Web Conten	1.50	0.00	311,412	(82,599)	228,814	la
Total Operational Support						132.38	6.47	138.85	\$ 28,105,108	\$ 1,008,165	\$ 29,113,274	

Policy Support Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	44	041	I	Admin/Office Mgmt/Policy Supp	Overall Policy Supp/Mgmt/Coord	0.49	0.00	0.49	\$ 84,903	\$ (3,462)	\$ 81,441	lb
2	03	083	II	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.01	0.00	0.01	3,113	20	3,133	la
3	04	083	II	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.02	0.00	0.02	2,993	(0)	2,993	la
4	26	083	II	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.10	0.00	0.10	17,717	72	17,789	la,II,IV
5	26	148	I	Climate Change	GHG/Climate Change Policy Development	3.35	-1.35	2.00	593,510	(237,726)	355,784	IV,XVII
6	50	148	I	Climate Change	GHG/Climate Change Support	0.50	0.00	0.50	88,058	425	88,483	II,IX
7	26	240	I	EJ-AQ Guidance Document	AQ Guidance Document	0.10	0.00	0.10	17,717	72	17,789	II,IX
8	03	275	I	Governing Board	Board/Committee Support	1.72	0.00	1.72	535,391	3,459	538,849	la
9	26	276	I	Advisory Group/Home Rule	Governing Board Advisory Group	0.30	0.20	0.50	53,150	35,796	88,946	la
10	44	276	I	Advisory Group/Technology Adva	Tech Adv Advisory Group Supp	0.10	0.00	0.10	17,327	(706)	16,621	VIII
11	50	276	I	Board Committees	Admin/Stationary Source Committees	0.25	0.00	0.25	44,029	212	44,241	la
12	60	276	I	Board Committees	Admin/Stationary Source Committee	0.15	0.00	0.15	23,141	(260)	22,881	la
13	26	277	I	Advisory Group/AQMP	Governing Board AQMP Advisory Group	0.05	0.00	0.05	8,858	36	8,895	II,IX
14	26	278	I	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Rev	0.15	-0.05	0.10	26,575	(8,786)	17,789	II,IX
15	35	280	I	Advisory Group/Ethnic Comm	GB Ethnic Comm Advisory Group	0.40	0.00	0.40	70,529	761	71,290	II,IX
16	35	281	I	Advisory Group/Small Business	SBA Advisory Group Staff Support	0.50	0.00	0.50	88,161	951	89,112	IV,IX
17	35	283	I	Governing Board Policy	Brd sup/Respond to GB req	0.55	0.00	0.55	96,977	1,046	98,023	la
18	35	345	II	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives Progr	1.00	0.00	1.00	176,322	1,902	178,224	IX
19	03	381	I	Interagency Liaison	Local/State/Fed Coord/Interact	0.71	0.00	0.71	221,004	1,428	222,432	la,IX
20	08	404	I	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs	0.00	0.25	0.25	-	53,660	53,660	II,IX
21	03	410	I	Legislation	Testimony/Mtgs:New/Current Leg	0.03	0.00	0.03	9,338	60	9,399	la,IX
22	44	410	I	Legislation	Support Pollution Reduction thru Legislatio	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
23	35	412	I	Legislation/Federal	Lobbying/Analyses/Tracking/Out	0.25	0.00	0.25	709,211	475	709,686	la
24	35	413	I	Legislation/Exec Office Support	Coord Legis w/ EO, EC, Mgmt	0.25	0.00	0.25	44,081	475	44,556	la
25	35	414	I	Legislation-Effects	Lobbying/Analyses/Tracking/Out	0.80	0.00	0.80	151,058	1,521	152,579	la,IX
26	03	416	I	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.03	0.00	0.03	9,338	60	9,399	la
27	08	416	I	Legislative Activities	Lobbying: Supp/Promote/Influence legis/Adm	0.10	0.00	0.10	21,239	224	21,464	la
28	26	416	I	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	88,584	362	88,946	la
29	35	416	I	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	453,161	951	454,112	la
30	50	416	I	Legislative Activities	Legislative Activities	0.25	0.00	0.25	44,029	212	44,241	la
31	35	494	I	Outreach/Collateral/Media	Edits,Brds,Talk shows,Commercl	5.60	0.00	5.60	1,152,120	10,650	1,162,771	la
32	08	717	II	Student Interns	Gov Board/Student intern Program	0.10	0.00	0.10	21,239	224	21,464	la
33	16	717	II	Student Interns	Gov Board/Student intern Program	0.20	4.00	4.20	36,907	676,825	713,732	la
34	26	717	II	Student Interns	Gov Bd/Student intern Program	0.25	0.25	0.50	44,292	44,654	88,946	la
35	35	717	II	Student Interns	Student Interns	0.10	0.00	0.10	17,632	190	17,822	la
36	60	717	II	Student Interns	Gov Board/Student intern Program	0.05	0.00	0.05	7,714	(87)	7,627	la
Total Policy Support						19.96	3.30	23.26	\$ 5,066,054	\$ 582,168	\$ 5,648,222	

**Timely Review of Permits
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	50 120	I	EP	Certification/Registration Pro	Certification/Registration Prog	1.00	0.00	1.00	\$ 176,116	\$	849	III
2	50 253	I	EP	ERC Appl Processing	Process ERC Applications	3.50	0.00	3.50	616,407	2,972	619,379	III
3	50 367	I	EP	Hearing Board/Appeals	Appeals: Permits & Denials	0.25	0.00	0.25	44,029	212	44,241	III
4	26 461	I	PRA	Permit & CEQA Modeling Review	Review Model Permit/Risk Assmt	1.30	-0.30	1.00	280,317	(77,425)	202,892	III
5	50 475	I	EP	NSR Implementation	Implement NSR/Allocate ERCs	2.50	0.00	2.50	440,290	2,123	442,413	II,III,V,XV
6	50 476	I	EP	NSR Data Clean Up	Edit/Update NSR Data	0.50	0.00	0.50	88,058	425	88,483	II
7	50 515	I	EP	Perm Proc/Non TV/Non RECLAIM	PP: Non TitlV/TitlIII/RECLAIM	50.75	-0.50	50.25	9,027,895	(103,385)	8,924,511	III,XV
8	08 516	I	LEG	Permit Processing/Legal	Legal Advice: Permit Processing	0.10	0.00	0.10	21,239	224	21,464	III
9	50 517	I	EP	Permit Services	Facility Data-Create/Edit	12.50	0.00	12.50	2,201,452	10,615	2,212,067	III,XV
10	50 518	I	EP	RECLAIM Non-Title V	Process RECLAIM Only Permits	4.50	-0.50	4.00	792,523	(84,661)	707,862	III,IV,XV
11	50 519	I	EP	Perm Proc/Title III (Non TV)	Process Title III Permits	1.00	0.00	1.00	176,116	849	176,965	III
12	50 521	I	EP	Perm Proc/Expedited Permit	Proc Expedited Permits (301OT)	4.00	0.00	4.00	704,465	3,397	707,862	III
13	27 523	III	IM	Permit Streamlining	Permit Streamlining	0.25	0.00	0.25	48,692	1,395	50,087	III
14	50 523	I	EP	Permit Streamlining	Permit Streamlining	4.75	0.00	4.75	836,552	4,034	840,586	III
15	44 545	I	STA	Protocols/Reports/Plans	Eval Test Protocols/Cust Svc	0.10	0.00	0.10	17,327	(706)	16,621	III,IV
16	44 546	I	STA	Protocols/Reports/Plans	Eval Test Protocols/Compliance	6.15	0.00	6.15	1,065,618	(43,448)	1,022,171	IV,VI
17	50 607	I	EP	RECLAIM & Title V	Process RECLAIM & TV Permits	18.40	0.00	18.40	3,240,537	15,626	3,256,163	III
18	50 643	I	EP	Rule 222 Filing Program	Rule 222 Filing Program	0.50	0.00	0.50	88,058	425	88,483	IV
19	35 680	I	LPA	Small Business/Permit Streamln	Asst sm bus to comply/SCAQMD req	3.95	0.00	3.95	696,473	7,512	703,985	II,III,IV,V,XV
20	44 725	I	STA	Permit Processing/Support E&C	Assist EAC w/ Permit Process	0.05	0.00	0.05	8,664	(353)	8,310	III
21	50 728	I	EP	Perm Proc/IM Programming	Assist IM: Design/Review/Test	2.55	0.00	2.55	449,096	2,166	451,262	II,III,IV
22	08 770	I	LEG	Title V	Leg Advice: Title V Prog/Perm Dev	0.05	0.00	0.05	10,620	112	10,732	II,IV
23	27 770	I	IM	Title V	Dev/Maintain Title V Program	1.50	0.00	1.50	292,152	8,373	300,524	III
24	08 772	I	LEG	Title V Permits	Leg Advice: New Source Title V Permit	0.05	0.00	0.05	10,620	112	10,732	III
25	50 774	I	EP	TV/Non-RECLAIM	Process Title V Only Permits	18.00	0.00	18.00	3,170,091	15,286	3,185,377	III
26	50 775	I	EP	Title V – Admin	Title V Administration	1.00	0.00	1.00	176,116	849	176,965	III

Total Timely Review of Permits

139.20	(1.30)	137.90	\$ 24,679,523	\$ (232,421)	\$ 24,447,102
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Total South Coast AQMD

876.40	62.60	939.00	\$ 162,631,101	\$ 8,265,624	\$ 170,896,725
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WORK PROGRAM GLOSSARY

Below are descriptions of the activities related to the Work Program.

AB 134 – under the Community Air Protection Program, funding from CARB is distributed to air districts for the implementation of projects pursuant to the Carl Moyer Memorial Air Quality Standards Attainment 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 South Coast AQMD'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 South Coast AQMD 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/South Coast AQMD - supporting the administration of South Coast AQMD. Examples are tracking fixed assets, operating the mailroom, preparing and reviewing contracts, conducting oversight of South Coast AQMD activities, developing District-wide policies and procedures, preparing the South Coast AQMD budget, providing legal advice on South Coast AQMD programs and other activities, and performing activities in support of South Coast AQMD as a whole.

Admin/South Coast AQMD 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 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.

WORK PROGRAM GLOSSARY

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.

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 South Coast AQMD's air monitoring network and localized monitoring at landfill sites as well as conducting specialized monitoring in response to public nuisance situations. South Coast AQMD monitoring stations also collect samples which are analyzed by South Coast AQMD's laboratory. Also see Special Monitoring.

Ambient Lead Monitoring – maintaining 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 South Coast AQMD'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 South Coast AQMD for use in the South Coast AQMD 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 South Coast AQMD.

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.

WORK PROGRAM GLOSSARY

Auto Services - maintaining South Coast AQMD's fleet of automobiles, trucks, and vans as well as providing messenger services as needed.

Billing Services - administering South Coast AQMD's permit billing system, responding to inquiries, and resolving issues related to fees billed.

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 South Coast AQMD's Diamond Bar headquarters facility.

Building Maintenance - maintaining and repairing the Diamond Bar Headquarters facility and South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD inspectors. This includes preparing both civil and criminal cases and administering South Coast AQMD's Mutual Settlement Agreement Program.

WORK PROGRAM GLOSSARY

Cash Management – receiving revenue, posting of payments, processing of refunds associated with South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD to ensure that it meets all applicable requirements.

China Partnership for Cleaner Shipping - initiative with China to get cleaner ships to come to the Ports.

Classification and Pay – maintaining the classification plan and conducting job analyses to ensure South Coast AQMD 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 South Coast AQMD'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 South Coast AQMD, 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 public.

WORK PROGRAM GLOSSARY

Compliance/Notice of Violation (NOV) Administration – NOV processing and review for preparation for assignment to Mutual Settlement Agreement (MSA), civil, or criminal handling.

Computer Operations - operating and managing South Coast AQMD's computer resources. These resources support South Coast AQMD'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 South Coast AQMD'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 South Coast AQMD's enterprise databases.

Database Management - developing and supporting the data architecture framework, data modeling, database services, and the ongoing administration of South Coast AQMD'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) – a U.S. EPA funded program to modernize diesel fleets by retrofitting and replacing diesel engines/vehicles with cleaner, more efficient options.

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 South Coast AQMD’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 South Coast AQMD’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.

Enhanced Fleet Modernization Program (Replace Your Ride) Admin Support – CARB-funded voluntary car retirement and replacement incentive program. The goal is to incentivize lower-income motorists to scrap their older, high-emitting cars and replace them with newer, cleaner, and more fuel efficient cars to reduce smog-forming pollutants.

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

WORK PROGRAM GLOSSARY

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.

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.

FARMER (Funding Agricultural Replacement Measures For Emission Reductions) - CARB funding for projects that will reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

Fee Review – activities relating to conducting Fee Review Committee hearings for businesses that contest South Coast AQMD fees (Rule 313).

Financial Management - managing the financial aspects of the South Coast AQMD. This includes cash management, treasury/investment, accounting, and program and financial audits. It also includes maintaining South Coast AQMD's permit-related financial and accounting records as well as maintaining and enhancing South Coast AQMD'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 South Coast AQMD. 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 South Coast AQMD's air pollution program and financial activities relating to grants, including U.S. EPA, DOE, CEC, DHS grants, and CARB Subvention.

WORK PROGRAM GLOSSARY

Graphics Arts - designing and producing presentation materials and South Coast AQMD publications.

Green House Gas Reporting (GHG) - many of the businesses and facilities within South Coast AQMD'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 projects to demonstrate zero emission trucks.

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 South Coast AQMD'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 – South Coast AQMD permitting and rule development projects where a CEQA document is prepared and the South Coast AQMD is the lead agency.

WORK PROGRAM GLOSSARY

Legal - providing legal support to South Coast AQMD 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 South Coast AQMD's programs.

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 South Coast AQMD’s Diamond Bar headquarters.

MATES V (Fifth Multiple Air Toxics Exposure Study) – this study provides unique information on air toxics and their associated health risks based on long-term monitoring at ten fixed locations throughout the South Coast Air Basin (Basin) and a detailed emissions inventory and modeling analysis.

Meteorology - modeling, characterizing, and analyzing both meteorological and air quality data to produce the South Coast AQMD's daily air quality forecast.

Microscopic Analysis - analyzing, identifying, and quantifying asbestos for compliance with South Coast AQMD, 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 South Coast AQMD lab and reported to U.S. EPA where the data is used to determine toxic trends.

WORK PROGRAM GLOSSARY

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 South Coast AQMD's PC, voice, data, image, and radio networks; planning, designing, and implementing new network systems or services in response to South Coast AQMD'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 computer systems development efforts.

New Source Review (NSR) - developing and implementing New Source Review rules; designing, implementing, and maintaining the Emission Reduction Credits and the NSR programs. These programs streamline the evaluation of permit renewal and emissions reporting.

Outreach - increasing public awareness of South Coast AQMD's programs, goals, permit requirements, and employment opportunities; interacting, providing technical assistance, and acting as liaison between South Coast AQMD 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 South Coast AQMD's outreach and public opinion on South Coast AQMD rules and activities. This also includes responding to media calls for informational background material on South Coast AQMD news stories.

Payroll - paying salaries and benefits to South Coast AQMD 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

WORK PROGRAM GLOSSARY

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 South Coast AQMD 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.

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 South Coast AQMD 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 South Coast AQMD information materials.

Public Notification – providing timely and adequate notification to the public of South Coast AQMD 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 South Coast AQMD programs.

WORK PROGRAM GLOSSARY

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 South Coast AQMD 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. The RECLAIM program will transition to a command and control regulatory structure.

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.

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 South Coast AQMD.

Records Services – maintaining South Coast AQMD'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 South Coast AQMD's Records Retention Policy.

Recruitment and Selection – assisting South Coast AQMD management in meeting staffing needs by conducting fair and non-discriminatory recruitment and selection processes that result in qualified, diverse applicants for South Coast AQMD 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 South Coast AQMD's Rule 2202 Trip Reduction Plan.

Risk Management - developing and administering South Coast AQMD's liability, property, and workers' compensation and safety programs.

WORK PROGRAM GLOSSARY

Rule 1180 - adopted in December 2017, this rule requires real-time fenceline air monitoring systems and establishes a fee schedule to fund refinery-related community air monitoring systems that will provide air quality information to the public about levels of various criteria air pollutants, volatile organic compounds, metals and other compounds at or near the property boundaries of petroleum refineries and in nearby communities.

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 South Coast AQMD.

Rulemaking/Rules – developing new rules and evaluating existing South Coast AQMD 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.

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.

South Coast AQMD Mail – processing and delivering all incoming and outgoing mail.

South Coast AQMD Projects – South Coast AQMD permitting and rule development projects where a California Environmental Quality Act (CEQA) document is prepared and the South Coast AQMD 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.

WORK PROGRAM GLOSSARY

Source Education - providing classes to facility owners and operators to ensure compliance with applicable South Coast AQMD'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 South Coast AQMD Rules. Additionally, data submitted by facilities is reviewed for protocol approval, CEMS certification, or test data acceptance.

Speaker's Bureau - training South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD.

Subscription Services - maintaining South Coast AQMD's rule subscription mailing list and coordinating the mailing of South Coast AQMD 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 South Coast AQMD'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 South Coast AQMD developmental support.

Title III - permitting equipment that emits hazardous air pollutants in compliance with the federal Clean Air Act.

WORK PROGRAM GLOSSARY

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 South Coast AQMD'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.

Union Negotiations/Union Steward Activities – Union-related activities of union stewards including labor management negotiations and assisting in the filing of employee grievances.

VOC Sample Analysis - providing data and technical input for VOC rule development, performing analytical testing for compliance with South Coast AQMD 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.

Volkswagen (VW) Environmental Mitigation Trust – The Beneficiary Mitigation Plan for the Volkswagen (VW) Environmental Mitigation Trust identifies five funding categories for funded projects intended to mitigate the excess NO_x emissions caused by VW vehicles.

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 South Coast AQMD'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
EFMP	Enhanced Fleet Modernization Program
ERC	Emission Reduction Credit
FARMER	Funding Agricultural Replacement Measures For Emissions Reductions
GGRF	Greenhouse Gas Reduction Fund
MATES	Multiple Air Toxics Exposure Study
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
VW	Volkswagen

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
CLASS	Clean Air Support System
CNG	Compressed Natural Gas
CTC	County Transportation Commission
CTG	Control Techniques Guideline
DB	Database
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
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
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

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

GOVERNING BOARD

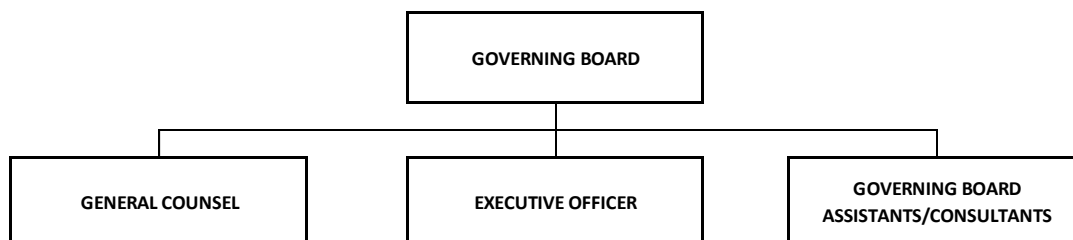
At a Glance:	
FY 2018-19 Adopted	\$1.8M
FY 2019-20 Budget	\$1.8M
% of FY 2019-20 Budget Total	1.1%
FTEs FY 2019-20 Budget	N/A

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 South Coast AQMD 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 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 318,469	\$ 462,913	\$ 462,913	\$ 280,194	\$ 462,913
53000-55000	Employee Benefits	20,288	261,190	261,190	115,885	284,590
Sub-total Salary & Employee Benefits		\$ 338,757	\$ 724,103	\$ 724,103	\$ 396,079	\$ 747,503
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	673,354	771,284	807,784	807,784	807,784
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	77,976	52,000	52,000	52,000	52,000
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	-	-	-	-
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	12,132	10,000	10,000	10,000	10,000
67750	Auto Service	-	-	-	-	-
67800	Travel	91,118	64,800	64,800	64,800	64,800
67850	Utilities	-	-	-	-	-
67900	Communications	18,719	20,000	20,000	20,000	20,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	1,823	10,000	8,640	8,640	10,000
68100	Office Expense	2,284	4,000	4,000	4,000	4,000
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	118,038	112,500	109,236	109,236	112,500
69550	Memberships	-	-	-	-	-
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	13,740	15,000	19,624	19,624	15,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,009,184	\$ 1,059,584	\$ 1,096,084	\$ 1,096,084	\$ 1,096,084
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,347,940	\$ 1,783,687	\$ 1,820,187	\$ 1,492,163	\$ 1,843,587
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

EXECUTIVE OFFICE

WAYNE NASTRI EXECUTIVE OFFICER

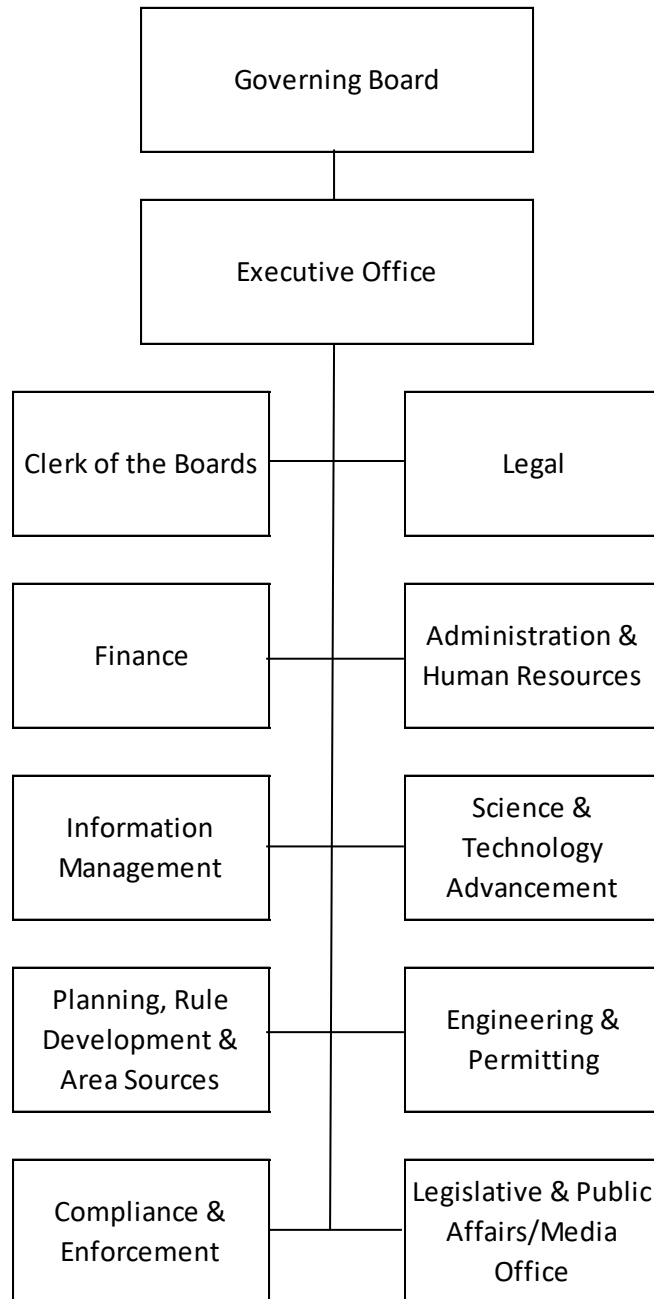
At a Glance:	
FY 2018-19 Adopted	\$1.5M
FY 2019-20 Budget	\$1.6M
% of FY 2019-20 Budget Total	0.9%
FTEs FY 2019-20 Budget	5

DESCRIPTION OF MAJOR SERVICES:

The Executive Office is responsible for the comprehensive management of the South Coast AQMD 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.

ORGANIZATIONAL CHART:



POSITION SUMMARY: 5 FTEs

Executive Office Unit	Amended FY 2018-19	Change	Budget FY 2019-20
Administration	5	-	5

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Chief Operating Officer
1	Executive Officer
<u>3</u>	Executive Secretary
5	Total FTEs

Executive Office Work Program by Office								
#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	03 1010	Develop Programs	AQMP	Develop/Implement AQMP	0.05	0.00	0.05	II,X
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	1.00	0.00	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,X
7	03 410	Policy Support	Legislation	Testimony/Mtgs:New/Current Leg	0.03	0.00	0.03	Ia,X
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					5.00	-	5.00	

Executive Office Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 949,223	\$ 847,771	\$ 860,952	\$ 860,952	\$ 868,518
53000-55000	Employee Benefits	504,450	452,281	475,542	475,542	462,846
Sub-total Salary & Employee Benefits		\$ 1,453,674	\$ 1,300,052	\$ 1,336,494	\$ 1,336,494	\$ 1,331,364
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	4,490	75,000	150,000	150,000	75,000
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	-	7,500	7,500	7,500	7,500
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	400	400	400	400
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	606	800	800	800	800
67750	Auto Service	-	-	-	-	-
67800	Travel	60,739	77,000	77,000	77,000	77,000
67850	Utilities	-	-	-	-	-
67900	Communications	5,691	6,500	6,500	6,500	6,500
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	84	7,000	7,000	7,000	7,000
68100	Office Expense	1,024	6,300	6,300	6,300	6,300
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	5,000	5,000	5,000	5,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	3,695	1,000	1,000	1,000	1,000
69550	Memberships	38,000	26,000	26,000	26,000	26,000
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	361	25,000	25,000	25,000	25,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 114,690	\$ 237,500	\$ 312,500	\$ 312,500	\$ 237,500
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,568,363	\$ 1,537,552	\$ 1,648,994	\$ 1,648,994	\$ 1,568,864
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

DISTRICT GENERAL

At a Glance:	
FY 2018-2019 Adopted	\$16.4M
FY 2019-20 Budget	\$16.7M
% of FY2019-20 Budget Total	9.8%
FTEs FY 2019-20 Budget	N/A

Accounts associated with general operations of the South Coast AQMD 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 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ -	\$ 1,785,964	\$ 1,758,644	\$ 1,758,644	\$ 1,785,964
53000-55000	Employee Benefits	261,663	480,000	480,000	393,271	480,000
Sub-total Salary & Employee Benefits		\$ 261,663	\$ 2,265,964	\$ 2,238,644	\$ 2,151,915	\$ 2,265,964
Services & Supplies						
67250	Insurance	\$ 1,518,801	\$ 1,317,400	\$ 1,382,900	\$ 1,382,900	\$ 1,317,400
67300	Rents & Leases Equipment	32,263	117,000	117,000	117,000	117,000
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	654,326	755,866	755,866	755,866	809,388
67450	Professional & Special Services	1,060,050	1,215,975	1,215,975	1,215,975	1,254,852
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	26,028	25,000	25,000	25,000	25,000
67550	Demurrage	-	100,000	100,000	100,000	100,000
67600	Maintenance of Equipment	280,350	403,654	403,654	403,654	403,654
67650	Building Maintenance	941,798	1,231,479	1,231,479	1,231,479	831,479
67700	Auto Mileage	16	-	-	-	-
67750	Auto Service	-	-	-	-	-
67800	Travel	-	-	-	-	-
67850	Utilities	1,397,050	1,959,620	2,147,788	2,147,788	1,959,620
67900	Communications	127,559	150,900	149,300	149,300	150,900
67950	Interest Expense	3,756,716	3,637,290	3,637,290	3,637,290	3,503,982
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	13,096	17,083	17,083	17,083	17,083
68100	Office Expense	315,598	288,200	278,200	278,200	288,200
68200	Office Furniture	3,990	4,000	4,000	4,000	4,000
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	353	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	-	-	-	-	-
69550	Memberships	-	-	-	-	-
69600	Taxes	32,876	56,000	56,000	56,000	56,000
69650	Awards	13,855	27,342	27,342	27,342	27,342
69700	Miscellaneous Expenses	15,080	14,375	14,375	14,375	14,375
69750	Prior Year Expense	(23,050)	-	-	-	-
69800	Uncollectable Accounts Receivable	410,438	-	-	-	-
89100	Principal Repayment	2,432,798	2,553,110	2,553,110	2,553,110	2,686,640
Sub-total Services & Supplies		\$ 13,009,992	\$ 13,874,294	\$ 14,116,362	\$ 14,116,362	\$ 13,566,915
77000	Capital Outlays	\$ 31,347	\$ 210,000	\$ 745,000	\$ 745,000	\$ 75,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
99950	Transfers Out	\$ 250,000	\$ -	\$ 2,063,229	\$ 2,063,229	\$ 841,353
Total Expenditures		\$ 13,553,003	\$ 16,350,258	\$ 19,163,235	\$ 19,076,506	\$ 16,749,232

* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.

ADMINISTRATIVE & HUMAN RESOURCES

A. JOHN OLVERA DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$6.5M
FY 2019-20 Budget	\$6.7M
% of FY 2019-20 Budget	3.9%
Total FTEs FY 2019-20 Budget	43

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 programs to maximize hiring, retention, and development of the highly-qualified employees necessary to meet South Coast AQMD's air quality goals. Risk Management is responsible for programs aimed at ensuring a healthful and safe work environment, including security, emergency preparedness, and business continuity programs; as well as programs to reduce liability and accident-related costs. Business Services oversees the administration of the South Coast AQMD 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 South Coast AQMD headquarters building, childcare center, field offices, air monitoring stations, and meteorological stations.

ACCOMPLISHMENTS:

RECENT:

- Administered employee benefits programs, including the successful transition to new online platforms for health insurance and the deferred compensation programs, and expanded wellness education programs.
- Conducted successful recruitment efforts for promotional opportunities and new hires.
- Completed reclassification studies; received Board approval for adoption or reclassification of 9 positions.
- Provided support and direction to management and staff with respect to adherence to relevant state and federal laws and South Coast AQMD policies, procedures and Memoranda of Understanding.
- Supported South Coast AQMD's Succession Planning program through the Executive Office.

ADMINISTRATIVE & HUMAN RESOURCES (cont.)

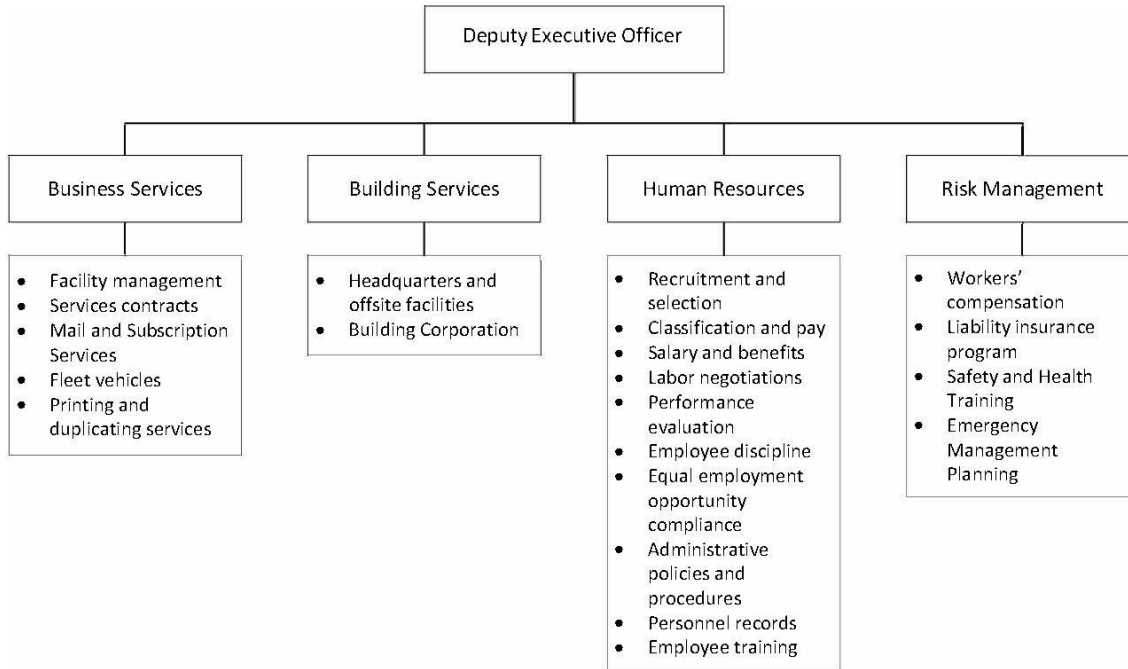
- Initiated a new District-wide mentoring program.
- Administered the Governing Board Summer Intern Program.
- Conducted ergonomic workspace evaluations and other safety training programs.
- Implemented a Teleworking Pilot Program for employees.
- Held training on sexual harassment prevention and anti-bullying policies, as well as programs for career development and workforce education.
- Completed a Continuity of Operations Plan and Emergency Operations Plan.
- Completed a comprehensive Site Security Assessment.
- 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 South Coast AQMD policies, procedures and Memoranda of Understanding.
- Continue recruitment and selection efforts, and conduct classification studies.
- Provide training workshops for supervisors and managers.
- Implement the Continuity of Operations Plan and Emergency Operations Plan program.
- Implement the mentorship program.
- Transition from a pilot program to a fully adopted Teleworking Policy and Program.
- Conduct emergency preparedness drills.
- Continue updates and implementation of South Coast AQMD'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: 43 FTEs

Administrative & Human Resources Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	2	-	2
Business Services	14	-	14
Building Services	8	-	8
Career Development Interns	6	-	6
Classification & Pay/Recruitment & Selection	5	-	5
Employee & Labor Relations/Benefits & Records	6	-	6
Risk Management	2	-	2
Total	43	-	43

ADMINISTRATIVE & HUMAN RESOURCES (cont.)

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Building Maintenance Manager
1	Building Supervisor
1	Business Services Manager
6	Career Development Intern
1	Deputy Executive Officer/Administrative & Human Resources
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
1	Office Assistant
1	Offset Press Operator
2	Print Shop Duplicator
1	Print Shop Supervisor
1	Risk Manager
2	Secretary
1	Senior Administrative Secretary
2	Senior Office Assistant
<u>1</u>	Staff Specialist
43	Total FTEs

Administrative & Human Resources Work Program by Office							
Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1 16 1026	Operational Support	SCAQMD Mail	Posting/Mailing/Delivery	2.30	0.00	2.30	la
2 16 1035	Operational Support	AB 617-General	AB 617-General	2.00	1.00	3.00	XX
3 16 1038	Operational Support	Admin/Office Management	Reports/Proj/Budget/Contracts	3.85	0.00	3.85	lb
4 16 060	Operational Support	Equal Employment Opportunity	Program Dev/Monitor/Reporting	0.10	0.00	0.10	la
5 16 080	Ensure Compliance	Auto Services	Vehicle/Radio Repair & Maint	3.00	0.00	3.00	la
6 16 090	Operational Support	Building Maintenance	Repairs & Preventative Maint	7.00	1.00	8.00	la
7 16 092	Operational Support	Business Services	Building Services Admin/Contracts	2.55	0.00	2.55	la
8 16 225	Operational Support	Employee Benefits	Benefits Analysis/Orient/Records	1.50	0.00	1.50	la
9 16 226	Operational Support	Classification & Pay	Class & Salary Studies	0.30	0.00	0.30	la
10 16 228	Operational Support	Recruitment & Selection	Recruit Candidates for SCAQMD	3.25	0.00	3.25	la
11 16 232	Operational Support	Position Control	Track Positions/Workforce Anals	0.55	0.00	0.55	la
12 16 233	Operational Support	Employee Relations	Meet/Confer/Labor-Mgmt/Grievance	2.20	0.00	2.20	la
13 16 255	Operational Support	Facilities Services	Phones/Space/Keys/Audio-Visual	1.00	0.00	1.00	la
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	la
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	la
18 16 640	Operational Support	Risk Management	Liabl/Property/Vwk Comp/Selfins	2.25	0.00	2.25	la
19 16 717	Policy Support	Student Interns	Gov Board/Student Intern Program	0.20	4.00	4.20	la
20 16 720	Customer Service and Business Assistance	Subscription Services	Rule & Gov Board Materials	1.70	-1.00	0.70	IV,XVII
Total Administrative & Human Resources				38.00	5.00	43.00	

Administrative & Human Resources Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 3,051,947	\$ 3,291,547	\$ 3,350,913	\$ 3,297,111	\$ 3,413,047
53000-55000	Employee Benefits	1,731,417	1,987,321	1,987,320	1,987,320	2,122,658
Sub-total Salary & Employee Benefits		\$ 4,783,364	\$ 5,278,868	\$ 5,338,233	\$ 5,284,431	\$ 5,535,704
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	108,209	41,600	41,600	41,600	41,600
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	404	5,284	5,284	5,284	5,284
67450	Professional & Special Services	147,411	151,750	256,479	256,479	151,750
67460	Temporary Agency Services	61,837	17,000	67,000	67,000	17,000
67500	Public Notice & Advertising	63,638	12,066	12,066	12,066	12,066
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	28,506	5,500	5,500	5,500	5,500
67650	Building Maintenance	2,297	-	-	-	-
67700	Auto Mileage	6,911	4,200	7,200	7,200	4,200
67750	Auto Service	573,247	470,000	470,000	470,000	470,000
67800	Travel	3,848	2,500	2,500	2,500	2,500
67850	Utilities	-	-	-	-	-
67900	Communications	15,878	21,900	21,900	21,900	21,900
67950	Interest Expense	-	-	-	-	-
68000	Clothing	13,142	10,808	10,808	10,808	10,808
68050	Laboratory Supplies	1,156	-	-	-	-
68060	Postage	3,355	5,469	5,469	5,469	5,469
68100	Office Expense	143,155	111,300	108,200	108,200	111,300
68200	Office Furniture	172,129	-	-	-	-
68250	Subscriptions & Books	654	2,520	2,520	2,520	2,520
68300	Small Tools, Instruments, Equipment	6,974	5,030	5,030	5,030	5,030
68400	Gas and Oil	188,215	292,021	292,021	292,021	292,021
69500	Training/Conference/Tuition/ Board Exp.	31,075	15,062	15,062	15,062	15,062
69550	Memberships	1,357	3,265	3,265	3,265	3,265
69600	Taxes	-	-	100	100	-
69650	Awards	342	-	-	-	-
69700	Miscellaneous Expenses	13,219	12,000	12,000	12,000	12,000
69750	Prior Year Expense	(962)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,585,998	\$ 1,189,275	\$ 1,344,004	\$ 1,344,004	\$ 1,189,275
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 6,369,363	\$ 6,468,143	\$ 6,682,237	\$ 6,628,435	\$ 6,724,979
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

CLERK OF THE BOARDS

DENISE GARZARO CLERK OF THE BOARDS

At a Glance:	
FY 2018-19 Adopted	\$1.4M
FY 2019-20 Budget	\$1.4M
% of FY 2019-20 Budget Total	0.8%
FTEs FY 2019-20 Budget	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 South Coast AQMD staff and state and federal agencies.

ACCOMPLISHMENTS:

RECENT

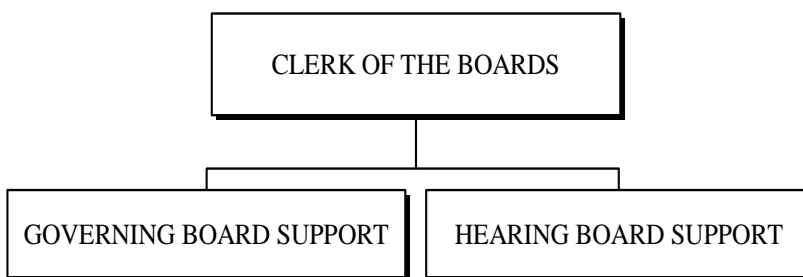
- Received and processed 77 subpoenas, public/administrative records requests, and claims against the South Coast AQMD.
- Provided support for 12 Governing Board meetings, including: preparing an agenda and minutes for each meeting; preparation, distribution, and publication of 28 meeting and public hearing notices; preparation of 26 Board Resolutions.
- Provided support for 85 hearings, pre-hearing conferences, and general meetings held by the Hearing Board, including: processing 80 petitions; preparation, distribution, and publication of 60 meeting and public hearing notices; preparation of 110 Minute Orders, Findings & Decisions, Pre-hearing Memoranda, and General Meeting Reports of Actions; and preparation and distribution of 100 daily agendas and monthly case calendars.
- Planned/coordinated efforts and provided clerical support for special offsite meetings, including: Governing Board – Mobile Board Meeting 10/6/2017 in Los Angeles, Board Retreat 5/10-5/11/18 in Indian Wells.

CLERK OF THE BOARDS (cont.)

ANTICIPATED:

- Provide support for approximately 75 hearings, pre-hearing conferences, and general meetings held by the Hearing Board, including: processing approximately 90 petitions; preparation, distribution, and publication of 100 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 120 daily agendas and monthly case calendars. Provide support for 12 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 2018-19	Change	Budget FY 2019-20
Governing/Hearing Board Support	6	-	6

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Clerk of the Board
3	Deputy Clerk/Transcriber
1	Office Assistant
<u>1</u>	Senior Deputy Clerk
6	Total FTEs

Clerk of the Boards Work Program by Office								
#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
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/Variances/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
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Clerk of the Boards Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 408,637	\$ 397,406	\$ 404,908	\$ 404,908	\$ 408,778
53000-55000	Employee Benefits	276,675	294,250	294,249	294,249	291,875
Sub-total Salary & Employee Benefits		\$ 685,312	\$ 691,656	\$ 699,157	\$ 699,157	\$ 700,653
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	17,385	85,200	85,200	85,200	85,200
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	21,879	40,000	40,000	40,000	40,000
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	200	200	200	200
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	72	100	100	100	100
67750	Auto Service	-	-	-	-	-
67800	Travel	399	200	200	200	200
67850	Utilities	-	-	-	-	-
67900	Communications	154	500	500	500	500
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	424	1,200	1,200	1,200	1,200
68100	Office Expense	1,890	6,600	6,600	6,600	6,600
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	579,703	584,920	584,920	584,920	584,920
69550	Memberships	160	300	300	300	300
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	94	500	500	500	500
69750	Prior Year Expense	-	0	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 622,159	\$ 719,720	\$ 719,720	\$ 719,720	\$ 719,720
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,307,471	\$ 1,411,376	\$ 1,418,877	\$ 1,418,877	\$ 1,420,373
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

COMPLIANCE & ENFORCEMENT

MARIAN COLEMAN DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$20.7M
FY 2019-20 Budget	\$21.0M
% of FY 2019-20 Budget Total	12.3%
FTEs FY 2019-20 Budget	155

DESCRIPTION OF MAJOR SERVICES:

Compliance and Enforcement (C&E) ensures public health by conducting unannounced field inspections to verify compliance with South Coast AQMD, 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 South Coast AQMD Hearing Board, and conducting training classes for the public and regulated community.

ACCOMPLISHMENTS:

RECENT:

- Completed 219 inspections of chrome plating facilities (quarterly inspections of 108 facilities).
- Completed 99 Title V facility inspections.
- Completed 214 RECLAIM facility audits.
- Completed inspections of 3,131 other permitted stationary source facilities.
- Completed inspections of 1,504 PERP-registered engines/ equipment.
- Completed eight "Blue Sky" team inspections at refineries.
- Responded to 5,333 complaints (97% of those received).
- Responded to 434 breakdown notifications (79% of those received).
- Conducted 11 multi-agency targeted inspections.

COMPLIANCE & ENFORCEMENT (cont.)

- Hosted and presented a compliance symposium on Title V requirements to the regulated community.
- Issued 1,579 Notices to Comply and 2,061 Notices of Violation.
- Conducted 29 training classes for members of the public and the regulated community.
- Promoted one AQ Inspector II to Staff Specialist and six AQ Inspectors II to AQ Inspector II, and hired 16 new AQ Inspectors.

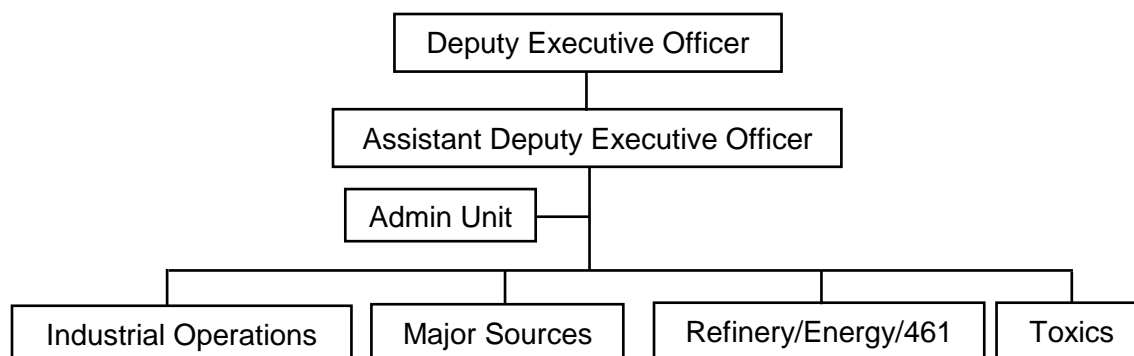
*FY 2018-19, through December 31, 2018

ANTICIPATED:

- Asbestos Strike Force
 - Double the number of asbestos notification inspections from 1,300 to 2,600.
- Marine Vessel & Terminal Inspection Program (Operation Sea Force)
 - Reduce the number of ships in South Coast AQMD waters that vent due to poor maintenance.
 - Attempt weekly inspection of ships for Rule 1142 compliance.
- Complaint Resolution Team Pilot Program
 - Cut the first contact complaint response time in half from the current average of 2 hours down to 1 hour.
 - Increase number of non-Title V/non-RECLAIM inspections from 5,000 annually (current frequency is once every 4 years) to 10,000 annually (proposed frequency once every 2 years).
 - Perform idling truck sweeps, residential burning sweeps and participate in AB 617 complaint investigations.
- Conduct additional multi-agency inspection sweeps to identify and confirm possible sources of excess Cr6 emissions in other communities.
- Reduce paperwork and streamline the report writing process to increase inspection efficiencies.
- Improve timeliness of complaint response.
- Efficiently move 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.

COMPLIANCE & ENFORCEMENT (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 155 FTEs

Office of Compliance and Enforcement Units	Amended FY 2018-19	Change	Budget FY 2019-20
Major Sources	22	-	22
Industrial Operations	52	-	52
Refinery/Energy/461	38	-	38
Toxics	35	-	35
Senior Admin/Staff	8	-	8
Total	155	-	155

STAFFING DETAIL:

<u>FTEs</u>	<u>Title</u>
6	AQ Analysis & Compliance Supervisor
91	AQ Inspector II
15	AQ Inspector III
1	Assistant Deputy Executive Officer
1	Deputy Executive Officer
10	Office Assistant
2	Senior Office Assistant
4	Senior Enforcement Manager
1	Staff Assistant
3	Staff Specialist
2	Senior Administrative Secretary
2	Secretary
<u>17</u>	Supervising AQ Inspector
155	Total Adopted Positions

**Compliance & Enforcement
Work Program by Office**

	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	60	032	Ensure Compliance	AB617-Compliance	0.00	8.00	8.00	XX
1	60	038	Customer Service and Business Assistance	Admin/Office Budget	7.00	-1.00	6.00	Ib
2	60	047	Customer Service and Business Assistance	Admin/Operations Support	4.90	0.00	4.90	Ib
3	60	070	Ensure Compliance	CARB PERP Program	6.00	0.00	6.00	XIX
4	60	148	Policy Support	Climate Change	0.00	0.00	0.00	IV,IX
5	60	152	Ensure Compliance	Compliance/IM Related Activiti	0.50	0.00	0.50	IV
6	60	155	Ensure Compliance	Compliance Guidelines	1.50	0.00	1.50	IV
7	60	157	Ensure Compliance	Compliance/Special Projects	3.00	0.00	3.00	II
8	60	158	Ensure Compliance	Compliance Testing	1.00	0.00	1.00	IV
9	60	210	Monitoring Air Quality	Emergency Response	0.10	0.00	0.10	IV,XV
10	60	276	Policy Support	Board Committees	0.15	0.00	0.15	Ia
11	60	365	Ensure Compliance	Hearing Bd/Variations	2.00	0.00	2.00	VII
12	60	375	Ensure Compliance	Inspections	88.00	-3.00	85.00	II,V,XV
13	60	377	Ensure Compliance	Inspections/RECLAIM Audits	14.00	0.00	14.00	II,IV
14	60	416	Policy Support	Legislative Activities	0.00	0.00	0.00	Ia
15	60	492	Customer Service and Business Assistance	Outreach/Business	0.20	0.00	0.20	IX
16	60	539	Ensure Compliance	Procedure 5 Review	0.40	0.00	0.40	XVII
17	60	550	Ensure Compliance	Public Complaints/Breakdowns	10.00	-1.00	9.00	II,IV,V,XV
18	60	565	Customer Service and Business Assistance	Public Records Act	3.00	0.00	3.00	Ia
19	60	605	Ensure Compliance	RECLAIM/Admin Support	0.50	0.00	0.50	II,III,IV,XV
20	60	657	Develop Rules	Rulemaking/Support PRA	1.00	0.00	1.00	IV,XV
21	60	678	Ensure Compliance	School Siting	0.00	0.00	0.00	IV
22	60	690	Customer Service and Business Assistance	Source Education	0.40	0.00	0.40	III,IV,V,XV
23	60	717	Policy Support	Student Interns	0.05	0.00	0.05	Ia
24	60	751	Ensure Compliance	Title III Inspections	0.00	0.00	0.00	IV
25	60	771	Ensure Compliance	Title V	4.50	0.00	4.50	II,IV
26	60	791	Ensure Compliance	Toxics/AB2588	0.10	0.00	0.10	X
27	60	805	Operational Support	Training	2.00	0.00	2.00	Ib
28	60	825	Operational Support	Union Negotiations	0.10	0.00	0.10	Ia
29	60	826	Operational Support	Union Steward Activities	0.10	0.00	0.10	Ia
30	60	855	Operational Support	Web Tasks	1.50	0.00	1.50	Ia

Total Compliance & Enforcement

152.00	3.00	155.00
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Compliance & Enforcement Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 11,708,324	\$ 12,786,732	\$ 13,000,474	\$ 12,281,680	\$ 13,046,309
53000-55000	Employee Benefits	5,874,708	7,439,606	7,439,607	6,909,922	7,574,368
Sub-total Salary & Employee Benefits		\$ 17,583,032	\$ 20,226,338	\$ 20,440,081	\$ 19,191,601	\$ 20,620,677
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	101,090	106,791	109,791	109,791	111,543
67400	Household	-	-	-	-	-
67450	Professional & Special Services	13,853	15,500	20,945	20,945	19,500
67460	Temporary Agency Services	17,260	2,000	2,000	2,000	2,000
67500	Public Notice & Advertising	-	-	-	-	-
67550	Demurrage	-	250	250	250	250
67600	Maintenance of Equipment	300	26,000	28,000	28,000	34,000
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	474	1,000	1,000	1,000	1,000
67750	Auto Service	-	1,000	1,000	1,000	1,000
67800	Travel	8,392	15,000	16,000	16,000	15,000
67850	Utilities	-	-	-	-	-
67900	Communications	59,169	117,350	117,350	117,350	117,350
67950	Interest Expense	-	-	-	-	-
68000	Clothing	13,691	30,685	36,185	36,185	31,297
68050	Laboratory Supplies	8,886	12,000	14,500	14,500	12,000
68060	Postage	10,911	3,000	3,000	3,000	11,645
68100	Office Expense	42,195	11,005	10,686	10,686	9,355
68200	Office Furniture	9,893	-	1,000	1,000	2,000
68250	Subscriptions & Books	150	400	1,600	1,600	400
68300	Small Tools, Instruments, Equipment	3,833	15,769	13,769	13,769	15,460
68350	Film				-	
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	46,730	25,450	37,450	37,450	25,550
69550	Memberships	-	750	750	750	250
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	1,734	5,000	6,000	6,000	5,750
69750	Prior Year Expense	(298)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 338,262	\$ 388,950	\$ 421,276	\$ 421,276	\$ 415,350
77000	Capital Outlays	\$ 564,579	\$ 80,000	\$ 200,000	\$ 200,000	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 18,485,873	\$ 20,695,288	\$ 21,061,357	\$ 19,812,877	\$ 21,036,027
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

ENGINEERING & PERMITTING

LAKI TISOPULOS DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$25.4M
FY 2019-20 Budget	\$25.7M
% of FY 2019-20 Budget	15.0%
Total FTEs FY 2019-20 Budget	161

DESCRIPTION OF MAJOR SERVICES:

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.

ACCOMPLISHMENTS:

RECENT:

- Successfully implemented the Action Plan to reduce the permit application backlog and total pending permit applications, improved permit processing efficiency and timely issuance of permits.
- Since the commencement of the backlog reduction effort in July 2016, reduced total pending applications by over 50%, from more than 7,300 to less than 3,800 pending applications by April 2018, ahead of the July 2018 target date.
- Completed the permit backlog reduction effort by meeting and exceeding the following goals:
 - Reduced pending applications to less than 3,800 by end of FY 2017-18 and less than 3,600 by October 2018 (reached goal in May 2018);
 - Processed more than 1,800 Permits to Construct and a total of 7,500 applications for Permits, Plans, and ERCs during FY 2017-18 (achieved 2,081 and 8,624 respectively, exceeding goals by 23% and 16%);
 - Focused on reducing last remaining aged permit applications to extent possible; and

ENGINEERING & PERMITTING (cont.)

- Reduced pending applications beyond targets established in Action Plan to establish a cushion to help address additional incoming permit applications anticipated from RECLAIM program phase-out over the next one to three years.
- Excluding Permits to Construct issued, reduced pending application inventory to less than 2,400 meeting the 2,500 - 3,000 target for FY 2018-19.
- Reduced the permit application average residence time by over 33% following initiation of the backlog reduction effort.
- Improved the timely completion rate for new permit applications by nearly 10% over the past year and 30% since the initiation of the backlog reduction effort as determined by the number of new applications completed within 180 days of being deemed complete.
- Issued over 175 Title V renewal and modification permits in calendar year 2018.
- Continued program to recognize top performing individuals and teams to help maintain high morale and acknowledge performance.
- Continued development of Online Permit Processing tools and other automation efforts. Deployed online permitting tool for gasoline dispensing facilities and automotive refinishing spray booths and issued South Coast AQMD's first online permits for gasoline dispensing facilities, while continuing to support online permitting for dry cleaning equipment.
- Maintained Division's Permit Streamlining goal of application delivery to Permitting Teams within 4 business days.
- Continued implementation of EPA Title V Program Audit Findings Action Plan.
- Posted over 65% of the Title V permits to the internet for online public access.
- Participated in public meetings to address public concerns regarding high toxic risks and emissions.
- Supported Compliance and Enforcement staff in investigations and inspections of potential hexavalent chromium and other toxic air contaminant-emitting sources.
- Assisted in developing and amending South Coast AQMD Rules and Regulations such as Reg. III, Reg. XI, Reg. XIV, including Rule 1469, and other BARCT rules called for under AB 617, including Reg. XX.
- Provided Pre- and Post-application conferences to help permit applicants.
- Participated, reviewed and provided permit remedies to permit holders throughout Calendar Year 2018 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 new Reg. XX requirements under the Regulation III amendment.
- Successfully provided engineering support and/or expert testimony in Hearing Board cases throughout calendar year 2018.
- Organized and administered the annual Certified Permit Processing Professional (CPP) exam for 11 participants. Certified four new CPP holders as well as provided support to 161 existing CPP holders.
- Prepared Federal New Source Review (NSR) Equivalency Determination Reports pursuant to Rule 1315.
- Prepared annual report on the NO_x and SO_x RECLAIM Program in accordance with Rule 2015.

ENGINEERING & PERMITTING (cont.)

ANTICIPATED:

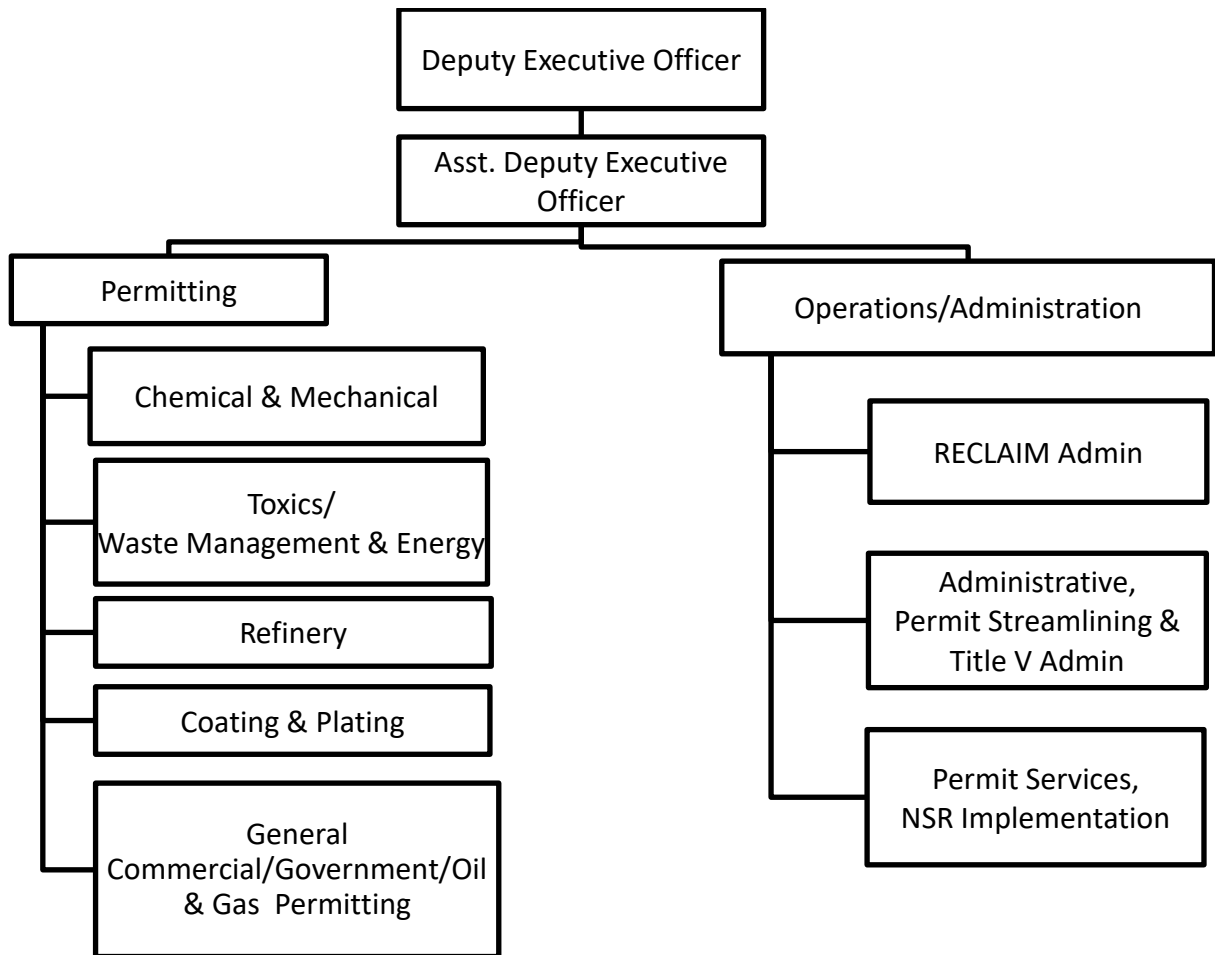
- Continue progress in reducing the permit applications inventory by maintaining pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications between 2,000 and 2,500.
- Secure and maintain the timely completion rate for new permit applications by processing 75 to 80 percent of new permit applications within 180 days of being deemed complete.
- Monitor and reduce average permit application residence times.
- Complete timely renewal of Title V permits.
- Continue to implement action plan to further improve Title V program pursuant to 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-Minimis and Significant Title V revisions,
 - b) Continue efforts to develop automated capability to publish Title V permits online,
 - c) Provide more detail account of applicable federal requirement in Title V permits,
 - d) Provide public with online access to all issued Title V permits, and
 - e) Develop formal policy for sources exiting 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
 - d) Expedited Permit Processing Program.
- Complete the deployment of online permitting and permit automation tools for gasoline dispensing facilities and automotive spray booths, and establish eligibility criteria for identifying any additional candidate equipment/process suitable for online permitting based on lessons learned from Phase I.
- Continue 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 through 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 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) Standardizing time and processing status metrics for monitoring permit applications through completion.
- Continue soliciting stakeholder input on permit application backlog reduction and permit streamlining efforts through Permit Streamlining Task Force subcommittee meetings.
- Continue certification of CPPs.
- 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.
- Continue to evaluate the optional Expedited Permitting Program and propose improvements if warranted.
- Initiate the process to update and expand the South Coast AQMD's Permit Processing Handbook.
- Review and comment on Rule 1402 Risk Reduction Plans.
- Continue to provide critical input in developing and amending South Coast AQMD Rules.
- Continue to provide critical input in enforcing South Coast AQMD Rules.
- Continue to provide support in Fee Review cases and Hearing Board cases.
- 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.
- Develop a plan to re-issue permits to facilities that are opting out of NO_x RECLAIM program.
- Continue to provide critical guidance to PRDAS in developing a streamlined NSR process for facilities exiting the RECLAIM program.

ENGINEERING & PERMITTING (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 161 FTEs

Engineering & Permitting	Amended FY 2018-19	Change	Budget FY 2019-20
Administration	4	-	4
Engineering	130	-	130
Operations	27	-	27
Total	161	-	161

ENGINEERING & PERMITTING (cont.)

POSITION DETAIL:

<u>FTEs</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	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>2</u>	Supervising Office Assistant
161	Total FTEs

Engineering & Permitting Work Program by Office								
Program #	Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	50 1035	Customer Service and Business Assistance	AB617-General	AB617-General	0.00	1.00	1.00	XX
1	50 1038	Customer Service and Business Assistance	Admin/Office Management	Dev/Coord Goals/Policies/Overs	3.00	0.00	3.00	Ib
2	50 1047	Customer Service and Business Assistance	Admin/Operations Support	Budget/Contracts/Reports/Projects	3.00	0.00	3.00	Ib
3	50 120	Timely Review of Permits	Certification/Registration Pro	Certification/Registration Prog	1.00	0.00	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 TitIV/TitIII/RECLAIM	50.75	-0.50	50.25	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	-0.50	4.00	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	4.75	0.00	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 Rpts/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					161.00	-	161.00	

Engineering & Permitting Line Item Expenditure						
Major Object / Appount # / Appount Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 16,327,617	\$ 16,235,607	\$ 16,502,202	\$ 15,981,547	\$ 16,271,427
53000-55000	Employee Benefits	7,646,179	8,750,049	8,750,049	8,478,322	9,013,891
Sub-total Salary & Employee Benefits		\$ 23,973,796	\$ 24,985,656	\$ 25,252,251	\$ 24,459,869	\$ 25,285,319
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	2,984	10,000	10,000	10,000	8,000
67350	Rents & Leases Structure	-	10,000	10,000	10,000	8,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	5,564	2,500	28,914	28,914	2,500
67460	Temporary Agency Services	17,073	20,000	42,000	42,000	32,000
67500	Public Notice & Advertising	103,845	160,000	137,000	137,000	140,000
67550	Demurrage	-	250	250	250	250
67600	Maintenance of Equipment	-	-	-	-	-
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	36,376	35,000	35,000	35,000	35,000
67750	Auto Service	-	-	-	-	-
67800	Travel	10,392	17,555	17,555	17,555	18,433
67850	Utilities	-	-	-	-	-
67900	Communications	11,142	6,450	8,050	8,050	6,450
67950	Interest Expense	-	-	-	-	-
68000	Clothing	2,454	2,930	2,930	2,930	4,500
68050	Laboratory Supplies	(552)	-	-	-	-
68060	Postage	23,733	37,000	37,000	37,000	37,000
68100	Office Expense	72,186	56,336	56,336	56,336	59,296
68200	Office Furniture	3,584	-	-	-	3,500
68250	Subscriptions & Books	269	400	400	400	400
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	4,639	4,500	4,500	4,500	5,500
69550	Memberships	470	750	1,750	1,750	1,500
69600	Taxes	-	-	-	-	-
69650	Awards	-	2,000	2,000	2,000	2,000
69700	Miscellaneous Expenses	544	5,000	5,000	5,000	5,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 294,703	\$ 370,671	\$ 398,685	\$ 398,685	\$ 369,329
77000	Capital Outlays	\$ -	\$ 70,000	\$ 90,000	\$ 90,000	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 24,268,499	\$ 25,426,327	\$ 25,740,936	\$ 24,948,554	\$ 25,654,648
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

FINANCE

SUJATA JAIN CHIEF FINANCIAL OFFICER

At a Glance:	
FY 2018-19 Adopted	\$6.6M
FY 2019-20 Budget	\$6.4M
% of FY 2019-20 Budget	3.7%
Total FTEs FY 2019-20 Budget	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/analysis. 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:

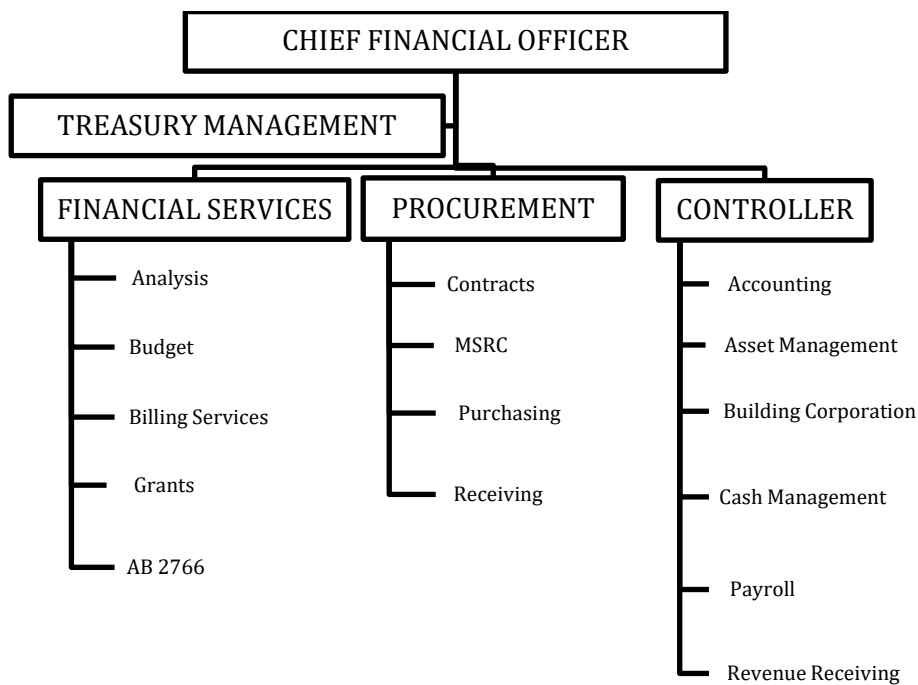
- Continued to expand electronic payment options to include Permit Processing Fee payments for asbestos, dry cleaners, spray booths and gas stations.
- Processed 701 contracts and modifications, issued 39 Request for Proposals/Quotes, and processed 586 proposals/quotations. Processed 1,544 purchase orders and 427 CalCard orders.
- 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.
- Implemented 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.

FINANCE (cont.)

ANTICIPATED:

- Continue to receive GFOA Awards for the Annual Budget, CAFR, and PAFR to ensure South Coast AQMD's financial reports meet the highest professional standards.
- Ensure compliance with all AB 617, AB 134, and VW Mitigation Settlement guidelines for financial reporting and tracking of revenue and expenditures.
- Start planning for the implementation of the new lease accounting standards required by Governmental Accounting Standards Board (GASB) Statement Number 87 for recognizing certain lease assets and liabilities for leases, which will impact South Coast AQMD starting with FY 2020-21.
- Continue to identify and implement additional opportunities for electronic payments.

ORGANIZATIONAL CHART:



FINANCE (cont.)

POSITION SUMMARY: 48 FTEs

Finance Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	4	(1)	3
Controller	20	-	20
Financial Services	15	-	15
Procurement	10	-	10
Total	49	(1)	48

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
2	Accounting Technician
1	Chief Financial Officer
2	Contracts Assistant
1	Controller
1	District Storekeeper
4	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 FTEs

Finance Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	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	la
5	04 021	Operational Support	Admin/SCAQMD Contracts	Contract Admin/Monitor/Process	3.20	0.00	3.20	la
6	04 023	Operational Support	Admin/SCAQMD Capital Assets	FA Rep/Reconcile/Inv/Acct	0.70	0.00	0.70	la
7	04 030	Advance Clean Air Technology	AB 134	AB 134	2.00	0.00	2.00	IX
8	04 035	Operational Support	AB 617-General	AB 617-General	0.50	0.00	0.50	XX
9	04 038	Operational Support	Admin/Office Management	Fin Mgmt/Oversee Activities	3.75	-1.00	2.75	lb
10	04 045	Operational Support	Admin/Office Budget	Office Budget/Prep/Impl/Track	0.05	0.00	0.05	lb
11	04 071	Operational Support	Arch Ctg - 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	la
13	04 085	Operational Support	Building Corporation	Building Corp Acct/Fin Reports	0.02	0.00	0.02	la
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	la
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	la
19	04 266	Operational Support	Financial Mgmt/Fin Analysis	Fin/SCAQMD Stat Analysis & Audit	0.80	0.00	0.80	la
20	04 267	Operational Support	Financial Mgmt/Treasury Mgmt	Treas Mgt Anlyz/Trk/Proj/Invst	1.00	0.00	1.00	la
21	04 268	Operational Support	Financial Systems	CLASS/Rev/Acct/PR/Sys Analyze	0.10	0.00	0.10	la
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	la
26	04 510	Operational Support	Payroll	Ded/Ret Rpts/PR/St & Fed Rpts	4.10	0.00	4.10	la
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	la
30	04 570	Operational Support	Purchasing	Purch/Track Svcs & Supplies	2.50	0.00	2.50	la
31	04 571	Operational Support	Purchasing/Receiving	Receive/Record SCAQMD Purchases	1.20	0.00	1.20	la
32	04 572	Operational Support	Purchasing-Receiving/Stockroom	Track/Monitor SCAQMD Supplies	1.00	0.00	1.00	la
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	lb
37	04 825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	la
38	04 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.01	0.00	0.01	la
39	04 827	Operational Support	VW-Program Development	VW-Program Development	0.00	1.00	1.00	XVII
40	04 855	Operational Support	Web Tasks	Create/edit/review web content	0.02	0.00	0.02	la
Total Finance					48.00	-	48.00	

Finance Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 3,697,964	\$ 3,683,948	\$ 3,749,688	\$ 3,634,201	\$ 3,634,399
53000-55000	Employee Benefits	2,139,797	2,390,069	2,390,068	2,301,418	2,335,967
Sub-total Salary & Employee Benefits		\$ 5,837,761	\$ 6,074,016	\$ 6,139,756	\$ 5,935,618	\$ 5,970,366
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	900	900	900	900
67450	Professional & Special Services	126,834	163,560	193,029	193,029	155,178
67460	Temporary Agency Services	57,010	63,000	63,000	63,000	63,000
67500	Public Notice & Advertising	3,828	7,000	7,000	7,000	7,000
67550	Demurrage	-	780	780	780	780
67600	Maintenance of Equipment	647	1,860	1,860	1,860	1,860
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	2,525	4,468	4,468	4,468	4,468
67750	Auto Service	-	-	-	-	-
67800	Travel	2,105	6,000	6,000	6,000	6,000
67850	Utilities	-	-	-	-	-
67900	Communications	1,438	9,000	9,000	9,000	9,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	1,056	1,200	1,200	1,200	1,200
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	143,199	102,706	102,706	102,706	111,038
68100	Office Expense	28,672	36,120	36,120	36,120	36,120
68200	Office Furniture	175	-	-	-	-
68250	Subscriptions & Books	2,408	3,470	3,470	3,470	3,470
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	7,529	27,250	27,250	27,250	27,250
69550	Memberships	1,590	2,793	2,793	2,793	2,793
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	3,339	5,150	5,150	5,150	5,200
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 382,356	\$ 435,257	\$ 464,726	\$ 464,726	\$ 435,257
77000	Capital Outlays	\$ -	\$ 75,800	\$ 75,800	\$ 75,800	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 6,220,117	\$ 6,585,073	\$ 6,680,282	\$ 6,476,144	\$ 6,405,623
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

INFORMATION MANAGEMENT

RON MOSKOWITZ CHIEF INFORMATION OFFICER

At a Glance:	
FY 2018-19 Adopted	\$11.3M
FY 2019-20 Budget	\$12.2M
% of FY 2019-20 Budget	7.1%
Total FTEs FY 2019-20 Budget	57

DESCRIPTION OF MAJOR SERVICES:

Information Management (IM) provides a wide range of information management systems and services in support of all South Coast AQMD 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, automatic system messaging (e.g., through email), GIS, etc. The Special Projects unit performs project management functions, processes all of the public records requests and handles day-to-day updates and additions to the South Coast AQMD website along with other projects as they arise.

ACCOMPLISHMENTS:

RECENT:

- South Coast AQMD Mobile Application for Apple devices
- 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 the public.
- Geographic Information Systems Implementation: Completed Phase II including Open Data Portal, FIND Map replacement, and GEO coding services and tooling
- Permit Application Status Dashboard

INFORMATION MANAGEMENT (cont.)

- PeopleSoft Upgrades, Customizations and Module Implementations: Benefits Administration BCC Module implementation and labor negotiation customization and implementation
- Air Quality Index calculation migration to NowCast method
- R1415 Refrigerant Filing System
- Bank of America transmission platform migration
- Request To Speak web application developed for public comments at Governing Board Meetings
- Information Technology Review: Evaluated the information technologies and processes in place and those needed to support the South Coast AQMD's goals and objectives.
- New Website, Website Facelift
- OnBase Version Upgrade
- Enterprise GIS Infrastructure on-line and on-premise
- Fiber network cable replacement and closet uplink upgrade
- Internet bandwidth upgrade
- Wi-Fi Deployment
- End Point Virus Protection 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" (RYP) 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 RYP system support
- On-line training system implementation: Support registration for on-line and leader-lead classes and on-line training

ANTICIPATED:

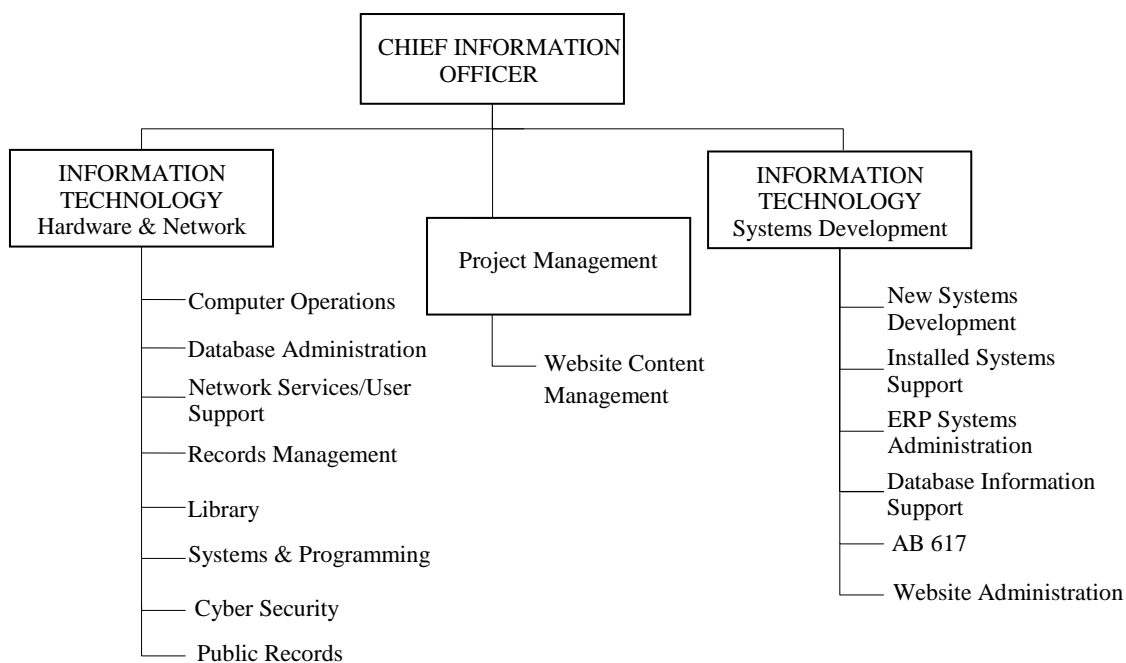
- South Coast AQMD Mobile Application Android

INFORMATION MANAGEMENT (cont.)

- South Coast AQMD Mobile Application enhancements for filing complaints, notifications, facility search, etc.
- PeopleSoft implementation for electronic requisition processing
- AQ-SPEC data management system
- Implementation of selected recommendations from IT Review
- Website Upgrade
- Database Administration: CLASS database upgraded and 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 outdoors, virtualization and storage upgrades, server migration to the Cloud, Windows 10 Version upgrade, laptop disk encryption, and Desktop replacement with laptops
- Permitting Automation Phase II New System Development: 400 E Series form filing, on-line permits IC engine/vapor recovery, equipment registration form processing, internal workflow automation, and paperless permit equipment evaluation
- Annual Emission Reporting (AER) System Migration: Evaluation and upgrade and/or replacement of the existing AER system for better support and integration with South Coast AQMD'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
- 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

INFORMATION MANAGEMENT (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 57 FTEs

Information Management Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	2	-	2
Hardware & Network	28	-	28
Systems Development	20	-	20
Special Projects	3	-	3
Public Records	4	-	4
Total	57	-	57

INFORMATION MANAGEMENT (cont.)

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Assistant Database Administrator
3	Assistant Information Technology Specialist
1	Chief Information Officer
1	Database Administrator
1	Information Technology Specialist I
1	Information Technology Specialist II
3	Information Technology Supervisor
4	Office Assistant
1	Public Affairs Specialist
2	Secretary
1	Senior Administrative Secretary
5	Senior Information Technology Specialist
4	Senior Office Assistant
2	Supervising Office Assistant
14	Systems Analyst
11	Systems and Programming Supervisor
<u>2</u>	Information Technology Manager
57	Total FTEs

Information Management Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	27 035	Operational Support	AB 617-General	AB 617-General	5.00	3.00	8.00	XX
2	27 038	Operational Support	Admin/Office Management	Overall Direction/Coord of IM	2.00	0.00	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					54.00	3.00	57.00	

Information Management Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 5,380,449	\$ 5,458,597	\$ 5,554,305	\$ 5,554,305	\$ 5,889,051
53000-55000	Employee Benefits	2,916,262	3,433,500	3,433,500	3,433,500	3,567,551
Sub-total Salary & Employee Benefits		\$ 8,296,711	\$ 8,892,097	\$ 8,987,805	\$ 8,987,805	\$ 9,456,602
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	1,880	1,880	1,880	1,880
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	1,250	1,250	1,250	1,250
67450	Professional & Special Services	1,340,927	1,404,121	1,646,358	1,646,358	1,404,121
67460	Temporary Agency Services	122,462	347,199	347,199	347,199	347,199
67500	Public Notice & Advertising	-	-	-	-	-
67550	Demurrage	-	650	650	650	650
67600	Maintenance of Equipment	100,621	157,750	190,613	190,613	157,750
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	3,578	1,250	1,250	1,250	1,250
67750	Auto Service	-	-	-	-	-
67800	Travel	18,905	2,160	2,160	2,160	2,160
67850	Utilities	-	-	-	-	-
67900	Communications	12,508	36,900	36,900	36,900	36,900
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	1,376	5,500	5,500	5,500	5,500
68100	Office Expense	731,974	323,912	766,161	766,161	673,912
68200	Office Furniture	19,310	-	5,959	5,959	-
68250	Subscriptions & Books	88,922	30,000	30,000	30,000	30,000
68300	Small Tools, Instruments, Equipment	-	2,000	2,000	2,000	2,000
68350	Film	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	29,718	46,575	46,575	46,575	46,575
69550	Memberships	527	1,320	1,320	1,320	1,320
69600	Taxes	-	1,000	1,000	1,000	1,000
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	-	-	-	-	-
69750	Prior Year Expense	(8,658)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 2,462,171	\$ 2,363,467	\$ 3,086,775	\$ 3,086,775	\$ 2,713,467
77000	Capital Outlays	\$ 2,895,652	\$ 35,000	\$ 1,954,486	\$ 1,954,486	\$ 35,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 13,654,534	\$ 11,290,564	\$ 14,029,066	\$ 14,029,066	\$ 12,205,069
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

LEGAL

BAYRON T. GILCHRIST GENERAL COUNSEL

At a Glance:	
FY 2018-19 Adopted	\$6.8M
FY 2019-20 Budget	\$7.1M
% of FY 2019-20 Budget	4.2%
Total FTEs FY 2019-20 Budget	35

DESCRIPTION OF MAJOR SERVICES:

The General Counsel's Office is responsible for advising the South Coast AQMD Board and staff on all legal matters and enforcing South Coast AQMD rules and state laws related to air pollution control. Attorneys review and assist in the drafting of South Coast AQMD rules and regulations to ensure they are within South Coast AQMD'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 South Coast AQMD Board and staff in court proceedings and administrative hearings related to matters arising out of staff's performance of official duties as South Coast AQMD officers and employees.

The Office is responsible for the enforcement of all South Coast AQMD rules and regulations and applicable state law. In addition, staff attorneys represent the Executive Officer in all matters before the South Coast AQMD 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:

- Staff negotiated an award of \$547 thousand in attorneys' fees as a prevailing party in *Fast Lane Transportation, et al. v. City of Los Angeles, et al. (SCIG)*. In this case the Court of Appeal agreed with South Coast AQMD's position that the Environmental Impact Report (EIR) for a BNSF railyard project to be located in an environmental justice area did not adequately analyze air quality impacts over the 50-year life of the project.
- The Superior Court upheld the South Coast AQMD's EIR for the Tesoro Los Angeles Refinery Integration & Compliance project, which will reduce localized pollution in the Wilmington-Carson area due to the shutdown of a fluid catalytic cracking unit. The plaintiffs, Communities for a Better Environment, unsuccessfully argued that the project

LEGAL (cont.)

would increase the use of higher-sulfur crude oil and higher volatility crude oil which would adversely affect the environment.

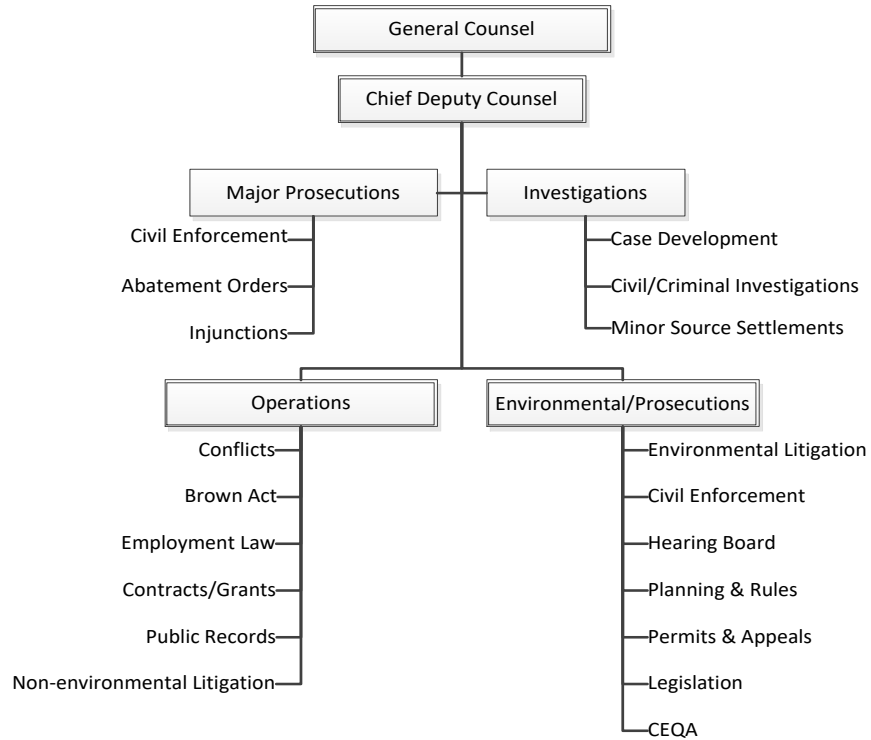
- Staff helped reduce the backlog of Public Records Act requests by 78% between June and November 2018.
- Staff obtained over \$15 million in civil penalties for air pollution violations in 2018.
- Processed \$157 million in incentive contracts, implementing the 2016 AQMP Funding Plan, and reducing NOx pollution in South Coast AQMD by three (3) tons/day.
- Drafted and implemented guidance on personal devices used for South Coast AQMD business being subject to the Public Records Act.
- Updated key portions of Rule Development Manual.

ANTICIPATED:

- Provide training for staff on Public Records Act.
- Provide legal advice for priority projects such as AB 617, BARCT rules, AQMP rules, RECLAIM phase-out, and promotion of legislation for sales tax.
- Update additional chapters of Rule Development Manual.
- Provide legal advice for implementation of AB 617, including community emission reduction plans and potential enforcement actions.
- Implement first phases of new document management systems including assignment tracking and searchable database for briefs, memos, etc.

LEGAL (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 35 FTEs

Legal Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	4	-	4
General Counsel	25	-	25
Investigations	6	-	6
Total	35	-	35

LEGAL (cont.)

POSITION DETAIL:

<u>FTEs</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
10	Senior Deputy District Counsel
1	Senior Office Assistant
1	Senior Paralegal
1	Staff Specialist
<u>1</u>	Supervising Investigator
35	Total FTEs

Legal Work Program by Office							FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
#	Program Code	Program Categories	Program	Activities						
1	08 1001	Advance Clean Air Technology	AB2766/Mob Src/Legal Advice	AB2766 Leg Adv: Trans/Mob Source			0.05	0.00	0.05	IX
2	08 1003	Advance Clean Air Technology	AB2766/MSRC	Legal Advice: MSRC Prog Admin			0.10	0.00	0.10	IX
3	08 1009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admn/Impl			0.00	0.00	0.00	XVII
4	08 1010	Develop Programs	AQMP	AQMP Revision/CEQA Review			0.10	0.00	0.10	II,IV,IX
5	08 1025	Operational Support	Admin/SCAQMD-Legal Research	Legal Research/Staff/Exec Mgmt			1.20	0.00	1.20	la
6	08 1030	Advance Clean Air Technology	AB 134	AB 134			2.00	-0.50	1.50	IX
7	08 1035	Operational Support	AB 617-General	AB 617-General			1.00	1.50	2.50	XX
8	08 1038	Operational Support	Admin/Office Management	Attorney Timekeeping/Perf Eval			3.50	0.00	3.50	Ib
9	08 1071	Operational Support	Arch Ctgs - Admin	Rule Dev/TA/Reinterpretations			0.05	0.00	0.05	XVIII
10	08 1072	Ensure Compliance	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's			0.05	0.00	0.05	XVIII
11	08 1073	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			0.75	0.00	0.75	II,III,IX
13	08 115	Ensure Compliance	Case Disposition	Trial/Dispo-Civil Case/Injunct			4.75	0.00	4.75	II,IV,V,VII,XV
14	08 131	Advance Clean Air Technology	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels			0.15	0.00	0.15	VIII
15	08 154	Ensure Compliance	Compliance/NOV Administration	Review/Track/Prep NOV's/MSAs			0.75	0.00	0.75	IV
16	08 185	Ensure Compliance	Database Management	Support IM/Dev Tracking System			1.00	0.00	1.00	IV
17	08 227	Operational Support	Employee/Employment Law	Legal Advice: Employment Law			0.50	0.00	0.50	la
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/Cnte Mtgs			1.00	0.00	1.00	la
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	la
23	08 403	Ensure Compliance	Legal Rep/Litigation	Prep/Hearing/Disposition			3.50	0.00	3.50	la,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	la
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			1.50	0.00	1.50	IV
28	08 516	Timely Review of Permits	Permit Processing/Legal	Legal Advice: Permit Processing			0.10	0.00	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	la
30	08 651	Develop Rules	Rules/Legal Advice	Legal Advice: Rules/Draft Regs			1.20	0.00	1.20	II
31	08 661	Develop Rules	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss			0.50	0.00	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	la
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			0.75	0.00	0.75	Ib
38	08 825	Operational Support	Union Negotiations	Legal Adv: Union Negotiations			0.00	0.00	0.00	la
39	08 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act			0.00	0.00	0.00	la
Total Legal							34.00	1.00	35.00	

Legal Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 4,076,449	\$ 4,032,051	\$ 4,102,377	\$ 3,992,032	\$ 4,282,146
53000-55000	Employee Benefits	2,073,147	2,361,693	2,361,693	2,261,553	2,411,122
Sub-total Salary & Employee Benefits		\$ 6,149,596	\$ 6,393,744	\$ 6,464,070	\$ 6,253,584	\$ 6,693,269
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	1,035,096	251,201	284,000	284,000	246,001
67460	Temporary Agency Services	-	7,250	7,250	7,250	7,250
67500	Public Notice & Advertising	194	2,500	2,500	2,500	2,500
67550	Demurrage	893	3,500	3,500	3,500	4,000
67600	Maintenance of Equipment	-	300	300	300	500
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	282	1,600	1,600	1,600	1,600
67750	Auto Service	-	-	-	-	-
67800	Travel	20,088	15,000	15,000	15,000	15,000
67850	Utilities	-	-	-	-	-
67900	Communications	3,062	10,300	10,300	10,300	10,300
67950	Interest Expense	-	-	-	-	-
68000	Clothing	168	500	500	500	500
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	3,913	4,750	4,750	4,750	4,750
68100	Office Expense	15,945	16,000	16,000	16,000	16,000
68200	Office Furniture	7,801	-	-	-	4,500
68250	Subscriptions & Books	119,538	115,000	115,000	115,000	115,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	15,078	17,500	17,500	17,500	17,500
69550	Memberships	943	750	750	750	750
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	1,213	2,000	2,000	2,000	2,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,224,215	\$ 448,151	\$ 480,950	\$ 480,950	\$ 448,151
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 7,373,811	\$ 6,841,895	\$ 6,945,020	\$ 6,734,534	\$ 7,141,420
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE

DERRICK ALATORRE DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$9.5M
FY 2019-20 Budget	\$10.1M
% of FY 2019-20 Budget	5.9%
Total FTEs FY 2019-20 Budget	55

DESCRIPTION OF MAJOR SERVICES:

Legislative & Public Affairs/Media Office provides a broad range of services to internal and external stakeholders. These services include:

Legislative/Communications

State and Federal Relations

State and Federal Relations works with all levels of elected officials and their staff, agencies, and other stakeholders to support South Coast AQMD's legislative priorities. Efforts are focused on policy and funding issues that support South Coast AQMD's Air Quality Management Plan to meet state and federal clean air standards. This unit also works to defend against legislative activities by others detrimental to the goals and priorities of clean air.

Local Government/Community Relations

Local Government and Community Relations works in all four counties of South Coast AQMD's 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 South Coast AQMD and stakeholders; assisting with inquiries from government offices, community members, health and environmental justice organizations, and business organizations; and, promoting and providing information on South Coast AQMD programs and initiatives.

Communications & Public Information Center

The Communications & Public Information Center serves and assists members of the public who wish to report air quality complaints, contact District staff or acquire additional information regarding South Coast AQMD programs. The Communications Center and its associated toll-free numbers, along with South Coast AQMD'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 South Coast AQMD lobby, serves as a walk-up resource for all visitors to South Coast AQMD. The PIC assists with other inquiries made by the public, which can range from requests for information to consultations on South Coast AQMD programs and regulations.

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.

Environmental Justice

South Coast AQMD's Environmental Justice initiatives focus on a wide variety of programs to partner with disadvantaged communities to address air pollution related issues. Specific programs such as the Environmental Justice Community Partnership program and the Environmental Justice Advisory Group seek to build community capacity to empower residents and to reduce air pollution in areas of cumulative impact.

AB 617

The South Coast AQMD is actively conducting comprehensive community-based efforts that focus on improving air quality and public health in environmental justice communities. For Year 1 of the program, AB 617 implementation efforts continue in three (3) South Coast AQMD communities: Wilmington/Carson/West Long Beach, San Bernardino/Muscoy and Boyle Heights/East Los Angeles/West Commerce.

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 South Coast AQMD 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.

Social Media

South Coast AQMD's Social Media program maintains, builds awareness, and monitors South Coast AQMD's social media websites. The agency is active on Facebook, Twitter and Instagram on a daily basis.

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/MEDIA OFFICE (cont.)

ACCOMPLISHMENTS:

RECENT:

State Legislative

- Assisted with efforts to secure \$50 million statewide to air districts to implement AB 617, Community Air Toxics Program.
- Actively worked to garner \$245 million statewide to air districts for incentives to accelerate turnover to cleaner vehicles & equipment.
- Worked to secure \$132 million statewide to air districts for reducing agricultural emissions through diesel engine replacement & upgrades.
- South Coast AQMD Sponsored Bill, SB 1502, to modernize the public notice requirement to allow for electronic communications, signed into law.
- Secured amendments to SB 1260 (Jackson) to allow South Coast AQMD to issue controlled burn permits for open fires in mechanized burners within Los Angeles County, to promote fire hazard mitigation and reduce air pollution, signed into law.
- Prevented diversion of \$26 million in statewide tire fee revenue from Carl Moyer Program.

Federal Legislative

- Worked with the Administration and Members of Congress to move forward the U.S. Environmental Protection Agency (EPA) Clean Trucks Initiative which focuses on a proposed rule for an Ultra-Low NOx Emission Standard for Heavy Duty Trucks.
- Organized and staffed four trips to Washington, D.C. with Governing Board and Executive Council Members to educate the Administration and Members of Congress on South Coast AQMD and our specific air quality-related issues.
- Worked with our Congressional Delegation to increase and/or protect funding for:
 - The Diesel Emission Reductions Act (DERA) grew from \$75 million in Fiscal Year (FY) 2018 to \$87 million in FY 2019
 - Targeted Airshed (TAS) grants grew from \$40 million in FY 2018 to \$53 million in FY 2019; and,
 - Section 103/105 funding remained level at \$228.2 million despite the Administration's initial budget proposal to significantly decrease this account.
- A visit and tour of the South Coast Air Basin by Assistant EPA Administrator Bill Wehrum and key staff.
- Chairman of the House Subcommittee on Interior, Environmental, and Related Agencies, Congressman Ken Calvert visited South Coast AQMD for meetings, a tour of the laboratory and a display of near-zero and zero emission medium and heavy-duty vehicles.

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 South Coast AQMD Lobby.

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

- 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.

Local Government/Community Affairs

- 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, Coastal Odors and several other facilities.
- Organized logistics, conducted outreach and staffed for 15 public meetings such as Town Hall/Community Meetings, Rule-related meetings, Hearings; and Committees.
- Participated in and represented South Coast AQMD throughout the four-county region at 52 community events such as health and environmental justice resources fairs, Council of Government General Assemblies, and air quality related forums and conferences.
- Planned, organized and produced the 2019 “Martin Luther King, Jr. Day of Service Forum” which had more than 400 attendees.
- Planned, organized and produced the 2019 “Cesar Chavez Day of Remembrance” which had more than 350 attendees.
- Planned, organized and produced the 2018 “Clean Air Awards” which honored ten individuals, businesses, and organizations. Over 400 attended the event.
- Completed 32 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.

Environmental Justice

- Organized and staffed four Environmental Justice Advisory Group meetings.
- Held three Environmental Justice Community Partnership Advisory Council meetings.
- Hosted an Inter-Agency Task Force Summit to facilitate coordination between agencies within Los Angeles County process their environmental complaints, and to discuss ways in which environmental complaints can be processed more collaboratively and efficiently.
- Held the 4th Annual Environmental Justice Conference: “Technology’s Role in the Future of Environmental Justice.”
- Organized, conducted outreach for and staffed four Environmental Justice Community Partnership (EJCP) Workshops.
- Held meetings of the Young Leaders Advisory Council (YLAC), which will educate and engage young adults regarding the region’s clean air issues.

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

AB 617

- Organized and staffed the kick-off meetings for the AB 617 program including 13 Meetings attended by 525 stakeholders.
- Assisted with the process to identify the first-year AB 617 communities through an extensive scientific and outreach process. The three communities approved by CARB are:
 - Boyle Heights, East Los Angeles, West Commerce
 - Wilmington, West Long Beach, Carson
 - San Bernardino, Muscoy
- Coordinated with other South Coast AQMD Departments to form three Community Steering Committees including 91 total Community Steering Committee Members.
- Held six Steering Committee meetings attended by approximately 450 Stakeholders.

Media

- Implemented the Google and YouTube campaign for “The Right to Breathe” including the completion of an updated video.
- Developed AB 617/134 hot topics webpage as well as monitored and update other major issue webpages.
- Participated and implemented web improvements such as the streamlining of the “All Videos” webpage and the production of home page announcement banners.
- Oversaw the implementation of the Check Before You Burn program including AMC movie ads, Power106 radio promotion spots, and three videos for social 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 987 media interactions on behalf of South Coast AQMD.
- Wrote and issued 39 news releases; issued a total of 34 Smoke Advisories, Odor Advisories, and No-burn Alerts.

Small Business Assistance

- Conducted 83 on-site consultations.
- Provided assistance to businesses relating to 2,556 permit applications.
- Approved and processed 728 Air Quality Permit Checklist submittals.
- Provided technical support to 255 businesses to understand South Coast AQMD rules and regulations.
- Provided 10 businesses with recordkeeping training.
- Issued four dry cleaning grants.
- Assisted three businesses file variances before the South Coast AQMD Hearing Board.
- Participated in 12 small business-related events.
- Outreached to 588 facilities as part of the Expired Permit Program.

Social Media

- Increased followers:
 - Facebook – approximately 20 percent;

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

- Twitter – approximately 36 percent; and
 - Instagram – over 75 percent.
- Began streaming community meetings on Facebook Live including all AB 617 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 and video.
- Timely reaction to publishing news/advisories resulting in extended news media and outside government agency exposure.

Graphics

- Created approximately 500 major graphics projects/assignments including:
 - 2017 Annual Report;
 - Collateral Brochures and Promotional Items;
 - Bi-Monthly Advisor Publication;
 - Quarterly Governing Board Member Newsletters;
 - Annual Clean Car Buying Guide;
 - Program Announcements;
 - Educational Materials;
 - Advertisements;
 - Signage;
 - Video projects;
 - Newspaper Advertorials; and,
 - 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).

ANTICIPATED:

State Legislative

- Sponsor Voter District Authorization Legislation for South Coast AQMD.
- Seek \$50 million statewide to continue implementation of the AB 617 program.
- Work to secure \$500 million statewide to accelerate turnover to cleaner vehicles & equipment.
- 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 South Coast AQMD's legislative priorities, sponsored legislation, and to support 2016 AQMP efforts.
- Strengthen our educational outreach related to legislation to build increased engagement with all stakeholders, including, but not limited to, government entities, business, environmental groups and the community, to promote South Coast AQMD's legislative priorities, sponsored legislation, and to support 2016 AQMP efforts.
- Continue to work with South Coast AQMD departments to improve efficiency and ease with which existing data can be extracted on a recurring basis for specified, approved

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

purposes for the benefit of public outreach and governmental relations. (CLASS and PeopleSoft.)

Federal Legislative

- Work with U.S. EPA, Members of Congress and stakeholders to ensure the rule-making process for the Ultra-Low NOx Emissions Standard is transparent with equitable stakeholder participation.
- Support and secure funding for air quality issues through existing and new opportunities – Infrastructure, Climate Change, and other types of incentives (tax benefits).
- Participate in the administrative and legislative process to educate policy-makers on climate change initiatives and other air quality related policies as they relate to and impact the South Coast region.
- Support legislation and/or administrative efforts to protect science-driven and health-based determinations of the National Ambient Air Quality Standards (NAAQS).
- 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 NAAQS by upcoming federal deadlines, and in particular, South Coast AQMD to implement the 2016 AQMP and attain federal ozone and particulate matter standards by upcoming federal deadlines;
 - Reauthorizing and expanding funding for Diesel Emission Reduction Act (DERA);
 - Increasing funding for the TAS 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.
- Partner with stakeholders on educational outreach efforts, 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.

Local Government/Community Relations

- Continue to build and maintain relationships with stakeholders to foster two-way flow of communication in support of South Coast AQMD's mission.
- Support with educational and informational outreach on regional, state and federal Initiatives, such as, but not limited to:
 - Voter District Authorization legislation;
 - U.S. EPA Rule for Ultra-Low NOx Emissions Standard for Heavy-Duty Trucks; and,
 - Funding & Policy Issues.

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

- Elevate awareness on South Coast AQMD and air quality issues through participation in community events region wide, the Visiting Dignitaries and Speaker's Bureau program and hosting signature and major events.
- Oversee the contract for and implement the High School Air Quality Education program.
- Facilitate interaction with stakeholders on high profile issues such as Paramount, Torrance Refinery and coastal odors.
- Conduct outreach, issues management and community meetings on various South Coast AQMD programs and mission-centered efforts.
- Increase relationship building with all levels of government, community, health, environmental, business and other stakeholder groups. A focused subset of this outreach will be on environmental justice.
- 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 the Public Advisor and SBA Supervisor.
- Collaborate and assist other South Coast AQMD 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 Hot Spots 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 South Coast AQMD can provide technical expertise to an existing educational program that is being implemented.
- Build relationships with organizations to expand air quality awareness among young adults and professionals.

Communications Center & Public Information

- Increase role for Communications and Public Information staff to provide excellent customer service.
- Receive and process about 48,000 – 52,000 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.
- Process 2,900-3,200 walk-up inquiries via the PIC in the South Coast AQMD Lobby.
- Assist in updating / publishing web pages, including specific web pages relating to various key issues/items, 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.

Environmental Justice

- Further develop and implement the Los Angeles Inter-Agency Task Force and Task Force Steering Committee focused on EJ complaint issues including a complaint resource guide for stakeholders.
- Develop and implement the Environmental Justice Community Partnership Student Assembly Air Quality Educational Program targeting elementary schools.
- Environmental Justice Community Partnership Advisory Council: South Coast AQMD will host four Environmental Justice Community Partnership Advisory Council meetings to discuss how South Coast AQMD can better implement environmental justice efforts. Members of this group include community group leaders, scholars, lawyers, activists, residents, business owners, and public health professionals.
- Organize and hold four Environmental Justice Advisory Group meetings.
- Coordinate and implement two Environmental Justice Student Bus Tours for high school and college students.

AB 617

- Convene monthly Steering Committee meetings for each of the three communities which will include more than 30 meetings from January through October.
- Organize and implement additional AB 617 meetings including the Technical Advisory Group meetings and community updates.
- Implement Year 2 AB 617 Communities including the initial outreach process and formation of the Community Steering Committees.
- Assist with the process to support first year AB 617 plans presentation to South Coast AQMD Board in July and work related to submitting to CARB in September.

Small Business Assistance

- Expand the awareness of South Coast AQMD'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 South Coast AQMD 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/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.
- Conduct outreach for the dry-cleaner program and work with cities on permit issues.

Media

- Develop a strategic communications plan for overall agency messaging and critical issues and crisis management communications.
- Provide media relations services and strategic counsel for high-profile media issues as well as ongoing South Coast AQMD programs and projects through press releases, media advisories, talking points, in-person and on-camera interviews, opinion pieces and letters to the editor.
- Review requests from partner agencies, organizations and firms for quotes from South Coast AQMD officials for articles and press releases.
- Continue the implementation of Google ad campaign for “The Right to Breathe.”
- Implement story maps on South Coast AQMD website and continue to update and maintain hot topics webpages.
- Produce videos for AB 617.
- Implement South Coast AQMD photo library.
- Design and implement the FY 2019-20 Check Before You Burn program.
- 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 South Coast AQMD sponsorships.

Social Media

- Continue follower growth (goal of 30% increase for 2019).
- Streamline the Advisory publishing process to ensure the public gets content in a timely manner.
- Utilize more original South Coast AQMD content, including new up-to-date photos and content from various South Coast AQMD departments.

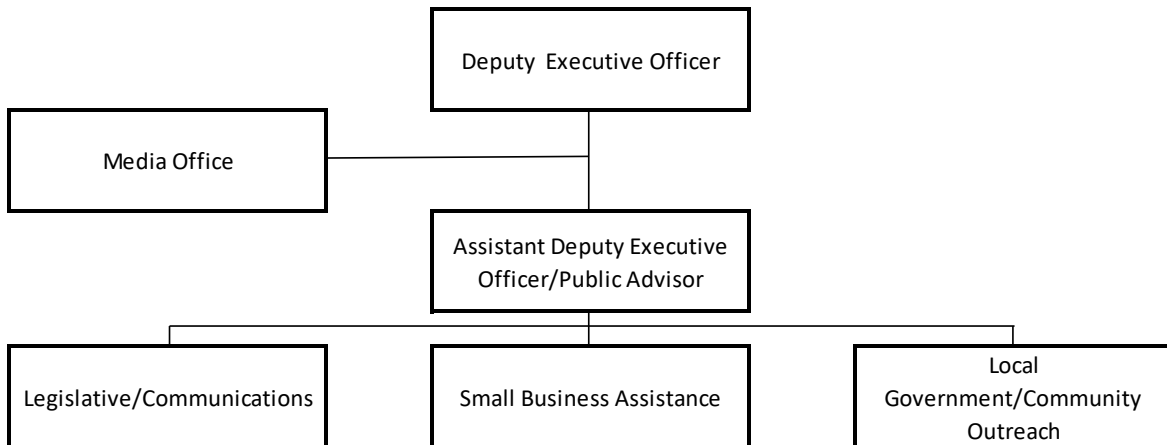
Graphics

- Complete 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 Director of Communications, redesign and redevelop South Coast AQMD core collaterals and electronic and social media content to ensure consistent themes and messaging and to create focused and clear branding of South Coast AQMD throughout all South Coast AQMD collateral materials and electronic content provided to

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

elected officials, agency staff, stakeholders, impacted communities and the public at large.

CURRENT ORGANIZATIONAL CHART:



POSITION SUMMARY: 55 FTEs

Legislative & Public Affairs/Media Office Units	Amended FY 2018-19	Change	Budget FY 2019-20
Administration	6	1	7
Legislative & Public Affairs	42	1	43
Media Office	5	-	5
Total	53	2	55

LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Administrative Secretary
2	Air Quality Engineer
2	Air Quality Inspector
1	Assistant Deputy Executive Officer
1	Community Relations Manager
1	Deputy Executive Officer
1	Director of Communications
3	Graphic Illustrator II
1	Legislative Assistant
1	Office Assistant
3	Public Affairs Manager
1	Program Supervisor
1	Public Affairs Specialist
7	Radio Telephone Operator
3	Secretary
2	Senior Administrative Secretary
2	Senior Office Assistant
1	Senior Public Affairs Manager
17	Senior Public Information Specialist
1	Senior Staff Specialist
1	Staff Assistant
1	Staff Specialist
<u>1</u>	Supervising Radio Telephone Operator
55	Total FTEs

**Legislative & Public Affairs/Media Office
Work Program by Office**

#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	35 1037	Customer Service and Business Assistance	AB 617-Outreach	AB 617-Outreach	2.00	3.00	5.00	XX
2	35 1046	Customer Service and Business Assistance	Admin/Prog Mgmt	Admin Office/Units/SuppCoord Staff	4.02	1.00	5.02	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	Cnte 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	10.50	0.00	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	1.00	2.00	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 Streamlin	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

50.00	5.00	55.00
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Legislative & Public Affairs/Media Office Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 4,138,322	\$ 4,535,475	\$ 4,615,263	\$ 4,444,281	\$ 4,915,612
53000-55000	Employee Benefits	2,285,220	2,845,044	2,845,045	2,718,194	3,087,636
Sub-total Salary & Employee Benefits		\$ 6,423,542	\$ 7,380,520	\$ 7,460,308	\$ 7,162,476	\$ 8,003,247
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	2,843	7,000	19,781	19,781	7,000
67350	Rents & Leases Structure	12,332	9,000	11,100	11,100	9,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	2,164,661	1,515,851	2,220,464	2,220,464	1,515,851
67460	Temporary Agency Services	160,200	114,000	114,000	114,000	114,000
67500	Public Notice & Advertising	5,850	26,600	35,600	35,600	26,600
67550	Demurrage	959	-	-	-	-
67600	Maintenance of Equipment	-	9,000	6,000	6,000	9,000
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	17,053	24,800	24,800	24,800	24,800
67750	Auto Service	-	-	-	-	-
67800	Travel	51,380	45,200	45,200	45,200	45,200
67850	Utilities	-	-	-	-	-
67900	Communications	36,115	47,000	47,000	47,000	47,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	40,772	137,800	23,800	23,800	137,800
68100	Office Expense	56,193	45,300	55,980	55,980	45,300
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	31,336	18,200	23,200	23,200	18,200
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	2,071	8,500	8,500	8,500	8,500
69550	Memberships	22,170	26,250	29,250	29,250	26,250
69600	Taxes	-	-	-	-	-
69650	Awards	(2,549)	49,681	49,681	49,681	49,681
69700	Miscellaneous Expenses	34,651	43,100	43,100	43,100	43,100
69750	Prior Year Expense	(4,266)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 2,631,773	\$ 2,127,282	\$ 2,757,456	\$ 2,757,456	\$ 2,127,282
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 9,055,315	\$ 9,507,802	\$ 10,217,764	\$ 9,919,932	\$ 10,130,529
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

PLANNING, RULE DEVELOPMENT & AREA SOURCES

PHILIP FINE DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$22.4M
FY 2019-20 Budget	\$24.6M
% of FY 2019-20 Budget	14.4%
Total FTEs FY 2019-20 Budget	148

DESCRIPTION OF MAJOR SERVICES:

Planning, Rule Development and Area Sources (PRDAS) is responsible for the majority of South Coast AQMD'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. Key functions include:

- Developing proposals for new rules and amendments to existing rules to implement the SIP obligations and to reduce air toxic emissions/exposures.
 - Conducts socioeconomic impact analyses and California Environmental Quality Act (CEQA) environmental assessments for rulemaking efforts.
 - Comments on CEQA projects throughout the air Basin and acts as the Lead or Responsible Agency for South Coast AQMD permitting projects.
- Developing and implementing mobile source policy.
 - Implements fleet rules to reduce emissions from public fleets.
 - Develops facility-based measures aimed at achieving emission reductions from the indirect mobile sources associated with ports, airports, railyards, and warehouses.
- Coordinating closely with Legislative & Public Affairs/Media Office and the Technology Advancement Office on state and federal legislative and regulatory issues and on avenues for funding for the air quality programs and grants.
- Conducting air quality evaluations and forecasting, inventories of area sources, and compliance activities related to area sources.
- Assisting in the implementation of AB 617 by establishing steering committees for the priority community locations and developing the emission reduction plans in coordination with the air monitoring plans in those communities.
- Leading the assessment, dissemination, and communication of air quality data.
 - Develops the Multiple Air Toxics Exposure Study (MATES).
 - Develops air quality forecasts, advisories, and alerts.
 - Provides input and guidance on health effects associated with air quality policies and other air quality-related issues that arise from individual facilities or communities.
- Implementing several programs, including the state Toxics "Hot Spots" program (AB 2588), Annual Emissions Reporting program (AER), Employee Commute Trip Reduction (Rule 2202) and the AB 2766 Subvention fund program.
- Developing District policy for climate change and energy.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

ACCOMPLISHMENTS:

RECENT:

AB 617

- Completed the community identification and selection process for the implementation of AB 617, with the Governing Board adoption of Year 1 communities. This process included hosting 10 dedicated community meetings, one technical workshop, two Environmental Justice Community Partnership (EJCP) meetings, and presenting at dozens of other community and agency meetings hosted by others. Submitted three reports to the California Air Resources Board (CARB), and received approval for the implementation of AB 617 community air monitoring and emissions reduction plans in three South Coast AQMD communities.
 - Convened Community Steering Committees for each of the three communities selected for Year 1 implementation, and conducted a kick-off meeting and the initial meeting for each of these committees in 2018. These steering committees will continue to work on AB 617 implementation in 2019 and beyond, until the community plans are adopted and implemented.
 - Participated in AB 617 conference calls and meetings with CARB, other air agencies and stakeholders.

AB 2588

- Completed the review of Air Toxic Inventory Reports (ATIR), and Health Risk Assessments (HRA) for the two Potentially High-Risk Level facilities (Anaplex & Aerocraft) in Paramount.
 - Conducted a Public Notification meeting (70,000 notices sent) for both facilities.
 - Completed review of Risk Reduction Plans for both facilities.
- Completed 2017 Annual Report (September 7, 2018).
- Revised and updated the following Procedures and Guidelines (September 7, 2018)
 - Facility Prioritization Procedure;
 - AB 2588 and Rule 1402 Supplemental Guidelines; and
 - Guidelines for Participating in the Rule 1402 Voluntary Risk Reduction Program (VRRP).
- Conducted 130 facility audits of quadrennial emissions inventories.
- Calculated priority scores for 260 facilities, which is also in support of AB 617.
- Reviews of the following documents:
 - Air Toxic Inventory Reports: Reviewed 19 and approved 13;
 - Health Risk Assessments: Reviewed 11 and approved six;
 - Risk Reduction Plans: Reviewed and approved two;
 - Voluntary Risk Reduction Plans: Reviewed 11 and approved two; and
 - Public Notices: Conducted four.

Air Quality Assessment

- Implemented software enhancements to improve the efficacy and streamline implementation for:

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Air quality forecasting, allowing for more accurate forecasts to be issued in less time; Weekly summaries of ozone concentrations allowing with a single click to notify staff of exceedances, and produce the air quality summary card; and
 - Issuing air quality advisories including automation of Check Before You Burn advisories.
 - Transferred all operational forecasts and data to a modern Linux server and modern PCs from the recently-retired FORTRAN computer machine.
 - Incorporated prognostic bias-corrected PM2.5 predictions from National Oceanic Atmospheric Administration (NOAA) into our forecasting system to improve accuracy.
 - Wrote software to calculate PM2.5 design values with and without potential exceptional events to aid in the preparation of U.S. EPA Initial Notification Forms and evaluate the effect of exceptional events on air quality.
 - Worked with Sonoma Tech, Inc. to implement the Hydrogen Sulfide (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 2018), issuing Smoke Advisories (32 days in 2018), issuing H2S odor advisories (one day in 2018), issuing special advisories (10 days in 2018) and windblown dust and ash advisories (six days in 2018).
 - Provided programmatic support (point source modeling), including completing 24 permit modeling requests. Six of the 24 permit modeling requests were completed by an outside contractor.
 - Worked with Information Management (IM) to implement NowCast on the Air Quality Index (AQI) map and enhance other areas of the South Coast AQMD website to better communicate air quality data to the public.
 - Answered over 100 air quality related emails and phone calls in 2018.
 - Created community-facing interactive maps to support AB 617 efforts.
- Air Quality Modeling/Emissions Inventory*
- Continued developing the Net Emissions Analysis Tool (NEAT) to estimate NOx and Green House Gas (GHG) emission reductions from implementing zero to near-zero residential appliances and the cost effectiveness associated with the conversion.
 - Developed emissions inventory of Toxic Air Contaminants to estimate cancer exposure risk.
 - Analyzed community-level data for use in the AB 617 program, such as cancer risk, socio-economic data and other demographic factors.
 - Developed AB 617 community-based emissions inventory and preliminary source apportionment.
 - Continued collaboration with NASA and other academic and research agencies to utilize satellite retrieved data in air quality modeling and analysis.
 - Continued improving air quality model predictability to be the state-of-the-science and appropriate for Air Quality Management Plan (AQMP) attainment demonstrations.
 - Continued refining AQMP/SIP emissions inventory to assist the implementation of AQMP control measures.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Reviewed General Conformity requirements for the projects submitted to South Coast AQMD to be accommodated by the SIP set aside account.
- Continued assisting inter- and intra- divisional projects that utilize Geographical Information Systems.

Annual Emissions Reporting

- Updated the Annual Emissions Reporting (AER) web tool software.
- Identified and notified 2,400 facilities subject to South Coast AQMD's AER program out of approximately 26,000 facilities with active permits within the South Coast AQMD jurisdiction.
- Reviewed submitted AER reports which ultimately generated \$16.3 million in annual emission fees.
- Audited 300+ Emission Reports (including a five-year audit of a local cement plant resulting in \$2.5 million in under-reported emission fees and surcharges).
- Assisted facilities with emission reporting process through three multi-hour workshops and AER hotline during the first quarter of 2018.
- Compiled and submitted 2018 device level emission data to CARB.
- Continued providing input to CARB and coordinating with CAPCOA regarding drafting their Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation section of AB 617.

AQMP/SIP

- Updated 1979 1-hour ozone standard attainment demonstration for U.S. EPA without relying on CAA 182(e)5 measures (so-called 'Black Box' measures).
- Continued 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.
- Submitted a quantitative milestone report for year 2017, demonstrating that all measures in the PM2.5 serious area plan are being implemented.
- Issued a Request for Proposals (RFP) to solicit stationary and mobile source incentive projects for reducing emission/toxic exposure and technology demonstration and deployment, evaluated 80 proposals received and provided recommendations to fund 26 emission reduction projects.

CEQA

- Conducted environmental assessments for 12 South Coast AQMD 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 consultation for local ongoing development projects including the I-710 corridor, Inglewood Basketball and Entertainment Center, Santa Susana Laboratory and California High Speed Rail.

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 closely with the Ports of Los Angeles (LA) and Long Beach (LB) through conference calls and meetings to develop the Memorandum of Understanding (MOU) principles and framework as

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

well as the MOU development process, including establishment of a technical work group to develop methodologies to quantify baseline inventories and emissions reductions benefits and forecast through implementation of Clean Air Action Plan measures.

- Hosted a technology forum on retrofit technologies for ocean going vessels (OGVs) in collaboration with U.S. EPA, CARB, Ports of LA and LB, shipping lines, engine manufacturers as well as Chinese port authorities. The forum focused on promising OGV retrofit technologies and to discuss strategies to develop incentive-based programs to accelerate deployment and re-routing of Tier 3 vessels and upgrading OGVs to Tier 2+ standards.
- Worked closely with the five commercial airports and their consultants through conference calls and meetings to develop the emissions inventory protocol and MOU framework as part of the airports MOU development which will be based on each airport's Air Quality Improvement Plan.
- Initiated an economic impacts study to evaluate potential impacts of different rule scenarios for warehouses.
- Initiated the Pacific Rim Initiative for Maritime Emission Reductions to partner with Asian ports to incentivize cleaner vessels that will call at the Ports of LA and LB.

Health Effects

- Established the groundwork for the Aliso Canyon Health Study by conducting public outreach and convening the Health Study Technical Advisory Group. The RFP for the study was released in November 2018.
- Participated in inter-agency environmental justice efforts, including the LA County Public Health Industrial Use Task Force and Green Zones initiatives, the Southern California Association of Governments (SCAG), Environmental Justice Working Group, and the Department of Toxics and Substances Control (DTSC) working group, for implementation of SB 673.
- Continued implementation of the MATES V study including an extensive advanced monitoring component.
- Provided input and support for the Community Air Toxics Initiative projects in Paramount and Compton, including presenting at public meetings, participating on update 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.
- Completed more than 14 public presentations or panel presentations for the Environmental Justice Community Partnership, and other academic, professional, and community audiences.
- Completed 11 media interviews on air pollution and health-related topics.

Fleet Rules

- Completed a comprehensive fleet survey of all public entities within our jurisdiction to better understand the type, age and number of vehicles owned and operated by public fleets and their contractors in order to support future rule-making efforts.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

Rule Development

- Adopted Rule 1118.1 to implement the Best Available Retrofit Control Technology (BARCT) emission limits for non-refinery flares, achieving 0.18 tpd of NO_x and 0.014 tpd of VOC reductions.
- Amended Rule 1325 to correct a SIP deficiency requested by the U.S. EPA by clarifying PM_{2.5} precursors in a definition.
- Amended Rules 1146, 1146.1 and 1146.2 to implement BARCT emission limits for applicable boilers, steam generators, and process heaters, achieving 0.27 tpd of NO_x reductions by 2023.
- Adopted Rule 1100 to establish a compliance schedule for transitioning NO_x Regional Clean Air Incentives Market (RECLAIM) facilities.
- Amended Rule 1469 to require air pollution controls for tanks that are currently unregulated and require periodic source testing, require building enclosures, and to enhance housekeeping and best management practices to better control point and fugitive hexavalent chromium emissions from for hexavalent chromium plating and anodizing facilities.
- Amended Rule 1135 to implement BARCT NO_x and ammonia emission limits for electricity generating facilities achieving 1.7 tpd of NO_x reductions.
- Amended Rules 2001 and 2002 to provide RECLAIM facilities the option to exit the program if they meet certain criteria and to provide the option to remain in RECLAIM for a limited time upon receiving an initial determination notification.
- Amended Rule 1111 to extend and increase the mitigation fee period end dates for condensing furnaces, non-condensing furnaces, weatherized furnaces, and mobile home furnaces.
- Amended Rule 1178 to allow the use of a flexible enclosure for slotted guidepoles for petroleum storage tanks under certain conditions. Amended Rule 219 to exempt from permitting slotted guidepoles that meet specific emission control configurations specified in Rule 1178.
- The following rule development projects were initiated before or during the fiscal year and are expected to be adopted or amended in the next fiscal year:
 - Proposed Amended Rule 1134 (gas turbines),
 - Proposed Amended Rule 1110.2 (Emissions from IC Engines)
 - Proposed Rule 1109.1 (refinery equipment)
 - Proposed Rule 1410 (HF use at refineries)
 - Proposed Rule 1480 (ambient monitoring of toxic metals)
 - Proposed Amended Rule 1407 (non-chromium metal melting)
 - Proposed Rule 1407.1 (chromium metal melting)
- Conducted monthly RECLAIM meetings and held over 50 individual facility or industry-specific meetings. The RECLAIM general working group meetings have shifted focus to address New Source Review issues for the transition.
- Other rule-related projects
 - Issued an RFP for a third party independent engineering consultant to assist in reviewing BARCT analysis for Proposed Rule 1109.1 development.
 - Initiated Request for Proposals for Proposed Rule 1407.1 (Toxic Air Contaminants from Chromium Alloy Melting Operations) source testing laboratories.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Finalized Rule 1168 Guidance Document which provides the test methods required for specific adhesives or sealants.

Socioeconomic Impacts

- Completed eight Socioeconomic Impact Assessments for amendments to Rules 2001/2002 (twice; January & October), 1111 (twice; March & July), 408, 1135, 1469, 1146/1146.1/1146.2 (amended) plus 1100 (new rule).
- Continued managing two Requests for Proposals to implement recommendations by Abt Associates to enhance evaluating public welfare benefits of clean air for future AQMPs. Such benefits include recreational visibility, agriculture, ecology, and materials benefits.
- Expanded small-business analysis in proposed amendments to Rule 1469, which was subsequently reviewed and approved by independent contractor, Industrial Economics, Incorporated.
- Updated Reg III, the South Coast AQMD's fee rule.
- Received training on disaggregated input/output Economic Modeling (EMSI) model, which provides economic detail of industries at a more granular level than previously considered by the Socioeconomic Team.
- Received and implemented training on updated Regional Economic Modeling Inc. (REMI) model, providing greater clarity in Socioeconomic Impact Assessments of economic results predicted by REMI model.
- Developed beta version of cost database of common compliance costs for rule staff reference.

Transportation Programs

- Assisted local governments with the implementation of AB 2766 funds to reduce mobile source emissions. Staff worked with 162 eligible cities, and provided guidance on projects with 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 24 Rule 2202 Employee Transportation Coordinator (ETC) certification classes.

Other

- Developed comment letters on key U.S. EPA initiatives, including the proposed glider kits, Corporate Average Fuel Economy (CAFE) standards, and transparency in regulatory science rules, as well as successfully advised U.S. EPA to take action on revising the heavy-duty NOx emission standard.
- 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, implementation and enforcement of rules for area sources of emissions.
- Initiated audits for approved Rule 1111 alternate compliance plans.

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 for Year 2 implementation.
- Complete AB 617 Community identification process and begin development of Community Emission Reduction Plans where appropriate.
- Adopt and begin implementation of community emission reduction plans for Year 1 communities.
- Launch Technical Advisory Group meetings to discuss modeling approaches, emissions data and numerical methodologies in depth.
- 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 Assessments for gas stations using new health risk guidelines from Office of Environmental Health Hazard Assessment (OEHHA) (pending adoption) and revised emission factors and Industry-Wide HRA Guidelines from CARB. The CARB Industry-Wide HRA Guidelines is estimated to be released mid-2019.
- Work with consultants to allow quicker verification of priority scores, approval of ATIRs, HRAs, and VRRPs.
- Continue updating the Rule 1402 & AB 2588 Guidelines as necessary.

Air Quality Assessment

- Prepare exceptional events demonstrations for PM2.5 and PM10 in the South Coast Air Basin and PM10 in the Coachella Valley portion of the Salton Sea Air Basin.
- Continue to improve the dissemination of forecasts and advisories thorough the South Coast AQMD website, AirNOW, Enviroflash, and the South Coast AQMD app.
- If feasible, develop and provide the public with hourly and higher-spatial resolution predictions of PM2.5, PM10, and O3 throughout South Coast AQMD's jurisdiction.
- Improve forecast products with the integration of bias-corrected chemical transport models and machine learning techniques.
- Develop software to preemptively notify South Coast AQMD staff of PM10 dust events and to notify staff of wildfire smoke impacts to allow for more timely and accurate advisories.
- Provide more detailed air quality advisories to the public. Investigate the use of graphics or videos to convey additional information.
- Continue to pursue efforts to increase awareness of Check Before You Burn Advisories by establishing partnerships with the Weather Company and the National Weather Service.
- Continue the development of interactive maps and GIS data analysis to support AB 617 efforts.
- Continue supporting program functions through air quality forecasting, issuing advisories, calculating air quality trends, responding to public inquiries via phone and email, and conducting point-source permit modeling.

Air Quality Modeling/Emissions Inventory

- Complete the development of the Net Emissions Analysis Tool (NEAT) for residential applications.
- Continue to develop detailed Toxic Air Contaminant emissions inventory to estimate cancer exposure risk.
- Continue technical assistance to the AB 617 program, especially to identify the sources of major air contaminants for each community.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Continue collaboration with regulatory agencies, academic institutes and research laboratories to improve air quality model's predictability to be the state-of-the-science and appropriate for AQMP attainment demonstrations.
- Continue refining AQMP/SIP emissions inventory to assist the implementation of AQMP control measures.
- Continue reviewing General Conformity requirements of the projects submitted to South Coast AQMD to be accommodated in the SIP set aside account and tacking the usage of SIP/ South Coast AQMD General Conformity account.
- Continue assisting inter and intra divisional projects that require regional modeling, SIP emissions inventory and Geographical Information System (GIS) based geospatial analysis.

Annual Emissions Reporting

- Continue evaluating submissions of emissions inventories and annual emissions fees.
- Conduct AER audits.
- Improve AER on-line reporting system to facilitate data entry for users and incorporate changes to facilitate emission reporting required under AB 617.
- Continue to work with CARB and CAPCOA on the development and implementation of the Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation section of AB 617.
- Improve AER mailing list generator program to facilitate inclusion of facilities subject to AB 617 for emissions reporting.
- Conduct training for new and existing staff, inclusive of the new AB 617 requirements and emissions reporting regulation.

AQMP/SIP

- Begin Preparation of 2022 AQMP to address 2015 8-hour ozone standard.
- Begin Preparation of emissions inventory and Reasonably Available Control Technology/ Reasonably Available Control Measures for the 2022 AQMP.
- Prepare a SIP update for the 1997 8-hr ozone standard for Coachella Valley.
- Prepare a SIP update to define CAA § 182 (e)(5) measures for the 1997 8-hr ozone standard for the South Coast Air Basin.
- Evaluate PM_{2.5} design values for attainment status of the 2006 24-hr PM_{2.5} standard for the South Coast Air Basin.
- Continue working on developing funding to implement the incentive control measures in the 2016 AQMP.
- Execute contracts for stationary source projects that reduce emissions and toxic exposure.
- Develop a tracking system for emission reductions achieved as a co-benefit to existing climate change programs.
- Develop a webpage for the solar initiative.

CEQA

- Initiate working group process to establish guidelines to reflect the 2015 Revised OEHA Guidelines for estimating health risk and current air quality standards.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Revisit how greenhouse gas (GHG) impacts are analyzed and mitigated under CEQA; and revise how transportation impacts are evaluated for determining significance based on the newly adopted vehicle miles traveled (VMT) metric, in lieu of the previous level of service (LOS) metric.
- Update air quality mitigation measures for stationary sources, mobile on-road vehicles and off-road equipment.
- Update South Coast AQMD's localized significance thresholds (LSTs) to reflect the latest vehicle emissions factor model (EMFAC) and health data.
- Establish guidance as to how to address and disclose the health effects from significant adverse air quality impacts pursuant to the court decision in the Friant Ranch CEQA case.
- Continue developing and reviewing CEQA lead agency projects (rules and permitting projects) and commenting on CEQA documents through the South Coast AQMD's Intergovernmental Review program.
- Issue RFPs for CEQA assistance in preparing the required CEQA documents for AB 617.

Facility-Based Mobile Source Measures

- Continue work to develop voluntary and regulatory approaches for achieving further emission reductions from airports, marine ports, new and redevelopment projects, rail yards, and warehouses.
- Continue working with Commercial Airports to develop airport specific Air Quality Improvement Plans (AQIP) and MOUs.
- Estimate SIP credits that can be achieved from the AQIP and MOU with airports.
- Continue working with the Ports of Los Angeles and Long Beach to develop an MOU and estimate SIP credits that can be achieved through its implementation.
- Continue collaborations with international ports, including Chinese ports, to develop incentive-based programs to accelerate deployment of cleaner vessel technologies.
- Continue collaborations with engine manufacturers and shipping lines to identify and demonstrate promising retrofit technologies for ocean going vessels.

Health Effects

- Work with Monitoring and Analysis staff to complete 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 health risk modeling to estimate long-term cancer risks based on toxics inventory data.

Mobile Source

- Continue working on implementation of existing fleet rules including compliance verification activities, 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 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, as well as New Source Review issues pertaining to the transition and adopt/amend the following proposed or proposed amended rules for the RECLAIM transition:

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Amend Rule 1134 to establish NO_x Best Available Retrofit Control Technology requirements for stationary turbines.
- Rule 1110.2 (Emissions from IC Engines) will be amended to incorporate provisions for facilities that are transitioning from NO_x RECLAIM to command and control.
- Develop Proposed Rule 113 to establish monitoring, reporting, and recordkeeping requirements for facilities with Continuous Emissions Monitoring (CEMS) exiting RECLAIM and transitioning to a command-and-control regulatory structure.
- Adopt Proposed Rule 1109.1 that will establish BARCT requirements for refineries that are transitioning from RECLAIM to command and control.
- Amend Rule 1147 to implement BARCT for miscellaneous combustion sources at RECLAIM facilities that will transition to command-and-control.
- Adopt Proposed Rules 1147.1 (large miscellaneous combustion sources) that will establish requirements for facilities that are transitioning from RECLAIM to command and control.
- Amend Rule 1117 to update the emission standard to incorporate Best Available Retrofit Control Technology for glass melting equipment and incorporate provisions for facilities that are transitioning from NO_x RECLAIM to command and control.
- Amend Rule 1100 that will establish the implementation schedule for specific NO_x RECLAIM facilities that are transitioning to command and control.
- Amend Regulation XIII (New Source Review) and Regulation XX (RECLAIM) to revise New Source Review provisions to address facilities that are transitioning from RECLAIM to command-and-control. Proposed amendments to Regulation XX also are needed to coordinate amendments to Regulation XIII.
- Adopt/Amend the following Proposed or Proposed Amended Rules:
 - Proposed Amended Rule 1403 includes 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.
 - Proposed Amended Rules 110, 212, 301, 303, 306, 307.1, 309, 315, 510, 515, 518.2, 812, 1309, 1310, 1605, 1610, 1612, 1620, 1623, 1710, 1714, and 3006 to expand noticing options to include email and webpage display for public notices for Title V permit programs, rulemaking activities, and hearing board cases and to also include the option to deliver invoices to permit holders by email.
 - Proposed Amended Rule 1407 will reduce toxic air contaminants emissions from non-chromium alloy melting operations for Rule 1407.
 - Proposed Rule 1407.1 to reduce toxic air contaminant emissions from chromium alloy melting operations.
 - Proposed Amended Rule 1106 to revise VOC content limits for Marine Coating operations.
 - Proposed Rule 1410 or develop an MOU to address hydrogen fluoride use at refineries.
 - Proposed Amended Regulation III-Fees to incorporate the CPI adjustment to keep pace with inflation pursuant to Rule 320 and make any other needed adjustments.
 - Proposed Amended Regulations IX and X to incorporate by reference new and amended federal performance standards enacted by U.S. EPA for stationary sources.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Proposed Rule 1480 to address ambient air monitoring requirements for toxics.
- Proposed Amended Rule 461 to address provisions from CARB for gasoline dispensing facilities.
- Proposed Rules 1150.3 (landfills) and 1179.1 (Publicly Owned Treatment Works) to establish NOx emission requirements for facility-specific combustion equipment.
- Initiate rulemaking on the following rule projects:
 - Proposed Rule 1138 to regulate emissions from restaurant operations.
 - Proposed Rule 1450 to reduce exposure to methylene chloride from furniture stripping.
 - Proposed Amended Rule 1426 to reduce toxic air contaminants from metal finishing operations.
 - Proposed Rule 1147.2 (Metal Melting and Heat-Treating Furnaces) and 1147.3 (Aggregate Facilities) to establish NOx BARCT requirements for the RECLAIM transition.
 - Proposed Amended Rule 1142 for VOC emissions from marine vessel operations.

- Continue working with stakeholders to assess implementation of Rule 1111.

Socioeconomic Impacts

- Begin enhancing Socioeconomic Impact Assessments by utilizing more granular industry detail as made available by the disaggregated input/output EMSI model and updated REMI model.
- Continue managing contract with University of California, Riverside, on distributional impacts and fund generation of potential 0.25%-0.50% sales-tax increase.
- Issue two Request for Proposals (RFPs) or sole-source contracts to update South Coast AQMD understanding of health-benefit valuation and environmental-justice analysis continuing Abt recommendations in preparation for 2022 AQMP.
- Continue managing two RFPs to implement recommendations by Abt Associates to enhance evaluating public welfare benefits of clean air for future AQMPs. Such benefits include recreational visibility, agriculture, ecology, and materials benefits.
- Improve compliance-cost database through rule staff internal review.
- 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.
- Continue compliance verification activities.

Other

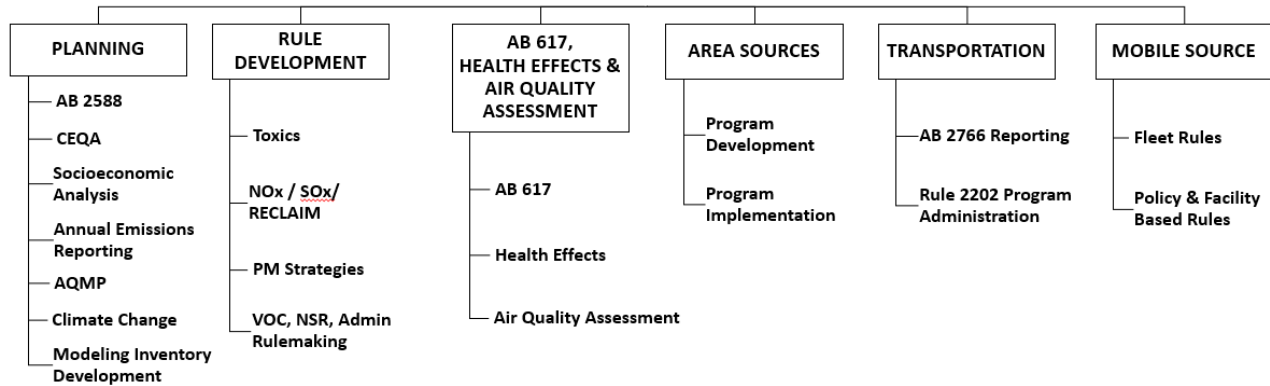
- Continue implementation of rules and compliance verification activities, inclusive of Rule 317 accounting.
- Establish two technical assessments for Rule 1118.1 (beneficial use of gas handling and impacts from food waste diversion) and others as needed.
- Continue development of the new web-based Flare Event Notification System (FENS) to assist refineries in complying with Rule 1118 and provide new public portal regarding current, upcoming and past flaring events.
- Develop incentive program guidelines for SIP credit.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Complete development and launch on-line Rule 1415 registration.
- Continue compliance verification and rule development for area sources of emissions.
- Work with the Science & Technology Advancement Office 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.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 148 FTEs

Planning, Rule Development and Area Sources Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	9	-	9
Planning	60	-	60
Rule Development	21	-	21
Area Sources	8	-	8
Transportation Programs	11	-	11
Health Effects	3	-	3
Mobile Source	9	-	9
AB 617	27	-	27
Total	148	-	148

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
2	Administrative Secretary
10	Air Quality Engineer II
4	Air Quality Inspector II
1	Air Quality Inspector III
63	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	Director of Community Air Programs/Health Effects Officer
4	Office Assistant
8	Planning and Rules Manager
26	Program Supervisor
9	Secretary
3	Senior Administrative Secretary
4	Senior Air Quality Engineer
1	Senior Meteorologist
4	Senior Office Assistant
<u>3</u>	Senior Staff Specialist
148	Total FTEs

**Planning, Rule Development & Area Sources
Work Program by Office**

#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	26 002	Develop Programs	AB2766/Mobile Source	AB2766 Mobile Source Outreach	1.05	1.65	2.70	IX
2	26 007	Customer Service and Business Assistance	AB2766/MSRC	AB2766 Prov Tech Asst to Cities	1.20	-1.20	0.00	IX
3	26 010	Develop Programs	AQMP	AQMP Special Studies	0.10	1.50	1.60	IV,V,IX,XV
4	26 031	Develop Rules	AB 617-BARCT Rules	AB 617-BARCT Rules	11.40	4.80	16.20	XX
5	26 033	Develop Programs	AB 617-Em Inventory	AB 617-Em Inventory	0.50	2.50	3.00	XX
6	26 034	Develop Programs	AB 617-Em Reduc Plns	AB 617-Em Reduc Plns	0.50	9.65	10.15	XX
7	26 035	Develop Rules	AB 617-General	AB 617-General	1.60	2.55	4.15	XX
8	26 038	Develop Programs	Admin/Office Management	Coordinate Off/Admin Activities	4.55	0.00	4.55	Ib
9	26 050	Develop Rules	Admin/Rule Dev/PRA	Admin: Rule Development	1.10	0.00	1.10	Ib
10	26 061	Monitoring Air Quality	Air Quality Evaluation	Air Quality Evaluation	2.25	0.25	2.50	IX
11	26 068	Develop Programs	SCAQMD Projects	Prepare Environmental Assessments	3.35	0.00	3.35	II,IV,IX
12	26 071	Develop Rules	Arch Ctgs - Admin	Rdev/Aud/DB/TA/SCAQMD/Rpts/AER	1.00	-0.50	0.50	XVIII
13	26 072	Ensure Compliance	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	XVIII
14	26 073	Ensure Compliance	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	XVIII
15	26 076	Ensure Compliance	Area Sources/Compliance	Area Source Compliance	4.50	0.00	4.50	III,IV,V,IX,XV
16	26 077	Develop Rules	Area Sources/Rulemaking	Dev/Eval/Impl Area Source Prog	2.00	-1.50	0.50	II,IX
17	26 083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.10	0.00	0.10	Ia,II,IV
18	26 102	Develop Programs	CEQA Document Projects	Review/Prepare CEQA Comments	3.75	0.00	3.75	II,IX
19	26 104	Develop Programs	CEQA Policy Development	ID/Develop/Impl CEQA Policy	0.50	0.00	0.50	IV,IX
20	26 121	Develop Programs	China Cln Shipping	China Partnership Cleaner Shpng	0.00	1.00	1.00	IX
21	26 128	Develop Programs	Cln Communities Pln	Cln Communities Plan Admn/Impl	0.25	-0.25	0.00	II,IX
22	26 148	Policy Support	Climate Change	GHG/Climate Change Policy Development	3.35	-1.35	2.00	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	11.00	0.00	11.00	II,V
25	26 217	Develop Programs	Emissions Inventory Studies	Dev Emiss DB/Dev/Update Emiss	0.50	0.25	0.75	II,V,IX,XV
26	26 218	Develop Programs	AQMP/Emissions Inventory	Dev Emiss Inv: Forecasts/RFPs	0.74	0.51	1.25	II,IX
27	26 240	Policy Support	EJ-AQ Guidance Document	AQ Guidance Document	0.10	0.00	0.10	II,IX
28	26 257	Develop Rules	Fac Based Mob Src	Facility Based Mobile Src Meas	5.00	1.25	6.25	IX
29	26 276	Policy Support	Advisory Group/Home Rule	Governing Board Advisory Group	0.30	0.20	0.50	Ia
30	26 277	Policy Support	Advisory Group/AQMP	Governing Board AQMP Advisory Group	0.05	0.00	0.05	II,IX
31	26 278	Policy Support	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Rev	0.15	-0.05	0.10	II,IX
32	26 358	Ensure Compliance	GHG Rules-Compl	Green House Gas Rules-Compliance	0.70	0.30	1.00	IV
33	26 362	Develop Rules	Health Effects	Study Health Effect/Toxicology	2.25	-1.55	0.70	II,III,IX
34	26 368	Develop Programs	Incentive RFP Emiss Red Projs	Incentive Projects Admin	0.00	1.00	1.00	XVII
35	26 385	Develop Rules	Criteria Pollutants/Mob Srcs	Dev/Impl Intercrredit Trading	0.75	0.00	0.75	IV,IX
36	26 397	Develop Programs	Lead Agency Projects	Prep Envrmt Assmts/Perm Proj	2.50	0.00	2.50	III
37	26 416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	Ia
38	26 443	Monitoring Air Quality	MATES V	MATES V	0.30	0.00	0.30	XVII
39	26 444	Monitoring Air Quality	MATES V Refinery	MATES V Refinery	0.00	0.10	0.10	XVII
40	26 445	Monitoring Air Quality	Meteorology	ModelDev/Data Analysis/Forecast	2.45	0.05	2.50	II,V,IX

Revised 4/25/2019

Planning, Rule Development & Area Sources (Cont.)
Work Program by Office

#	Program Code	Program Categories		Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
41	26	449	Develop Rules	Mob Src/SCAQMD Rulemaking	Prepare SCAQMD Mob Src rulemaking proposals	2.30	1.30	3.60	IX
42	26	451	Develop Programs	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src Fuel Policies	0.50	0.00	0.50	IX
43	26	452	Develop Programs	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	0.50	-0.30	0.20	IX,XVII
44	26	460	Develop Rules	Regional Modeling	Rule Impact/Analyses/Model Dev	4.40	0.60	5.00	II,V,IX
45	26	461	Timely Review of Permits	Permit & CEQA Modeling Review	Review Model Permit/Risk Assmt	1.30	-0.30	1.00	III
46	26	503	Develop Programs	PM Strategies	PM10 Plan/Analyze/Strategy Dev	3.40	-2.40	1.00	II,V,XV
47	26	530	Monitoring Air Quality	Photochemical Assessment	Photochemical Assessment	0.25	-0.25	0.00	II,V
48	26	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.82	-0.03	0.79	la
49	26	620	Ensure Compliance	Refinery Pilot Project	Refinery Pilot Project	0.00	1.80	1.80	II
50	26	643	Timely Review of Permits	Rule 222 Filing Program	Rule 222 Filing Program	0.00	0.00	0.00	IV
51	26	645	Ensure Compliance	Rule 1610 Plan Verification	Rule 1610 Plan Verification	0.75	-0.25	0.50	V,IX
52	26	646	Develop Rules	R1180 Community Mon	R1180 Comm Monitoring Refinery	0.00	0.20	0.20	XVII
53	26	654	Develop Rules	Rulemaking/NOX	Rulemaking/NOX	2.50	-1.60	0.90	II,IV,XV
54	26	655	Develop Rules	NSR/Adm Rulemaking	Amend/Develop NSR & Admin Rules	2.50	-1.60	0.90	II,IV,V,XV
55	26	656	Develop Rules	Rulemaking/VOC	Dev/Amend VOC Rules	3.25	-0.25	3.00	II,IV,XV
56	26	659	Develop Rules	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	11.00	-2.25	8.75	II,XV
57	26	661	Develop Rules	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Is	2.50	-1.00	1.50	II
58	26	685	Develop Programs	Socio-Economic	Apply econ models/Socio-econ	4.50	-0.50	4.00	II,IV
59	26	717	Policy Support	Student Interns	Gov Bd/Student Intern Program	0.25	0.25	0.50	la
60	26	745	Develop Programs	Rideshare	Dist Rideshare/Telecommute Prog	0.68	-0.13	0.55	IX
61	26	788	Customer Service and Business Assistance	AB2588 Mailing/Venue	AB2588 Mailing/Venue	0.00	0.05	0.05	XVII
62	26	794	Ensure Compliance	Toxics/AB2588	AB2588 Core, Tracking, IWS	13.00	0.00	13.00	X
63	26	805	Operational Support	Training	Training	0.25	0.29	0.54	Ib
64	26	816	Develop Programs	Transportation Regional Progs	Dev AQMP Meas/Coord w/Reg Agn	0.35	0.05	0.40	V,IX
65	26	825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.02	0.04	la
66	26	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.02	0.06	0.08	la
67	26	833	Customer Service and Business Assistance	Rule 2202 ETC Training	Rule 2202 ETC Training	0.95	0.20	1.15	XI
68	26	834	Develop Programs	Rule 2202 Implement	Rule 2202 Proc/Sub Plans/Tech Eval	2.67	-0.52	2.15	XI
69	26	836	Develop Programs	Rule 2202 Support	R2202 Supt/CmptMaint/WebSubmt	2.65	-0.60	2.05	V,XI
70	26	855	Operational Support	Web Tasks	Create/edit/review web content	0.50	-0.40	0.10	la

Total Planning, Rule Development, and Area Sources

134.00	14.00	148.00
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Planning, Rule Development & Area Sources Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 10,966,947	\$ 13,374,271	\$ 13,694,528	\$ 13,017,088	\$ 14,726,917
53000-55000	Employee Benefits	5,372,228	7,350,375	7,350,375	7,083,251	8,299,872
Sub-total Salary & Employee Benefits		\$ 16,339,175	\$ 20,724,646	\$ 21,044,903	\$ 20,100,340	\$ 23,026,789
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	3,547	2,000	2,000	2,000	2,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	931,212	974,300	1,360,672	1,360,672	894,000
67460	Temporary Agency Services	139,598	100,000	73,013	73,013	20,000
67500	Public Notice & Advertising	107,837	125,000	125,000	125,000	105,300
67550	Demurrage	1,505	1,000	1,000	1,000	1,000
67600	Maintenance of Equipment	(1,633)	5,000	5,000	5,000	5,000
67650	Building Maintenance	2,090	1,000	1,000	1,000	1,000
67700	Auto Mileage	5,237	3,500	5,500	5,500	8,500
67750	Auto Service	-	-	-	-	-
67800	Travel	36,510	45,000	60,000	60,000	70,000
67850	Utilities	-	-	-	-	-
67900	Communications	46,969	50,000	50,000	50,000	50,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	1,341	1,500	2,968	2,968	1,500
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	99,988	100,000	100,000	100,000	100,000
68100	Office Expense	161,608	61,484	95,934	95,934	161,484
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	10,130	2,000	2,000	2,000	2,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	11,862	25,000	25,000	25,000	25,000
69550	Memberships	398	4,000	4,000	4,000	4,000
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	44,193	75,000	75,000	75,000	125,000
69750	Prior Year Expense	(1,589)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,600,802	\$ 1,575,784	\$ 1,988,087	\$ 1,988,087	\$ 1,575,784
77000	Capital Outlays	\$ 15,971	\$ 110,000	\$ 110,000	\$ 110,000	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 17,955,948	\$ 22,410,430	\$ 23,142,990	\$ 22,198,427	\$ 24,602,573
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

SCIENCE & TECHNOLOGY ADVANCEMENT

MATT MIYASATO DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$32.3
FY 2019-20 Budget	\$35.4M
% of FY 2019-20 Budget	20.7%
Total FTEs FY 2019-20 Budget	226

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 South Coast AQMD'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 South Coast AQMD'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, AB 134 Community Air Protection Funds, Enhanced Fleet Modernization Program and the Proposition 1B-Goods Movement programs with total funding exceeding \$185 million. Implemented the Voucher Incentive Program (VIP) for replacement of on-road trucks on a first-come-first-served basis.
- Continued the Clean Fuels program, which is the research, development, demonstration and early deployment program for the South Coast AQMD. Executed over \$25 million in contracts, comprising \$13 million in Clean Fuels funds and \$12 million in awards from federal and state solicitations recognized into the Clean Fuels fund, with \$70 million in total project costs (1:5 leveraging). Projects in key technical areas include heavy-duty electric drive technologies, near-zero emission heavy-duty engines, in-use emissions testing of heavy-duty trucks, local renewable natural gas production, and refueling infrastructure for alternative fuels (natural gas, electricity and hydrogen).

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

- Continued implementation of incentive programs for old vehicle scrapping, off-road equipment repowers and replacement of Tier 0 locomotives with Tier 4 locomotives.
- Updated Best Available Control Technology (BACT) Guidelines in 12/2/16, 2/2/18 and 2/1/19. These amendments included updates to major and minor source policy and procedures in addition to Lowest Achievable Emission Rate (LAER)/BACT determinations.
- Participated and provided input in the development of CARB's AB 617 BACT/Best Available Retrofit Control Technology (BARCT) Clearinghouse web-based portal.
- Continued research, development, demonstration and deployment of in-basin renewable energy projects such as fuel cells, solar photovoltaic, energy storage and low NOx combustion technologies.
- Provide database support to Enhance Fleet Modernization Program and Source Testing Engineering, and provide support to rule development staff.
- 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.
- Performed technology demonstration study to conduct real-time mobile monitoring for toxic metals, including Cr (VI) using novel advanced monitoring techniques. 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.
- 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 2017 data certification and review.
- Continued South Coast AQMD'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 South Coast AQMD staff.

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

- Conducted 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. Developed plan for 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.
- Evaluated approximately 55 "low-cost" air quality sensors 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 operating at the fenceline of Rainbow Environmental in Huntington Beach to monitor fugitive emissions of PM_{2.5} and PM₁₀ 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 68 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 Science to Achieve Results (STAR) Grant project, approximately 300 sensors have already been installed to monitor and measure particulate matter at the community level in West Los Angeles, Alhambra, El Monte USD, Seal Beach, South Gate, Temescal Valley, Sycamore Canyon, Redlands, Riverside USD, Brawley, Nipomo, Paso Robles, Oakland, Richmond. In addition, a network of more than 100 multi-sensor units measuring ozone, nitrogen dioxide, and particulate matter have been installed in the South Coast Basin. The community recruitment and sensor deployment phases have been completed.
- Supported AB 617 community outreach efforts and community steering group orientation by participating in over 10 community meetings. Provided input to the CARB AB 617 air monitoring guidelines.
- 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 South Coast AQMD Incident and Nuisance Response efforts, including recent wildfire smoke incidents and coastal odor investigations. This involved the use of state-of-the-science

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

conventional sampling and analysis techniques and low-cost sensors, as well as advanced optical remote sensing as part of the coastal odor investigation.

- Conducted survey PM measurements of a pilot agricultural burn method to assess how it compares to traditional burning.
- Developed advanced platform for conducting mobile surveys of PM, BC, Ultrafine PM, NO_x.
- Reviewed and provided initial feedback to Rule 1180 Refinery Fenceline monitoring plans.

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 Carl Moyer Program, identify and obtain community support for eligible projects to be funded by AB 134 and SB 586 and initiate contracting for these projects, and obligate all remaining Proposition 1B-Goods Movement Program funds awarded to South Coast AQMD. Also, issue grants for the replacement of school buses with lower emission buses under the Lower Emission School Bus Program. Develop and implement the Zero-Emissions Class 8 Truck and Combustion categories under CARB's VW Beneficiary Mitigation Plan.
- Continue periodic updates to the BACT Guidelines specifically major and minor source policy and procedures and LAER/BACT determinations.
- Conduct a BACT technical assessment for flares receiving biogas derived from advanced digestion and/or organic waste digestion or codigestion that considers costs, review of the current scientific literature, existing measurement methods, technology achieved in-practice, reliability issues, and if necessary, field testing. Report back to the Stationary Source Committee within 12 months of rule adoption to present findings; potential recommendations; and amend the BACT Guidelines and Rule 1118.1, if necessary.
- Continue to participate in the development of CARB's AB 617 BACT/BARCT Clearinghouse web-based portal.
- Continue research, development, demonstration and deployment of low NO_x combustion technologies and renewable energy projects.
- Continue database support to Enhance Fleet Modernization Program and Source Testing Engineering, and support to rule development staff.
- Increase deployment of cleaner construction equipment, locomotives, marine, and on-road heavy-duty vehicles through the continued implementation of funding incentive programs, compliance with South Coast AQMD 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.
- Conduct source test evaluation of polyfluoroalkyl substances (PFAS) as a follow up to Rule 1469.
- Continue source test protocol and report evaluations, CEMS certifications, LAP application reviews and source test observations. Increase throughput on source test

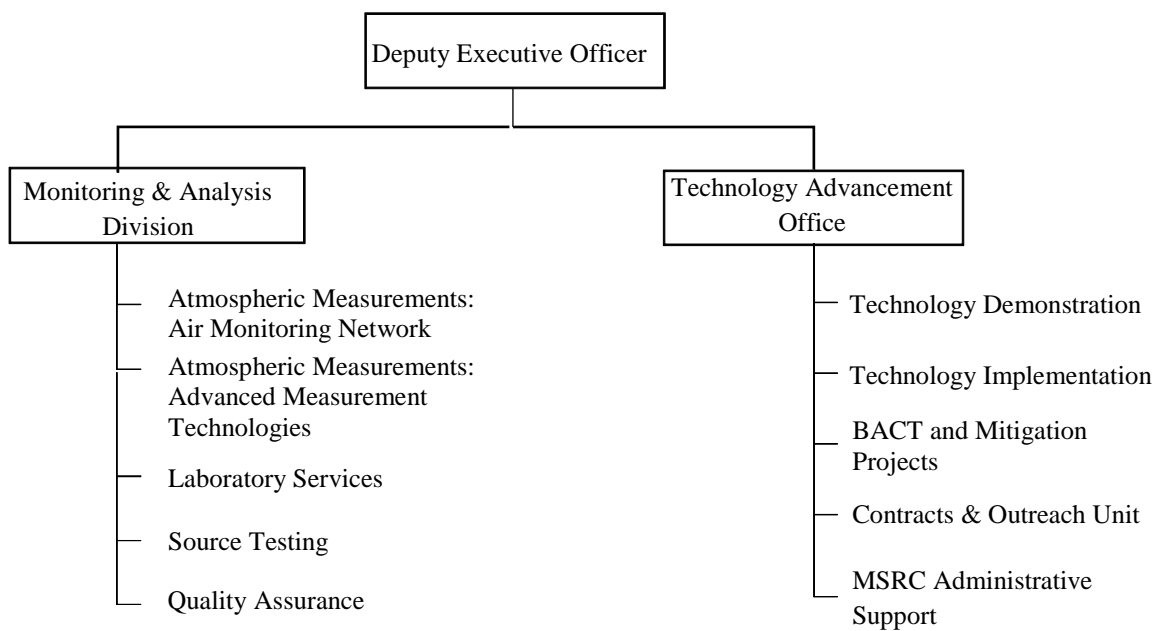
SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

evaluations anticipated due to RECLAIM (Regional Clean Air Incentives Market) sunset and permit streamlining efforts.

- Develop air monitoring plans for the three approved communities of AB 617 and begin implementation of those plans by July. Participate in outreach meetings for the “Year Two” communities.
- Continue to evaluate refinery fenceline 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 South Coast AQMD operations, including compliance verification efforts and rule development, including Paramount and Compton. Survey other industrialized areas to assess toxic metal levels.
- Implement enhanced ozone monitoring strategy for the U.S. EPA Photochemical Assessment Monitoring Station program to provide more relevant and robust data sets for VOCs that are ozone precursors. Develop concepts for additional specialized studies or ongoing measurements that would provide information to guide future pollution reduction efforts.
- Continue to enhance and modernize the laboratory instrumentation, methodologies, and analysis capabilities to help with special monitoring projects, incident and wildfire response. Continue operational efficiency improvement by investing in latest software, automated instruments and equipment and other workflow streamlining efforts.
- Continue to enhance and modernize South Coast AQMD’s telemetry system and data management system that receives and validates the incoming data from the air monitoring stations and special monitoring locations to additionally include AB 617 data.
- Continue to assess and oversee operational integrity, efficiency and quality assurance through monthly internal audits of laboratory and field monitoring stations. Participate in the U.S. EPA Technical System Audit being conducted this year.
- 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 South Coast AQMD, regulated entities, and the public. Continue to 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 South Coast AQMD’s current measurement toolbox.

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 226 FTEs

Science & Technology Advancement Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	14	-	14
Monitoring & Analysis	155	-	155
Technology Advancement	57	-	57
Total	226	-	226

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
27	Air Quality Chemist
10	Air Quality Engineer II
3	Air Quality Inspector II
22	Air Quality Instrument Specialist I
27	Air Quality Instrument Specialist II
29	Air Quality Specialist
2	Assistant Deputy Executive Officer/Science & Technology Advancement
3	Atmospheric Measurement Manager
14	Contracts Assistant
1	Deputy Executive Officer/Science & Technology Advancement
6	Laboratory Technician
1	Meteorologist Technician
1	Monitoring Operations Manager
5	Office Assistant
2	Planning and Rules Manager
4	Principal Air Quality Chemist
2	Principal Air Quality Instrument Specialist
18	Program Supervisor
6	Secretary
3	Senior Administrative Secretary
11	Senior Air Quality Chemist
4	Senior Air Quality Engineer
11	Senior Air Quality Instrument Specialist
1	Senior Enforcement Manager
3	Senior Office Assistant
1	Senior Public Information Specialist
2	Senior Staff Specialist
1	Source Test Manager
2	Staff Assistant
2	Staff Specialist
1	Supervising Air Quality Engineer
<u>1</u>	Technology Implementation Manager
226	Total FTEs

Science & Technology Advancement Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
	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 Admin/Impl	0.75	-0.50	0.25	XVII
	4 44 012	Advance Clean Air Technology	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	1.00	0.00	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	6.00	-1.00	5.00	IX
	7 44 036	Monitoring Air Quality	AB 617-Monitoring	AB 617-Monitoring	12.00	27.00	39.00	XX
	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	0.00	8.91	II,V,IX
	16 44 064	Monitoring Air Quality	Ambient Network	Air Monitoring/Toxics Network	19.05	-1.00	18.05	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	0.00	0.00	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	0.50	0.00	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	3.19	6.19	XVII
	24 44 081	Monitoring Air Quality	Air Filtration EPA	Air Filtration EPA/Admin/Impl	0.10	0.05	0.15	V
	25 44 082	Monitoring Air Quality	Air Filtration Other	Air Filtration Other/Admin/Impl	0.48	-0.38	0.10	XVII
	26 44 095	Advance Clean Air Technology	CA Natural Gas Veh Partnership	CA Natural Gas Veh Partnership	0.10	0.00	0.10	VIII
	27 44 105	Ensure Compliance	CEMS Certification	CEMS Review/Approval	6.15	0.00	6.15	II,III,VI
	28 44 121	Advance Clean Air Technology	China Cln Shipping	China Partnership Cleaner Shpng	0.00	0.90	0.90	IX
	29 44 130	Advance Clean Air Technology	Clean Fuels/Contract Admin	Admin/Project Supp for TA Cont	4.40	-0.50	3.90	VIII
	30 44 132	Advance Clean Air Technology	Clean Fuels/Mobile Sources	Dev/Impl Mobile Src Proj/Demo	1.50	-0.50	1.00	VIII
	31 44 134	Advance Clean Air Technology	Clean Fuels/Stationary Combust	Dev/Demo Clean Combustion Tech	0.30	0.00	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	2.31	-0.51	1.80	VIII
	34 44 161	Monitoring Air Quality	Comm Air Tox Init	Community Air Toxics Initiative	2.19	-2.19	0.00	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	0.07	0.10	V
	37 44 188	Advance Clean Air Technology	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	0.10	0.00	0.10	XVII
	38 44 190	Advance Clean Air Technology	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	0.11	0.09	0.20	V
	39 44 203	Advance Clean Air Technology	EFMP Program Support	EFMP Program Support	5.00	0.00	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 FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories	
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	258	Advance Clean Air Technology	FARMER Grant	Fund Ag Replacement Measures	0.00	2.50	2.50	XVII
43	44	276	Policy Support	Advisory Group/Technology Adva	Tech Adv Advisory Group Supp	0.10	0.00	0.10	VIII
44	44	356	Advance Clean Air Technology	GGRF ZEDT Demo	GGRF ZEDT Demo Admin	1.00	0.10	1.10	XVII
45	44	368	Develop Programs	Incentive RFP Emis Red Projs	Incentive Projects Admin	0.00	3.00	3.00	XVII
46	44	396	Develop Programs	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	0.30	0.00	0.30	XVII
47	44	410	Policy Support	Legislation	Support Pollution Reduction thru Legislatio	0.50	0.00	0.50	IX
48	44	450	Ensure Compliance	Microscopic Analysis	Asbestos/PM/Metals Analysis	2.00	0.00	2.00	VI
49	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
50	44	456	Develop Rules	MS & AQMP Control Strategies	AQMP Control Strategies	0.30	0.00	0.30	VIII
51	44	457	Advance Clean Air Technology	Mob Src/C Moyer Adm/Outreach	Carl Moyer: Impl/Admin Grant	12.15	0.95	13.10	IX
52	44	458	Develop Programs	Mobile Source Strategies	Implement Fleet Rules	1.00	0.00	1.00	VIII
53	44	459	Advance Clean Air Technology	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	3.00	0.00	3.00	IX
54	44	460	Advance Clean Air Technology	VIP Admin	VIP Admin/Outreach/Impl	0.50	0.00	0.50	IX
55	44	468	Monitoring Air Quality	NATTS(Natl Air Tox Trends Sta)	NATTS (Natl Air Tox Trends)	1.50	-0.50	1.00	II,V,IX
56	44	469	Monitoring Air Quality	Near Roadway Mon	Near Roadway Monitoring	1.50	0.00	1.50	IV,V,IX
57	44	500	Ensure Compliance	PM2.5 Program	Est/Operate/Maint PM2.5 Network	11.30	-1.00	10.30	II,V,IX
58	44	505	Monitoring Air Quality	PM Sampling Program (EPA)	PM Sampling Program - Addition	8.41	0.00	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	-0.37	0.10	XVII
62	44	542	Develop Programs	Prop 18:Goods Movement	Prop 18:Goods Movement	9.00	-7.00	2.00	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	4.00	3.00	7.00	II,V,IX
67	44	646	Monitoring Air Quality	R1180 Community Mon	R1180 Comm Monitoring Refinery	5.00	4.00	9.00	XVII
68	44	653	Develop Rules	Rulemaking/BACT	Dev/Amend BACT Guidelines	2.00	-0.50	1.50	II
69	44	657	Develop Rules	Rulemaking/Support PRA	Assist PRA w/ Rulemaking	0.05	0.00	0.05	II
70	44	663	Monitoring Air Quality	Salton Sea Monit	Mon/Analyze Hydrogen Sulfide	0.25	0.00	0.25	XVII
71	44	677	Advance Clean Air Technology	School Bus/Lower Emission Prog	School Bus Program Oversight	1.50	0.50	2.00	IX
72	44	700	Ensure Compliance	Source Testing/Compliance	Conduct ST/Prov Data/Compl	2.25	0.00	2.25	VI
73	44	701	Customer Service and Business Assistance	Source Testing/Customer Svc	Conduct ST/Prov Data/Cust Svc	0.05	0.00	0.05	VI
74	44	702	Develop Programs	ST Methods Development	Eval ST Methods/Validate	0.95	0.00	0.95	II
75	44	704	Ensure Compliance	ST/Sample Analysis/Compliance	Analyze ST Samples/Compliance	4.00	0.00	4.00	VI
76	44	705	Develop Programs	ST Sample Analysis/Air Program	Analyze ST Samples/Air Prgms	0.25	0.00	0.25	II
77	44	706	Develop Rules	ST Sample Analysis/Air Program	Analyze ST Samples/Rules	0.25	0.00	0.25	II
78	44	707	Ensure Compliance	VOC Sample Analysis/Compliance	VOC Analysis & Rptg/Compliance	7.00	0.00	7.00	IV,XV
79	44	708	Develop Rules	VOC Sample Analysis/Rules	VOC Analysis & Rptg/Rules	0.25	0.00	0.25	II,XV
80	44	709	Customer Service and Business Assistance	VOC Sample Analysis/SBA/Other	VOC Analysis & Reptg/Cust Svc	0.50	0.00	0.50	VI
81	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 Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
82	44 716	Ensure Compliance	Special Monitoring	Rule 403 Compliance Monitoring	2.20	0.00	2.20	III,IV,IX,XV
83	44 725	Timely Review of Permits	Permit Processing/Support E&C	Assist EAC w/ Permit Process	0.05	0.00	0.05	III
84	44 738	Advance Clean Air Technology	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.50	0.00	0.50	V,XVII
85	44 740	Advance Clean Air Technology	Tech Adv/Commercialization	Assess CFs/Adv Tech Potential	0.25	0.00	0.25	VIII
86	44 741	Advance Clean Air Technology	Tech Adv/Non-Combustion	Dev/Demo Non-Combustion Tech	1.00	-0.40	0.60	VIII
87	44 794	Ensure Compliance	Toxics/AB2588	Eval Protocols/Methods/ST	4.25	-1.00	3.25	X
88	44 795	Ensure Compliance	Toxics/Engineering	R1401 Toxics/HRA Prot/Rpt Eval	0.05	0.00	0.05	VI,X
89	44 816	Advance Clean Air Technology	Transportation Research	Transport Research/Adv Systems	0.50	-0.40	0.10	VIII
90	44 825	Operational Support	Union Negotiations	Labor/Mgmt Negotiations	0.05	0.00	0.05	la
91	44 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	la
92	44 827	Advance Clean Air Technology	VW-Program Development	VW-Program Development	0.00	4.00	4.00	XVII

Total Science & Technology Advancement

194.40	31.60	226.00
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Science & Technology Advancement Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 15,353,894	\$ 18,016,014	\$ 18,444,427	\$ 17,504,272	\$ 20,252,169
53000-55000	Employee Benefits	7,944,743	9,914,647	9,914,647	9,641,976	11,778,087
Sub-total Salary & Employee Benefits		\$ 23,298,636	\$ 27,930,661	\$ 28,359,074	\$ 27,146,248	\$ 32,030,256
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	99,589	36,800	63,878	63,878	36,800
67350	Rents & Leases Structure	181,718	419,000	427,543	427,543	169,000
67400	Household	-	500	500	500	500
67450	Professional & Special Services	1,588,685	1,630,000	3,329,206	3,329,206	1,455,000
67460	Temporary Agency Services	553,840	191,600	530,986	530,986	141,600
67500	Public Notice & Advertising	25,975	22,000	22,000	22,000	22,000
67550	Demurrage	99,371	55,000	72,000	72,000	55,000
67600	Maintenance of Equipment	649,804	255,000	532,751	532,751	205,000
67650	Building Maintenance	124,789	270,000	302,115	302,115	170,000
67700	Auto Mileage	59,013	43,909	158,844	158,844	3,909
67750	Auto Service	199	-	-	-	-
67800	Travel	85,797	48,403	79,774	79,774	48,403
67850	Utilities	1,650	-	-	-	-
67900	Communications	291,597	241,000	265,773	265,773	231,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	7,978	4,000	5,170	5,170	4,000
68050	Laboratory Supplies	523,406	320,000	530,377	530,377	295,000
68060	Postage	23,070	17,318	17,364	17,364	17,318
68100	Office Expense	190,216	102,393	135,890	135,890	41,393
68200	Office Furniture	27,587	-	5,168	5,168	-
68250	Subscriptions & Books	1,385	1,527	1,646	1,646	1,527
68300	Small Tools, Instruments, Equipment	194,210	112,246	417,283	417,283	87,246
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	34,000	107,000	263,721	263,721	107,000
69550	Memberships	97,370	2,250	2,110	2,110	2,250
69600	Taxes	504	2,000	7,585	7,585	2,000
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	14,725	2,600	12,600	12,600	2,600
69750	Prior Year Expense	(11,793)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 4,864,685	\$ 3,884,546	\$ 7,184,284	\$ 7,184,284	\$ 3,098,546
77000	Capital Outlays	\$ 3,793,453	\$ 507,500	\$ 1,835,058	\$ 1,835,058	\$ 285,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 31,956,775	\$ 32,322,707	\$ 37,378,416	\$ 36,165,590	\$ 35,413,802
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

South Coast AQMD 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 17,063,249 (2017)
 - 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 - 13,756,321 (2017); Average Daily Miles Traveled Per Vehicle – 28 (2017)
 - 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 (2017) and more than 17 million 20-foot long container units or 20-foot equivalent units (TEUs) annually (2018)
- 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 (26,983 operating locations with 68,732 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 South Coast AQMD
 - 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 Ten 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>	<u>2018</u>
Advance Clean Air Technology										
Contracts awarded	292	530	526	556	938	523	1,047	421	403	357
Total Funding awarded (\$M)	\$89.4	\$180.7	\$131.4	\$82.5	\$207.2	\$216.1	\$123.2	\$153.9	\$137.4	\$170.4
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	24,695
Notices of Violations	1,908	1,530	1,254	1,211	965	956	811	499	632	1,626
Hearing Board Orders for Abatement	36	35	47	93	51	46	411	23	27	24
Hearing Board Appeals	19	20	2	7	3	7	-	3	3	1
Customer Service										
Public Information Requests	4,962	3,821	3,410	3,543	3,460	4,505	4,012	4,958	5,282	4,676
Community/Public Meetings attended	198	202	190	274	294	264	217	239	210	156
Small Business Assistance Contacts	2,662	2,578	2,497	2,574	2,266	1,850	1,711	1,865	2,834	4,073
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	1,356
Emission Inventory Updates	586	703	521	530	408	460	336	356	244	343
Develop Rules to Achieve Clean Air										
Rules Developed	32	15	40	8	20	24	24	16	15	28
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	36,342
Source Testing Analyses/Evaluations/Review	718	740	1,030	952	1,035	968	996	936	952	714
Timely Review of Permits										
Applications Processed	11,564	9,627	13,044	12,225	14,153	13,217	9,495	10,116	11,780	10,913
Applications Received-Small Business	627	694	798	732	615	514	629	594	535	605
Applications Received-All Others	10,954	10,941	10,769	11,682	11,709	11,156	9,961	9,894	8,376	9,172
Policy Support										
News releases	76	69	64	57	61	62	76	89	86	120
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	-
News Media Interactions*	-	-	-	-	-	-	-	-	-	1,235

*Tracking of News Media Interactions began in 2018

FINANCIAL POLICIES

South Coast AQMD is required to follow specific sections of the California Health & Safety Code, which guide South Coast AQMD's overall financial parameters. The Governing Board also provides financial direction to South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD to fund its programs. The South Coast AQMD shall notify each person who was subject to fees imposed by the South Coast AQMD in the preceding year of the availability of information. The South Coast AQMD 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 South Coast AQMD 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 South Coast AQMD 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.)

South Coast AQMD Governing Board Policy

- **Administrative Code**

The Administrative Code of Rules and Procedures prescribes the responsibilities, conduct and specified reimbursements of v employees and South Coast AQMD Board members. Sections include, but are not limited to, mileage reimbursement, travel expenses, tuition reimbursement, professional licenses and memberships, and bilingual pay.

- **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 AQMD. The purpose of this policy is to ensure all of South Coast AQMD's funds are prudently invested to preserve principal and provide necessary liquidity, while earning a market average rate of return. The South Coast AQMD Annual Investment Policy conforms to the California Government Code as well as customary standards of prudent investment management.

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 South Coast AQMD.

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.

- **Budget Advisory Committee**

Established by the South Coast AQMD Governing Board, the Budget Advisory Committee serves in an advisory capacity to the South Coast AQMD 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 South Coast AQMD Rule 320.

FINANCIAL POLICIES (cont.)

- **Fund Balance Use**

When both restricted and unrestricted resources are available for use, it is South Coast AQMD's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, South Coast AQMD's Governing Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

- **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 South Coast AQMD 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 South Coast AQMD contracts and that South Coast AQMD utilizes, when necessary, the most highly qualified outside consultants/contractors to carry out the organization's responsibilities.

- **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.

- **Treasury Operations Contingency Plan and Procedures**

The Treasury Operations Contingency Plan and Procedures states the course of action that may be implemented by the South Coast AQMD to protect the safety and liquidity of the South Coast AQMD funds and to protect South Coast AQMD from disruptions to ongoing operations if: 1) the financial stability of Los Angeles County may jeopardize South Coast

FINANCIAL POLICIES (cont.)

AQMD funds invested through the Los Angeles County Treasurer; and/or 2) the Los Angeles County Treasurer, as Treasurer of South Coast AQMD, 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 South Coast AQMD funds.

- **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 South Coast AQMD's reliance on state subvention (\$4M), U.S. EPA Section 103/105 grants (\$5M), and one-time penalties and settlements (\$5M).

Executive Officer Administrative Policies and Procedures

- **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 South Coast AQMD Procurement Policy and Procedure document.

- **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 South Coast AQMD Procurement Policy and Procedure document.

- **Travel**

The Travel Policy provides guidance on allowable travel expenses, travel advances, and documentation requirements.

BUDGET GLOSSARY

Adopted Budget	The annual budget for the General Fund that has been approved by South Coast AQMD's Governing Board.
Amended Budget	The adopted budget plus any modifications approved by South Coast AQMD's Governing Board during the fiscal year.
Appropriation	A specific amount of money authorized by South Coast AQMD's Governing Board which permits the South Coast AQMD to incur obligations and to make expenditures of resources.
Assigned Fund Balance	The portion of the fund balance that has been allocated by South Coast AQMD'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 South Coast AQMD's financial performance and proposed budget.
Budgetary Basis of Accounting	A form of accounting used in the budget where encumbered amounts are recognized as 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 South Coast AQMD'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 South Coast AQMD 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. South Coast AQMD'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 South Coast AQMD'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 South Coast AQMD is approved by South Coast AQMD'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. South Coast AQMD'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. South Coast AQMD'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 South Coast AQMD where expenditures and revenues associated with the daily operations of South Coast AQMD are accounted for.
Grant	A sum of money given by an organization for a particular purpose. The grants which provide funding to South Coast AQMD's General Fund are primarily received from the U. S. Environmental Protection Agency (EPA),

BUDGET GLOSSARY (cont.)

	the 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	South Coast AQMD has four expenditure classifications: Salaries and Employee Benefits, Services and Supplies, Capital Outlays, and Building Remodeling. Transfers between Major Objects must be approved by the South Coast AQMD Governing Board.
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 South Coast AQMD's General Fund, inventory makes up the nonspendable balance.
Pension Obligation Bonds (POBs)	A method of financing used by South Coast AQMD to refinance its obligations to its employees' pension fund.
Proposed Budget	The annual budget that has been developed by South Coast AQMD and made available to the public for review before being presented to the South Coast AQMD 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 South Coast AQMD'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 South Coast AQMD receives as income. South Coast AQMD's revenue is mainly from fees charged to control or regulate emissions.
SBCERA	San Bernardino County Employment Retirement System manages the retirement plan for South Coast AQMD 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 South Coast AQMD's budget.
Services and Supplies	Expenditures for items and services needed for the daily operations of the South Coast AQMD including professional services, utilities, office expenses, maintenance, and debt service. It is a Major Object, or classification of expenditures, within South Coast AQMD's budget.
Special Revenue Fund	A fund used to account for revenues and expenditures from specific sources earmarked for specific purposes. South Coast AQMD's main fund is its General Fund. All other funds are designated as Special Revenue Funds. The South Coast AQMD does not adopt a budget for Special Revenue Funds. 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 between different funds within South Coast AQMD's accounting system. For example, 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 South Coast AQMD's Governing Board.
Unreserved Designations	The portion of the Fund Balance that has not been committed by South Coast AQMD's Governing Board or is nonspendable due to specific Board constraints. It is further broken down into either amounts assigned by the Governing Board for specific purposes or an unassigned amount that can only be used upon approval of the Governing Board.
Work Programs	Activities carried out by South Coast AQMD staff. Work Programs are classified into nine Work Program Categories according to the nature of the activity being performed.



Ten Things South Coast AQMD is Doing to Help Clean the Air

Eliminating dirty diesels by requiring fleets of school buses, transit buses, street sweepers, trash trucks and airport taxis to phase in clean-burning vehicles.



Responding to residents' air pollution complaints through **1-800-CUT-SMOG**.

Conducting Town Hall meetings to solicit residents' air quality concerns that help shape clean air policy.



Carrying out environmental justice initiatives to ensure cleaner air for all Southland residents.



Conducting special air monitoring studies in communities with the greatest air quality concerns.

Providing more than \$100 million in state and local funding to help convert diesel tugboats, construction equipment and heavy-duty trucks to lower-emission and clean fuel models, and establish on-shore electric power systems to provide electricity to ships docked at area ports.



Co-sponsoring research that helps us understand how air pollution impacts the public's health, especially children, athletes, and individuals with respiratory illnesses.

Continuing to develop new regulations to further reduce pollution from all sources – from dry cleaners to oil refineries to cement plants.



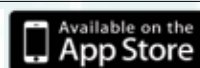
Helping fund research to develop zero-emission fuel cells, and hybrid technology to power cars, buses and other vehicles.

Working with clean air agencies worldwide to be part of a comprehensive solution to air pollution problems.



To learn more about what South Coast AQMD is doing to help clean the air, visit our website

www.aqmd.gov



South Coast Air Quality Management District: 21865 Copley Dr., Diamond Bar, CA 91765



**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 & Proposed Amended Rule 209 – Transfer and Voiding of Permits

Through the rulemaking process, staff has reached out broadly to all permitted facilities as well as through targeted outreach to those facilities most impacted by the proposed amendments. Six key issues related to increased toxics emissions fees have been raised by industry stakeholders.

- 1) *South Coast AQMD staff review and approval of source tests used for emissions reporting should be streamlined, including faster review times and allowing the use of industry pooled source tests.*

Staff is committed to improving the source test review process, and identifying and implementing mechanisms to improve turnaround times. The increased resources provided by this proposed amendment can assist specifically in this effort. The board resolution also commits staff to work with industry to review and update emissions estimation methods. An increased focus on developing new, uniform emissions estimation methods (including through source testing) is one of the required elements of AB 617, and pooled source testing could be one of the key methods used to achieve these goals.

- 2) *The proposed three year phase-in of toxics emissions fees should be extended to four years.*

Staff's proposal already delays the phase in one year to allow facilities an opportunity to prepare for the modified fee structure. The board resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

- 3) *Staff should conduct more outreach for the proposed amendments.*

Based on these comments, staff increased its outreach for this rule compared to previous years, including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and an extra webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.

- 4) *Many facilities will pay higher fees due to CARB's Criteria and Toxics Reporting (CTR) regulation.*

CARB has not yet finalized its CTR regulation and it is not clear exactly how many additional facilities may or may not be required to report emissions to South Coast AQMD. The proposed amendments to Regulation III will not require any new facilities to report emissions that aren't already reporting. Because the existing Rule 301 already captures the highest emitting permitted facilities in our jurisdiction, any new facilities that would be required to report pursuant to CARB's CTR are expected to typically have lower fees than those already required to report pursuant to Rule 301. The structure of the rule has been set to also try to minimize the fiscal impact on these lower emitting facilities, consistent with the expected South Coast AQMD workload.

ATTACHMENT C

5) *South Coast AQMD's legal authority regarding fees is overstated.*

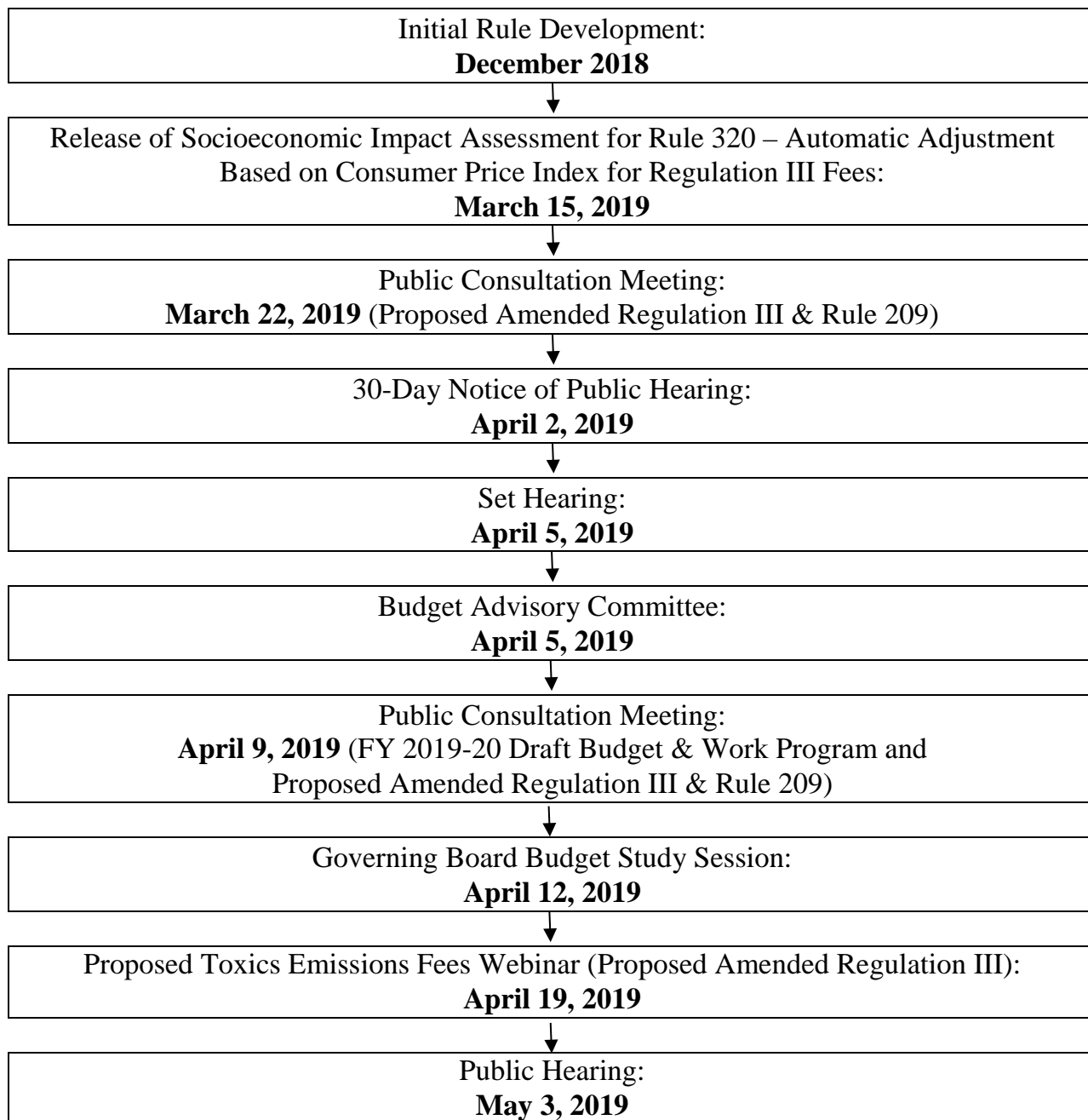
Statute and case law provides clear legal authority for these fees. Specifically, California Health & Safety Code § 40510 provides broad authority for the District to adopt fees. Subdivision (b) provides for adoption of fees for “variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Subdivision (d) states that “this section shall not prevent the district from establishing or amending an individual permit renewal or operating permit fee applicable to a class of sources to recover the reasonable district costs of permitting, planning, enforcement, and monitoring which that class will cause to district programs.” Together these sections clearly authorize the proposed toxic air contaminant fees. These emissions-based fees are related to permitting, planning, enforcement and monitoring are within the scope of § 40510.

6) *South Coast AQMD's justification for the increased fees is not adequately supported.*

The proposed amendments are necessary to recover reasonable costs of regulatory work performed by the South Coast AQMD and the proposed fee structure is equitable. Current fees are relatively low and fall short of the costs associated with work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program.

ATTACHMENT D

RULE DEVELOPMENT PROCESS Proposed Amended Regulation III & Rule 209



Five (5) months spent in rule development

Two (2) Public Consultation Meetings and (1) Webinar

One (1) Budget Advisory Committee Meeting

One (1) Governing Board Budget Study Session

ATTACHMENT E

KEY CONTACTS LIST

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
Priscilla Hamilton	Budget Advisory Committee and Southern California Gas Company
Janet Whittick	Budget Advisory Committee and California Council for Environmental and Economic Balance
Julia Lester	Ramboll
Susan Stark	Marathon
Bridget McCann	Western States Petroleum Association
Neal Davenport	Davenport Engineering Inc.
Karl Lany	Montrose Environmental

ATTACHMENT F

RESOLUTION NO. 19-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) 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; and Proposed Amended Rule 209 – Transfer and Voiding of Permits, are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD 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, and Rule 209 – Transfer and Voiding of Permits.

WHEREAS, the South Coast AQMD 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, and Proposed Amended Rule 209, are 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 South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and has conducted a CEQA review pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD 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, 315, and Proposed Amended Rule 209 are determined to be exempt from CEQA; and

WHEREAS, the South Coast AQMD 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, new fees, amendments, and administrative changes in Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, which includes changes that are identified as being strictly administrative in nature, may have any significant effects on the environment because the proposed changes would not cause any physical changes that would affect any environmental topic area, and therefore, are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Regulation III, which includes amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 which reflect fee updates and new fees, combined with the administrative amendments to Rules 301, 304, 304.1, 306, 307.1, and 313, which also involve fees charged by the South Coast AQMD, are statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because collectively these proposed amendments involve charges by a public agency for the purpose of meeting operating expenses and financial reserve needs and requirements; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 209 is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment, because the proposed amendments are designed to further protect or enhance the environment; and

WHEREAS, the South Coast AQMD Governing Board has considered whether Proposed Amended Rule 209 may have significant environmental impacts due to unusual circumstances, as set forth in CEQA Guidelines Section 15300.2, and has determined that none exist for Proposed Amended Rule 209; and

WHEREAS, the South Coast AQMD 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, and Proposed Amended Rule 209, that is 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 Proposed Amended Rule 209, including the Notice of Exemption and other supporting documentation, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

WHEREAS, the South Coast AQMD 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, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, – and Proposed Amended Rule 209, since the Notice of Public Hearing was published are not so substantial as to significantly affect the meaning of 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 Proposed Amended Rule 209, 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, or significantly affect the impact of the rule on such sources, (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 the entirety of the proposed project 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, 315, and Proposed Amended Rule 209, are not control measures in the 2016 Air Quality Management Plan (AQMP) and were 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, and Proposed Amended Rule 209, will not be submitted for inclusion into the State Implementation Plan, except to the extent necessary to satisfy Clean Air Act Section 182 (a)(3)(B), Emission statements, following a later hearing before the South Coast AQMD Governing Board; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD 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 South Coast AQMD Governing Board has determined that in order to add rule clarity and to recover reasonable and actual costs incurred by South Coast AQMD 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 2019-2020 and thereafter; and

WHEREAS, the South Coast AQMD Governing has determined that it is necessary to amend Rule 209 to clarify when a change of owner/operator occurs because as currently written, the rule is inconsistent with California corporate law with respect to how mergers are treated;

WHEREAS, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment of the Consumer Price Index (CPI)-based Fee Increase and the Socioeconomic Impact Assessment for Proposed Amended Regulation III and Proposed Amended Rule 209 are consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule adoption and the October 29, 2010 Governing Board Resolution pertaining to Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessments are consistent with the provisions of Health and Safety Code Section 40440.8, even though such assessments are not statutorily required in these circumstances; and

WHEREAS, the South Coast AQMD Governing Board has determined Proposed Amended Regulation III – Fees and Proposed Amended Rule 209 will result in increased costs to the affected industries, yet are considered

to be reasonable, with a total annualized cost as specified in the Socioeconomic Impact Assessments; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Socioeconomic Impact Assessments and has made a good faith effort to minimize such impacts; and

WHEREAS, Health and Safety Code Section 40510.5(a) requires the South Coast AQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the 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 and 309 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 South Coast AQMD, and are reasonably related to the benefits received and burdens imposed by the fee payors; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from 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, 42705.6, and 44380, and Clean Air Act Section 502(b)(3) [42 U.S.C. Section 7661(b)(3)]; and

WHEREAS, the South Coast AQMD Governing Board has determined 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, and Proposed Amended Rule 209, are written or displayed so that their meaning can be easily understood by the persons directly affected by them; and

WHEREAS, the South Coast AQMD Governing Board has determined 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, and Proposed Amended Rule 209, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined 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, and Proposed Amended Rule 209, do 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 South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in amending Regulation III, which includes amending Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and amending Rule 209, references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40500, 40500.1, 40502, 40506, 40510, 40510.5, 40511, 40522, 40522.5, 40523, 41512, 42705.6, 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 Health and Safety Code Section 40725; and

WHEREAS, the South Coast AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the South Coast AQMD Governing Board has determined that Health and Safety Code Section 40920.6 is not applicable to 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 Proposed Amended Rule 209, since neither Proposed Amended Regulation III, including Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, nor Proposed Amended Rule 209 impose limits on air contaminants or implement Best Available Retrofit Control Technology requirements; and

WHEREAS, the South Coast AQMD Governing Board specifies the Planning and Rules Manager overseeing the rule development 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, and Proposed Amended Rule 209, 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 South Coast AQMD, 21865 Copley Drive, Diamond Bar, California.

NOW, THEREFORE BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, 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, and Proposed Amended Rule 209, are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. The South Coast AQMD Governing Board does also hereby determine, pursuant to the authority granted by law, 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 statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges. Finally, the South Coast AQMD Governing Board does also hereby determine, pursuant to the authority granted by law that Proposed

Amended Rule 209 is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. No exception to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2, including the “unusual circumstances” exception, applies to Proposed Amended Rule 209. This information was presented to the South Coast AQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on 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 Proposed Amended Rule 209; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board finds 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, establish fees charged for the purposes of meeting operating expenses, which are necessary to recover reasonable and actual costs incurred by South Coast AQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs; and the South Coast AQMD Governing Board hereby incorporates by reference the proposed Fiscal Year 2019-2020 Budget and Fiscal Year 2020-2021 budget forecast as setting forth the bases for these findings; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board finds that Proposed Amended Rule 209 establishes when a change of owner/operator occurs and should be amended to make in consistent with principles of California corporate law; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board finds, based on the evidence in the rule-making record, that the increases in fees that exceed the CPI for Fiscal Year 2019-2020 and thereafter are necessary to recover reasonable and actual costs incurred by South Coast AQMD 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 within one year of full implementation of the re-structured toxics fee found in Rule 301(e), the Executive Officer is directed to report back to the Administrative Committee with a report on: 1) the revenues generated by the re-structured fee; 2) the annual costs of toxics work covered by the re-structured fee; and 3) the District’s efforts to obtain funding for toxics work covered by this fee from other sources;

BE IT FURTHER RESOLVED, that the Executive Officer is directed to initiate a review of default emission factors used for emissions reporting and update these factors as appropriate, in consultation with a Working Group, and report back on the status of this work within twelve months to the Stationary Source Committee;

BE IT FURTHER RESOLVED, that the South Coast AQMD 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, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby amend, pursuant to the authority granted by law, Regulation III, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315 and Rule 209, as set forth in the attached, and incorporated herein by reference.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT G

PROPOSED AMENDED REGULATION III – FEES

Attachment	Rule	CPI	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	✓		
G13	Proposed Amended Rule 209 – Transfer and Voiding of Permits			✓

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)
(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)(Amended January 5, 2018)(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 (j)(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 (j)(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 (j)(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 Table 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 Table 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) 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 Owner/Operator table according to the applicable schedule under the Change of Owner/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 sent by mail, electronic mail, or other electronic means, and shall be due thirty (30) days from the date of personal service, mailing, or electronic transmission. For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) 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 Table FEE RATE-A 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 Table FEE RATE-A. 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.
- (D) **Small Business**
When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(G)(i), (c)(1)(C) 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 Table FEE RATE-A.
- (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)(C), (c)(1)(D), (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).
- (F) **Discounts for Small Business and Identical Equipment**
Applications qualifying with the provisions of both subparagraph (c)(1)(D) and (c)(1)(E) shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.
- (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 Table FEE RATE-A. No annual operating permit renewal fee shall be charged.
- (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A shall be assessed to a person applying for a Change of Owner/Operator for a Certified Equipment Permit.
- (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of 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)(G)(iii) of Rule 301.

(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)(E), 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) Standard Streamlined Permits

The Streamlined Standard Permit application processing fee shall be ~~\$930.20~~962.75, 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 ~~\$930.20~~962.75. 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)(C). 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 Owner/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 owner/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 Table FEE RATE-C for equipment at one location so long as the new owner/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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the owner/operator will not be billed for any additional fees billed to the previous owner/operator.

(B) If an application for change of owner/operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous owner/operator, the new owner/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)(C), 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 Table 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 2018-19	\$930.20	\$1,053.34
FY 2019-20 and thereafter	\$930.20 <u>62.75</u>	\$1,165.62 <u>206.41</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 2018-19	\$681.13	\$771.30
FY 2019-20 and thereafter	\$681.13 <u>704.97</u>	\$853.53 <u>883.40</u>

- (ii) Does result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment)	Title V (per equipment)
FY 2018-19	\$1,785.79	\$2,022.19
FY 2019-20 and thereafter	\$1,785.79 <u>48.29</u>	\$2,237.76 <u>316.08</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 2018-19 and thereafter	FY 2018-19	FY 2019-20 and thereafter
A	\$681.14 <u>704.98</u>	\$771.30	\$853.53 <u>883.40</u>
A1	\$681.14 <u>704.98</u>	\$771.30	\$853.53 <u>883.40</u>
B	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
B1	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
C	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
D	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
E	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
F	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
G	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
H	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>

(D) For permits reissued because of Rule 109, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in Table 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 Table

FEE RATE-B. Additionally, the applicant shall, if required by Rule 1310(c), either:

- (A) Pay a fee for publication of public notice and a preparation fee as per Rule 301(j)(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 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	\$203.04 <u>210.11</u>	\$229.88 for FY 2018-19 and \$254.38 <u>263.28</u> for FY 2019-20 and thereafter
A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$406.79 <u>421.02</u>	\$460.64 for FY 2018-19 and \$509.74 <u>527.58</u> for FY 2019-20 and thereafter
C and D	\$1,456.96 <u>507.95</u>	\$1,649.83 for FY 2018-19 and \$1,825.70 <u>889.60</u> for FY 2019-20 and thereafter
E, F, G, and H	\$3,498.33 <u>620.77</u>	\$3,961.46 for FY 2018-19 and \$4,383.76 <u>537.19</u> for FY 2019-20 and thereafter
Rule 461 liquid fuel dispensing system	\$120.26 <u>124.46</u> per product dispensed per nozzle	\$136.19 for FY 2018-19 and \$150.71 <u>for 155.98</u> 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	\$667.85 for FY 2018-19 and \$739.04 <u>764.90</u> for FY 2019-20 and thereafter per facility
RECLAIM Facility	\$978.67 <u>1,012.92</u> per Major Device
	\$195.74 <u>202.59</u> per Large Device
	\$195.74 <u>202.59</u> 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 ~~\$1.97~~2.03 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 owner/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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid 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 Fees

(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 fees ~~based on~~ if any of the criteria in subparagraphs (e)(1)(A) through (e)(1)(C) are met.

(A) The owner/operator of a facility operates equipment under at least one permit.

(B) The total weight of emissions at a facility are greater than or equal to the thresholds for each any of the contaminants specified in Table III paragraph (e)(5), except for ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons, from all equipment used by the owner/operator at all locations, including The total weight of emissions of each of the contaminants specified in Table III paragraph (e)(5) includes:

(i) Emissions from permitted equipment

(ii) Emissions 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.

(iii) Emissions from equipment or processes not requiring a written permit pursuant to Regulation II.

(A)(C) The owner/operator of a facility that reports emissions to the District pursuant to CARB's Criteria and Toxics Reporting Regulation (17 California Code of Regulations section 93400 et seq.) or pursuant to CARB's AB 2588 Air Toxics "Hot Spots" Emission Inventory Criteria

and Guidelines Regulation (17 California Code of Regulations section 93300.5).

(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~~ 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, e~~Each facility subject to subparagraph (e)(1)(B) 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 annually report all emissions for all pollutants above thresholds listed in paragraph (e)(5) and Table IV 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 subject to paragraph (e)(1)(A) ~~operating under at least one permit~~ (not including certifications,

registrations or plans) shall each year be assessed a flat annual emissions fee of ~~\$131.79~~136.40.

(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.~~

Air Contaminant(s)	Annual Emissions Threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥ 4 TPY
Total organic gases (excluding methane, and exempt compounds as specified defined in Rule 102 paragraph (e)(13), and specific organic gases as specified in paragraph subdivision(b)(28))	≥ 4 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥ 4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥ 4 TPY
Total particulate matter	≥ 4 TPY
Carbon monoxide	≥ 100 TPY
<u>Ammonia</u>	<u>> 0.1 TPY</u>
<u>Chlorofluorocarbons</u>	<u>> 1 lb per year</u>
<u>1,1,1 Trichloroethane</u>	<u>> 1 lb per year</u>

(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 subject to subparagraph (e)(1)(B) or (C) 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 fees~~ as indicated in subparagraphs (e)(7)(A), therein. The annual emissions fees 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) For emissions reported Bbefore January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall pay the fees listed in Table IV. For emissions reported Aafter January 1, 2021,Any any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall not pay the fees in Table IV and shall instead pay the following fees:

- (i) A Base Toxics Fee of \$78.03;
- (ii) A Flat Rate Device Fee of \$170.95, and \$341.89, starting January 1, 2021, and January 1, 2022, respectively, for each device, including permitted and unpermitted equipment and activity including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks) with emissions of any pollutant above the annual thresholds listed in Table IV;
- (iii) A Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022, respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV. The cancer-potency weighted emissions of each toxic air contaminant listed in Table IV shall be calculated as follows:

$$\text{CPWE} = \text{TAC} \times \text{CPF} \times \text{MPF}$$

Where:

CPWE = Cancer Potency Weighted Emissions

TAC = Emissions (pounds) of a Table IV toxic air contaminant

CPF = Cancer Potency Factor for the reported toxic air contaminant

MPF = Multi-Pathway Factor for the reported toxic air contaminant

The CPF and MPF shall be equal to those specified in the Rule 1401 Risk Assessment Procedures that were current at the time that the emissions were required to be reported.

(B) The following facilities are exempt from paying specified toxics emissions fees:

- (i) 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 paying any fees listed in subparagraph (e)(7)(A)., ~~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.
 - (ii) 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 ~~fees for~~ formaldehyde, perchloroethylene, or methylene chloride fees as required in subparagraph (e)(7)(A) 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.
 - ~~(ii)~~(iii) Any facility that is located more than one mile from a residential or other sensitive receptor shall be exempt from paying fees in clause (e)(7)(A)(iii).
- (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~~ listed in Table III and Table IV 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 ~~\$343.96~~355.99 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$172.04~~178.03 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—The facility owner/operator shall submit an annual emissions report and pay any associated emissions fees if a notice to report emissions and pay the any associated emission fees will be is~~ sent by mail, electronic mail, or other electronic means, annually to the owners/operators of all equipment (as shown in District records) ~~to~~ for which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be sent by mail, electronic mail, or other electronic means, 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~~ payment submittals 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been delivered, postmarked, or electronically paid 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) or (e)(11)(C), 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)(C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and paragraph (e)(7) 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) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75th) day from the official due date, 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 paid after one year after the seventy-fifth (75th) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

~~(E)~~(F) 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 and exempt compounds as specified defined in paragraph (e)(13) Rule 102, and specific organic gases as specified in paragraph subdivision (b)(28))	≥10 TPY
Specific organic gases as specified in subdivision (b)	≥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 shall be~~ considered late ~~and is subject to a surcharge~~ if not received by the District, or postmarked, on or before the within seventy five (75) days seventy-fifth (75th) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).
- (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 paragraphs (e)(2) and (e)(7). 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 delivered, postmarked, or electronically paid 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 ~~\$135.77~~145.43 in addition to a verification fee assessed at ~~\$140.52~~145.43 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 owner/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 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19 <u>31.24</u>	\$37.84 <u>39.16</u>

(2) Reissued Permit

Facility Type	Non-Title V	Title V
FY 2018-19	\$233.77	\$264.71
FY 2019-20 and thereafter	\$233.77 <u>241.95</u>	\$292.93 <u>303.18</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 2018-19	\$280.86	\$248.03	\$248.03
FY 2019-20 and thereafter	\$310.79 <u>321.66</u>	\$248.03 <u>256.71</u>	\$248.03 <u>256.71</u> <u>1</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)(10).

(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

~~\$172.04~~178.03 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)	\$344.00 <u>356.04</u>
Negative Declaration (ND), including Supplemental or Subsequent ND	\$5,187.47 <u>369.03</u>
Mitigated Negative Declaration (MND), including Supplemental or Subsequent MND	\$5,187.47 <u>369.03</u>
Environmental Impact Report (EIR), including Supplemental or Subsequent EIR	\$6,916.58 <u>7,158.66</u>
Addendum to EIR, including Addendum to ND/MND	\$3,584.56 <u>710.02</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 ~~\$172.04~~178.03 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 ~~\$172.04~~178.03 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)	\$1,084.50 <u>122.45</u>	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter
For emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c)	\$1,084.50 <u>122.45</u>	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter
Requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs)	\$1,084.50 <u>122.45</u>	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> for FY 2019-20 and thereafter
Significant revision of a Title V permit	---	\$1,228.07 for FY 2018-19 and \$1,358.99 <u>406.55</u> 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 as invoiced 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 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 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 ~~\$907.51~~939.27; and additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.

- (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, 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, 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 ~~\$907.51~~939.27; and additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.
- (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 ~~\$907.51~~939.27, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.
- (D) Periodic Assessment of an Existing CEMS, FSMS, or ACEMS
An existing CEMS, FSMS, or ACEMS must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District regulations. The applicant shall pay a minimum processing fee of ~~\$907.51~~939.27 for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time

spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.

- (E) ~~CEMS, FSMS, or ACEMS Change of Ownership~~Owner/Operator
Every applicant who files an application for a change of owner/operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of owner/operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$273.64~~283.18 for the first CEMS, FSMS, or ACEMS, plus ~~\$54.57~~56.48 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 ~~\$678.79~~702.54 per product certified, and additional fees will be assessed at the rate of ~~\$135.77~~145.43 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 ~~\$339.42~~351.30 for the first certificate issued, and additional fees will be assessed at the rate of ~~\$135.77~~145.43 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 ~~\$67.85~~70.22 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 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 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 <u>192.55</u> /hr	\$233.13 <u>241.29</u> /hr

- (8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities
A fee of ~~\$341.74~~353.70 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 Owner/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 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 are listed in Table VII and shall be based on the type of facility permit. Facility Permit Amendment Fees are in addition to the sum of applicable fees assessed for each application required for affected equipment as specified in subparagraph (c)(3)(C) (for administrative equipment applications) or Table FEE RATE-A (for non-administrative equipment applications) or Rule 306 (i)(1). 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.
- (5) 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 Table FEE RATE-A. 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.
- (6) Fee for Change of Owner/Operator
- The Permit Processing Fee for a Change of Owner/Operator of a RECLAIM facility permit shall be determined from Table FEE RATE-C. In addition, a Facility Permit Amendment fee as specified in paragraph (1)(4) 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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/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 owner/operator.

(7) 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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday as if it had been delivered, postmarked, or electronically paid on the expiration date.

(8) 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. The transferee shall pay a Transaction Registration Fee of ~~\$175.37~~181.50 at the time the transaction is registered with the SCAQMD.

(9) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(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 (l)(9)(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 2018-19	\$725.37	\$821.41
FY 2019-20 and thereafter	\$725.37 <u>750.75</u>	\$908.97 <u>940.78</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 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 <u>192.55/hr</u>	\$233.13 <u>241.29/hr</u>

~~(10) — 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 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19	\$37.84

~~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 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(11) — 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 2018-19	\$233.78	\$264.71
FY 2019-20 and thereafter	\$233.78	\$292.93

~~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 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(12) 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 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 192.55/hr	\$233.13 241.29/hr

(1311) 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.

(1412) 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 2018-19	\$12,414.43/ton	\$14,057.88/ton
FY 2019-20 and thereafter	\$12,414.43 848.93/t on	\$15,556.45 16,100.9 2/ton

plus a non-refundable processing fee as shown below:

Facility Type	Non-Title V	Title V
FY 2018-19	\$123.74	\$140.13
FY 2019-20 and thereafter	\$123.74 128.07	\$155.07 160.50

(1513) 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-tradable 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 2018-19	\$186.04/hr	\$210.67/hr
FY 2019-20 and thereafter	\$186.04 <u>192.55</u> /hr	\$233.13 <u>241.29</u> /hr

(14) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NOx RECLAIM program pursuant to Rule 2002(f)(78) 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)(78) shall be paid at the time of filing and assessed according to the following fee schedule.

Number of Permitted RECLAIM NOx Sources	Non-Title V	Title V
Less than 10	\$2,310.12 <u>\$2,232</u>	\$3,270.60 <u>\$3,160</u>
Greater than or equal to 10 and less than 20	\$4,813.78 <u>\$4,651</u>	\$6,541.20 <u>\$6,320</u>
20 or more	\$9,627.57 <u>\$9,302</u>	\$13,082.40 <u>\$12,640</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.

	Non-Title V		Title V	
Number of Permitted RECLAIM NO _x Sources	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 <u>192.55</u>	15	\$210.67 <u>218.04</u>
Greater than or equal to 10 and less than 20	25	\$186.04 <u>192.55</u>	30	\$210.67 <u>218.04</u>
20 or more	50	\$186.04 <u>192.55</u>	60	\$210.67 <u>218.04</u>

(1715) Optional Conversion of Transitioned RECLAIM Facility Permit

A Facility that has transitioned out of the RECLAIM program in accordance with paragraph (1)(146) 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 Facilities 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, 2018 through June 30, 2019	\$2,106.89	\$6,742.71	\$15,171.75	\$25,708.01
Applications submitted on or after July 1, 2019	\$2,331.48 <u>413.08</u>	\$7,461.49 <u>722.64</u>	\$16,789.06 <u>17,376.67</u>	\$28,448.48 <u>29,444.17</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, 2018 through June 30, 2019	\$210.67 per hour; up to a maximum total fee of \$25,718.81	\$210.67 per hour; up to a maximum total fee of \$51,437.58	\$210.67 per hour; up to a maximum total fee of \$131,671.29	\$210.67 per hour; up to a maximum total fee of \$192,890.92
On or after July 1, 2019	\$233.13 <u>241.29</u> per hour; up to a maximum total fee of \$28,460.43 <u>29,456.54</u>	\$233.13 <u>241.29</u> per hour; up to a maximum total fee of \$56,920.83 <u>58,913.05</u>	\$233.13 <u>241.29</u> per hour; up to a maximum total fee of \$145,707.44 <u>150,807.20</u>	\$233.13 <u>241.29</u> per hour; up to a maximum total fee of \$213,453.10 <u>220,923.95</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 (j) 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).
- (D) If a new facility is required to obtain a Title V facility permit to construct, the facility shall 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 (j) for all equipment at the facility.

- (E) If an existing facility is required to obtain a Title V facility permit because of a modification, the facility shall 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 (j) for all new and modified equipment at the facility.

(4) **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, and any significant permit revision or amendment.

(5) **Renewal Fees**

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, are specified in Table VII. Renewal fees include both an initial processing fee that is due when the application is submitted, and a final fee assessed after SCAQMD evaluation is complete and the permit is issued, and is due upon notification by the SCAQMD of the amount due.

(6) **Public Notice Fees**

The holder of, or applicant for, a Title V permit shall either:

- (A) pay the actual cost as invoiced 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.

(7) 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 ~~\$4,217.11 for FY 2018-19 and \$4,666.65~~829.98 for FY 2019-20 and thereafter plus ~~\$1,311.16 for FY 2018-19 and \$1,450.93~~501.71 for FY 2019-20 and thereafter per hour for a public hearing held on a permit action.

(8) 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.

(9) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or sent by mail, electronic mail, or other electronic means, and shall be due thirty (30) days from the date of personal service, mailing, or electronic transmission. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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.

(10) 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)(4) and (m)(5), 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 (j). For a non-Title V facility, the facility permit revision fee shall be the applicable facility permit fee in Table VII.

(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 (j).

(5) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a facility permit shall be determined from Table FEE RATE-C. In addition, an administrative permit revision fee, as specified in Table VII, 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 Owner/Operator or Additional Operator application is filed, and all facility specific fees (such as "Hot Spots" fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received, ~~and the~~ SCAQMD determines that additional fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new owner/operator will not be billed for any additional fees billed to the previous owner/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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday as if it had been delivered, postmarked, or electronically paid 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 \$27.92 for the first page and \$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 \$216.14 for the first page plus \$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 ~~\$348.04~~\$360.19. Additional fees shall be assessed at a rate of ~~\$172.04~~\$178.03 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 Table FEE RATE-A.

- (2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service, mailing, or electronic transmission 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday, with the same effect as if it had been delivered, postmarked, or electronically paid 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

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$1,503.77~~556.40 for each product to be tested. Additional fees will be assessed at the rate of ~~\$135.77~~145.43 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. The renewal fee shall be \$145.43 per certificate.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

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 ~~\$1,503.77~~556.40 for each product to be tested, plus an additional fee of ~~\$300~~310.50 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~~145.43 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. The renewal fee shall be \$145.43 per certificate.

(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 ~~\$27.92~~28.89 for the first page and ~~\$1.97~~2.03 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 owner/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 ~~\$216.14~~223.70 for the first equipment listed in the Facility Registration plus ~~\$1.97~~2.03 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 ~~\$209.98~~217.32 for each emission source.

(2) Change of Owner/Operator or 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 ~~\$209.98~~217.32 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 ~~\$209.98~~217.32 (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 mail, electronic mail, or other electronic means, 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 mail, electronic mail, or other electronic means, 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 2018-19					
99 hours	F	\$279.08	\$52,454.40	\$316.02	\$59,398.44
117 hours	G	\$279.08	\$89,866.71	\$316.02	\$101,763.49
182 hours	H	\$279.08	\$114,265.30	\$316.02	\$129,392.03
FY 2019-20					
99 hours	F	\$279.08 288. 84	\$52,454.40 54, 290.30	\$316.02 361 .95	\$59,398.44 68 ,030.87
117 hours	G	\$279.08 288. 84	\$89,866.71 93, 012.04	\$316.02 361 .95	\$101,763.49 1 16,552.87
182 hours	H	\$279.08 288. 84	\$114,265.30 11 8,264.58	\$316.02 361 .95	\$129,392.03 1 48,196.70

(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 ~~\$172.01~~178.03 plus ~~\$89.21~~92.33 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 ~~\$172.04~~178.03 plus ~~\$89.24~~92.33 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 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 Fees

Fees for requested expedited review and evaluation of air dispersion modeling and health risk assessments 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 ~~\$144.05~~149.09 plus ~~\$74.72~~77.33 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 ~~\$172.04~~178.03 plus ~~\$89.24~~92.33 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(o) 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~~115.00 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~~590.00 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~~90.00.

(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~~115.00 per hour; or

(2) A unit cost of ~~\$75.00~~90.00 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~~115.00 per hour; or

(2) A unit cost of ~~\$75.00~~90.00 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~~60.00 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 sent by mail, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) Notification Fees for Rules 1118.1, 1149, 1166, and 1466~~Rule 1149, Rule 1166, and Rule 1466~~ Notification Fees

- (1) Any person who is required by the District to submit a written notice pursuant to Rules 1118.1, 1149, ~~Rule 1166, Rule 1466~~, or for soil vapor extraction projects shall pay a notification fee of ~~\$62.92~~65.12 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 ~~\$579.97~~600.26 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 ~~\$290.00~~300.15 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 ~~\$426.45~~441.37 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 ~~\$426.45~~441.37 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:

Facility Name* and Location	Annual Operating and Maintenance Fee
Andeavor Corporation (Carson)	\$871,086.00 <u>901,574.01</u>
Andeavor Corporation (Wilmington)	\$435,543 <u>450,787.00</u>
Chevron U.S.A, Inc. (El Segundo)	\$871,086.00 <u>901,574.01</u>
Delek U.S. Holdings, Inc. (Paramount)	\$217,771.50
Phillips 66 Company (Carson)	\$435,543 <u>450,787.00</u>
Phillips 66 Company (Wilmington)	\$435,543 <u>450,787.00</u>
PBF Energy, Torrance Refining Company (Torrance)	\$871,086.00 <u>901,574.01</u>
Valero Energy (Wilmington)	\$435,543 <u>450,787.00</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~~ applicant or permit holder. 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.

(ac) Severability

If any provision of this rule is held by judicial order to be invalid, or 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.

~~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	\$1,785.79	\$930.20	\$1,785.79	\$2,022.19	\$1,053.34	\$2,022.19
A1	\$1,785.79	\$930.20	\$1,785.79	\$2,022.19	\$1,053.34	\$2,022.19
B	\$2,846.14	\$1,409.95	\$2,846.14	\$3,222.92	\$1,596.61	\$3,222.92
B1	\$4,501.77	\$2,440.17	\$4,501.77	\$5,097.71	\$2,763.20	\$5,097.71
C	\$4,501.77	\$2,440.17	\$4,501.77	\$5,097.71	\$2,763.20	\$5,097.71
D	\$6,213.19	\$4,173.34	\$6,213.19	\$7,035.72	\$4,725.82	\$7,035.72
E	\$7,143.30	\$6,127.48	\$7,143.30	\$8,088.94	\$6,938.66	\$8,088.94
F	\$17,951.51+ T&M	\$8,945.72+ T&M	\$14,230.75+ T&M	\$20,327.97+ T&M	\$10,129.97+ T&M	\$16,114.65+ T&M
G	\$21,188.37+ T&M	\$15,180.30+ T&M	\$17,467.57+ T&M	\$23,993.33+ T&M	\$17,189.91+ T&M	\$19,779.97+ T&M
H	\$32,833.37+ T&M	\$19,247.37+ T&M	\$29,112.58+ T&M	\$37,179.92+ T&M	\$21,795.39+ T&M	\$32,966.58+ 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	\$186.04	\$34,969.61	\$210.67	\$39,598.97
G	117	\$186.04	\$59,911.11	\$210.67	\$67,842.29
H	182	\$186.04	\$76,176.86	\$210.67	\$86,261.34

**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>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$930.20</u> <u>962.</u> <u>75</u>	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$2,237.76</u> <u>31</u> <u>6.08</u>	<u>\$1,465.62</u> <u>20</u> <u>6.41</u>	<u>\$2,237.76</u> <u>316.</u> <u>08</u>
A1	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$930.20</u> <u>962.</u> <u>75</u>	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$2,237.76</u> <u>31</u> <u>6.08</u>	<u>\$1,465.62</u> <u>20</u> <u>6.41</u>	<u>\$2,237.76</u> <u>316.</u> <u>08</u>
B	<u>\$2,846.14</u> <u>94</u> <u>5.75</u>	<u>\$1,409.95</u> <u>45</u> <u>9.29</u>	<u>\$2,846.14</u> <u>94</u> <u>5.75</u>	<u>\$3,566.48</u> <u>69</u> <u>1.30</u>	<u>\$1,766.81</u> <u>82</u> <u>8.64</u>	<u>\$3,566.48</u> <u>691.</u> <u>30</u>
B1	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$2,440.17</u> <u>52</u> <u>5.57</u>	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$5,641.13</u> <u>83</u> <u>8.57</u>	<u>\$3,057.76</u> <u>16</u> <u>4.78</u>	<u>\$5,641.13</u> <u>838.</u> <u>57</u>
C	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$2,440.17</u> <u>52</u> <u>5.57</u>	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$5,641.13</u> <u>83</u> <u>8.57</u>	<u>\$3,057.76</u> <u>16</u> <u>4.78</u>	<u>\$5,641.13</u> <u>838.</u> <u>57</u>
D	<u>\$6,213.19</u> <u>43</u> <u>0.65</u>	<u>\$4,173.34</u> <u>31</u> <u>9.40</u>	<u>\$6,213.19</u> <u>43</u> <u>0.65</u>	<u>\$7,785.73</u> <u>8.0</u> <u>58.23</u>	<u>\$5,229.60</u> <u>41</u> <u>2.63</u>	<u>\$7,785.73</u> <u>8.05</u> <u>8.23</u>
E	<u>\$7,143.30</u> <u>39</u> <u>3.31</u>	<u>\$6,127.48</u> <u>34</u> <u>1.94</u>	<u>\$7,143.30</u> <u>39</u> <u>3.31</u>	<u>\$8,951.22</u> <u>9.2</u> <u>64.51</u>	<u>\$7,678.32</u> <u>94</u> <u>7.06</u>	<u>\$8,951.22</u> <u>9.26</u> <u>4.51</u>
F	<u>\$17,951.51</u> <u>8,579.81+</u> T&M	<u>\$8,945.72</u> <u>9.2</u> <u>58.82+</u> T&M	<u>\$14,230.75</u> <u>28.82+</u> T&M	<u>\$22,494.94</u> <u>3,282.26+</u> T&M	<u>\$11,209.83</u> <u>02.17+</u> T&M	<u>\$17,832.48</u> <u>456.61+</u> T&M
G	<u>\$21,188.37</u> <u>29.96+</u> T&M	<u>\$15,180.30</u> <u>11.61+</u> T&M	<u>\$17,467.57</u> <u>8,078.93+</u> T&M	<u>\$26,551.02</u> <u>7,480.30+</u> T&M	<u>\$19,022.35</u> <u>88.13+</u> T&M	<u>\$21,888.51</u> <u>654.60+</u> T&M
H	<u>\$32,833.37</u> <u>3,982.53+</u> T&M	<u>\$19,247.37</u> <u>21.02+</u> T&M	<u>\$29,112.58</u> <u>0,131.52+</u> T&M	<u>\$41,143.30</u> <u>2,583.31+</u> T&M	<u>\$24,118.77</u> <u>65.12+</u> T&M	<u>\$36,480.81</u> <u>757.63+</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>\$186.04</u> <u>192.55</u>	<u>\$34,969.61</u> <u>36,193.54</u>	<u>\$233.13</u> <u>241.29</u>	<u>\$43,820.23</u> <u>45,353.93</u>
G	117	<u>\$186.04</u> <u>192.55</u>	<u>\$59,911.11</u> <u>62,007.99</u>	<u>\$233.13</u> <u>241.29</u>	<u>\$75,074.28</u> <u>77,701.88</u>
H	182	<u>\$186.04</u> <u>192.55</u>	<u>\$76,176.86</u> <u>78,843.05</u>	<u>\$233.13</u> <u>241.29</u>	<u>\$95,456.79</u> <u>98,797.77</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 2018-19	FY 2019-20 and thereafter
Banking Application	\$4,608.0676 9.34	\$5,218.08	\$5,774.3397 6.43
Change of Title	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Alteration/Modification	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Conversion to Short Term Credits	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Re-Issuance of Short Term Credits	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202	\$273.76283. 34	\$310.01	\$343355.06

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES
CHANGE OF OWNER/OPERATOR^a

Facility Type	Non-Title V	Title V
Small Business	\$248.03 <u>256.71</u>	\$280.86 for FY 2018-19 and \$310.79 <u>321.66</u> for FY 2019- 20 and thereafter
Non-Small Business	\$681.14 <u>704.98</u>	\$771.30 for FY 2018-19 and \$853.53 <u>883.40</u> for FY 2019- 20 and thereafter

^a Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of owner/operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$9,593.22 for FY 2018-19 and~~\$10,615.86~~987.41~~ for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$16,943.43~~17,536.45 per facility. ~~There is no limit to the change of operator fees~~The change of owner/operator fee for RECLAIM facilities shall not exceed \$50,000.00.

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

Out Pots, Pots, Pumps, 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

⁵ Including, but not limited to, all or part of the following: Accumulators, Columns, Drums, Knock Out Pots, Tanks, Vessels

⁶ Including, but not limited to, all or part of the following: Condensers, Coolers, Drums, Sumps, Vessels

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

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- 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, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels
- ⁸ Including, but not limited to, all or part of the following: Process Tanks, Separators, Tanks
- 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
- ¹⁰ Including, but not limited to, all or part of the following: Absorbers, Condensers, Coolers, Drums, Heat Exchangers, Knock Out Pots, Reactors, Tanks, Vessels
- 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	Equipment/Process	Schedule
Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B	Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C
Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders	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
Anodizing (sulfuric, phosphoric)	B	Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses,	C
Aqueous Ammonia Transfer & Storage	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
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	Blending, Other	B
Asphalt Air Blowing	B	Boiler/hot water heater, various locations, diesel/oil fired (< 300,000 BTU/hr)	A
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	Boiler/hot water heater, single facility, portable, diesel/oil fired (< 600,000 BTU/hr)	A
Asphalt Coating	C	Boiler, Landfill/Digester Gas (< 5 MMBTU/hr)	B
Asphalt Day Tanker/Tar Pot	A	Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr)	C
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	Boiler, Landfill/Digester Gas (> 20 to 50 MMBTU/hr)	D
Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters	C	Boiler, Landfill/Digester Gas (>50MMBTU/hr)	F
Asphalt Roofing Saturator	D	Boiler, Natural gas-fired, 5 – 20 MM BTU/hr	C
Asphalt-Rubber Spraying	B	Boiler, Other Fuel (< 5MMBTU/hr)	B
Auto Body Shredding	C	Boiler, Other Fuel (5 - 20 MMBTU/hr)	C
Autoclave, Non-sterilizing Type	B	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
Carbon Dioxide Production Facility Including, but not limited to, all or part of the following: Separator, Knockout Pot, Scrubber, Chiller, Pumps, Blowers, Oil Separator, Compressor, Intercoolers, Filters, Cooling Tower	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, 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
Charbroiler, Eating Establishment	A

Equipment/Process	Schedule
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
Chippers, Greenwaste, not including I.C. Engine	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
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

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
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	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
Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers	C	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
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	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
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	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
Confined Animal Facility	A	Decorating Lehr	C
Container Filling, Liquid	B	Decorator	B
Conveying, Other	B	Deep-Fat Fryer	C
Cooling Tower, Petroleum Operations	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
Cooling Tower, Other	B	Degreaser, Cold Solvent Dipping	B
Core Oven	B	Degreaser, Cold Solvent Spray	C
Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers	D	Degreaser, (<= 1 lb VOC/day)	B
Crankcase Oil, Loading and Unloading	C	Degreaser (> 1 lb VOC/day)	B
Crematory	C	Degreaser, (VOCw/Toxics)	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		

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

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
Deposition on Ceramics (< 5 pieces)	B
Deposition on Ceramics (5 or more pieces)	C
Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels	C
Die Casting Equipment	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
Dip Tank, Coating	B
Dip Tank, (<= 3 gal/day)	B
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
Drilling Rig, Crude Oil Prod.	C
Drop Forge	B
Dry Cleaning & Associated Control Equipment	A
Dryer for Organic Material	C
Drying/Laundry	A
Drying, Other	B
Emission Reduction Credits [Rule 301(c)(4) and (c)(5)]	I
End Liner, Can	B
Ethylene Oxide Sterilization, Hospital	B
Evaporation, Toxics	C

Equipment/Process	Schedule
Evaporator, Other	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
Extruder	B
Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders	C
Fatty Acid Mfg.	C
Feathers, Size Classification	A
Feed Handling (combining conveying and loading)	D
Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles	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
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
Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters	C
Filament Winder, Rule 1401 Toxics	C
Filament Winder, Other	B
Filling Machine, Dry Powder	C
Film Cleaning Machine	B
Flour Handling (combining conveying, packaging, and loadout)	E
Flour Manufacturing (combining milling and conveying)	E
Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations	D

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Flow Coater	B	Furnace, Frit	C
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	Furnace, Galvanizing	C
Fluid Elimination, Waste Water	B	Furnace, Graphitization and Carbonization	C
Foam-in-Place Packaging	A	Furnace, Heat Treating	B
Food Processing Grinding, Blending, Packaging, Conveying, Flavoring	C	Furnace, Other Metallic Operations	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	Furnace, Pot/Crucible	C
Fruit and Vegetable Treating	A	Furnace, Reverberatory	D
Fuel Gas Mixer	C	Furnace, Wire Reclamation	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	Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters	C
Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A	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
Fumigation	A	Gas Turbine, Landfill/Digester Gas, <0.3 MW	B
Furnace, Arc	D	Gas Turbine, Landfill/Digester Gas, => 0.3 MW	E
Furnace, Burn-Off, Armature	C	Gas Turbine, <= 50 MW, other fuel	D
Furnace, Burn-Off, Drum	D	Gas Turbine, > 50 MW, other fuel	G
Furnace, Burn-Off, Engine Parts	C	Gas Turbine, Emergency, < 0.3 MW	A
Furnace, Burn-Off, Paint	C	Gas Turbine, Emergency, => 0.3 MW	C
Furnace, Burn-Off, Wax	C	Gas Turbines (Microturbines only)	A
Furnace, Burn-Off, Other	C	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
Furnace, Cupola	D	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
Furnace, Electric, Induction and Resistance	C		

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

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
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
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
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
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
Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment)	
Glass Forming Machine	C
Glass Furnace < 1TPD	B
Glass Furnace, > 1 - 50 TPD Pull	D
Glass Furnace, > 50 TPD Pull	E

Equipment/Process	Schedule
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
Grain Handling (combining storage and cleaning)	E
Grain Storage	C
Grinder, Size Reduction	B
Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks	C
Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations	E
Halon/Refrigerants, Recovery and Recycling Equipment	A1
Heater, (< 5 MMBTU/hr)	B
Heater, (5 - 20 MMBTU/hr)	C
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	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	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
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	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
IC Engine, (51-500 HP) Cogeneration	B	Jet Engine Test Facility	C
IC Engine, (> 500 HP) Cogeneration	C	Kiln, Natural Gas	C
IC Engine, Emergency	B	Landfill Condensate/Leachate Collection/Storage	B
IC Engine, Landfill/Digester Gas	D	Landfill Gas, Collection, (< 10 Wells)	B
IC Engine, Other, 51-500 HP	B	Landfill Gas, Collection, (10 -50 Wells)	C
IC Engine, Other, > 500 HP	C	Landfill Gas, Collection, (> 50 Wells)	D
Impregnating Equipment	C	Landfill Gas, Treatment	E
Incineration, Hazardous Waste	H	Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Incinerator, < 300 lbs/hr, Non-Hazardous	E	Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks	D
Incinerator, >= 300 lbs/hr, Non-Hazardous	F	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
Indoor Shooting Range	B	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
Ink Mfg./Blending Including, but not limited to, all or part of the following: Process Tanks, Mixers	B	LPG, Tank Truck Loading	D
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		

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

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
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
Lube Oil Additive/Lubricant Mfg.	B
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
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
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
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

Equipment/Process	Schedule
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
Metal Deposition Equipment	C
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
Misc. Solvent Usage at a Premise	B
Mixer, Chemicals	B
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
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	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	Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	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	B	Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers	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	C	Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs	C
Open-Air resin operations	A	Pipe Coating, Asphaltic	B
Oven Bakery	C	Plasma Arc Cutting	B1
Oven, Curing (Rule 1401 toxics)	C	Plastic Mfg., Blow Molding Machine	B
Oven, Other	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
Packaging, Other	B	Plastic/Resins Reforming	C
Paint Stripping, Molten Caustic	C	Plastic/Resins Treating	C
Paper Conveying	A	Plastisol Curing Equipment	B
Paper Pulp Products	D	Polystyrene Expansion/Molding	C
Paper Size Reduction	C	Polystyrene Expansion/Packaging	C
Pavement Grinder	B	Polystyrene Extruding/Expanding	B
Pavement Heater	B	Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers	C	Polyurethane Mfg/Production	B
Perlite Furnace	C	Polyurethane Mfg/Rebonding	B
Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C	Process Line, Chrome Plating (Hexavalent)	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	Process Line, Chrome Plating (Trivalent)	B
Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	F	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
Reaction, Other	C
Recovery, Other	B
Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels	B
Refrigerant Recovery/Recycling	A1
Rendering Equipment, Blood Drying	C
Rendering Equipment, Fishmeal Drying	C
Rendering Equipment, Rendering	D
Rendering Equipment, Separation, Liquid	C
Rendering Product, Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Resin, Varnish Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	D
Roller Coater	B
Rubber Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Rubber Presses or Molds with a ram diameter of more than 26 inches Submitted before September 11, 1999	A
Submitted on or after September 11, 1999	B
Rubber Roll Mill	B
Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	D
Screening, Green Waste	A
Screening, Other Including, but not limited to, all or part of the following: Screens, Conveyors, Bins, Hoppers, Bucket Elevators	C
Semiconductor, Int. Circuit Mfg (< 5 pieces)	B

Equipment/Process	Schedule
Semiconductor, Int. Circuit Mfg (5 or more)	C
Semiconductor, Photo resist (< 5 pieces)	B
Semiconductor, Photo resist (5 or more pieces)	C
Semiconductor, Solvent Cleaning (< 5 pieces)	B
Semiconductor, Solvent Cleaning (5 or more pieces)	C
Sewage Sludge Composting	C
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
Sewage Sludge Digestion	D
Sewage Sludge Dryer	D
Sewage Sludge Incineration	H
Sewage Treatment, (<= 5 MGD), Aerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	C
Sewage Treatment, (> 5 MGD) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	F
Sewage Treatment, (> 5 MGD), Anaerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Digesters, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	G
Sheet Machine	B
Shell Blasting System	B
Shipping Container System	B
Sintering	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

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	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	Spray Machine, Adhesive	B
Sludge Dewatering, Other Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks	D	Spray Machine, Coating	B
Sludge Dryer, Other	B	Spray Machine, Powder Coating	B
Sludge Incinerator	H	Spraying, Resin/Gel Coat	C
Smoke Generator	B	Sterilization Equipment	C
Smokehouse	C	Stereolithography	A
Soap/Detergent Mfg Including, but not limited to, all or part of the following: Process Tanks, Mixers, Tanks, Conveyors, Bins, Hoppers, Bucket Elevators	D	Storage, Petroleum Coke	C
Soil Treatment, Other Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens	D	Storage Container, Baker-Type	B
Soil Treatment, Vapor Extraction Including, but not limited to, all or part of the following: Adsorbers, Afterburners	C	Storage Container, Baker-Type w/Control	C
Solder Leveling	B	Storage Silo, Other Dry Material	A
Soldering Machine	B	Storage Tank, w/o Control, Crude Oil/Petroleum Products	B
Solvent Reclaim, Still (Multistage)	C	Storage Tank, Acid with sparger	B
Solvent Reclaim, Still (Single stage)	A	Storage Tank, Ammonia with sparger	B
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	Storage Tank, Asphalt <= 50,000 gallons	B
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	Storage Tank, Asphalt > 50,000 gallons	C
Spray Equipment, Open	B	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
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
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
Sump, Covered & Controlled	C
Sump, Spill Containment	A
Tablet Coating Pans	A
Tank, Hard Chrome Plating	C
Tank/Line, Other Chrome Plating or Chrome Anodizing	C
Tank, Line, Other Process Emitting Hexavalent Chrome	C
Tank/Line, Trivalent Chrome Plating	B
Tank/Line, Cadmium or Nickel Plating	C
Tank/Line, Other Process Emitting Nickel or Cadmium	B1
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

Equipment/Process	Schedule
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
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
Vacuum Machine	C
Vacuum Metalizing	B
Vacuum Pumps	C
Vegetable Oil Extractor Including, but not limited to, all or part of the following: Bins, Conveyors, Cookers, Presses, Tanks, Kilns	E
Warming Device, Electric	A
Waste Water Treating (< 10,000 gpd) 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	B
Waste Water Treating (< 20,000 gpd) no toxics 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	B
Waste Water Treating (20,000 - 50,000 gpd) 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	D
Waste Water Treating (> 50,000 gpd) 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	E

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	\$1,406.78 <u>456.01</u>
B	\$1,406.78 <u>456.01</u>
C	\$1,406.78 <u>456.01</u>
D	\$5,036.43 <u>212.70</u> +T&M
E	\$5,036.43 <u>212.70</u> +T&M
F	\$5,036.43 <u>212.70</u> +T&M
G	\$5,036.43 <u>212.70</u> +T&M
H	\$6,716.44 <u>951.51</u> +T&M

D through G: T&M = Time and Material charged at ~~\$144.05~~per 149.09 per hour above 35 hours.

H: T&M = Time and Material charged at ~~\$144.05~~149.09 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 ~~\$2,411.61~~496.01 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 ~~\$16,077.38~~640.08.

TABLE IIB
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	\$3,894.50 <u>4,030.80</u>	\$6,972.94 <u>7,216.99</u>
Three to four components	\$4,684.79 <u>48.75</u>	\$12,831.72 <u>13,280.83</u>
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	\$3,469.68 <u>280.61</u>
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	\$3,469.68 <u>280.61</u>
ACEMS Review	Basic Fee ⁴	Maximum Fee
	\$3,894.50 <u>4,030.80</u>	\$12,831.72 <u>13,280.83</u>
¹ The 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. ² Covers 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 \$172.01 <u>178.03</u> per hour, to the maximum listed in the table. ³ Additional components, as necessary, to meet monitoring requirements (e.g., moisture monitor). ⁴ Covers 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	\$625.176 <u>47.05</u>	\$111.85115 <u>.76</u>	\$365.7537 <u>8.55</u>	\$433.63448 <u>80</u>	-	\$478.05494.7 <u>8</u>
>25—75	\$1,015.03 <u>050.55</u>	\$177.23183 <u>.43</u>	\$580.9760 <u>1.30</u>	\$700.97725 <u>50</u>	-	\$774.62801.7 <u>3</u>
>75 and <100	\$1,519.37 <u>572.54</u>	\$265.82275 <u>.12</u>	\$874.9790 <u>5.59</u>	\$1,052.4108 <u>9.24</u>	-	\$1,159.81200 <u>.40</u>
≥100	\$1,519.37 <u>572.54</u>	\$265.82275 <u>.12</u>	\$874.9790 <u>5.59</u>	\$1,052.4108 <u>9.24</u>	\$7.4975	\$1,159.81200 <u>.40</u>

* Excluding methane, exempt compounds as specified in paragraph (c)(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.

Annual Emissions (tons/year)	≥1 (lb/year)	≥0.1 ≥200 (lb/year)	4 — 25 (ton/year)	>25 — 75 (ton/year)	>75 - <100 (ton/year)	>100 (ton/year)
Organic Gases* (\$/ton)		=	\$647.05	\$1,050.55	\$1,572.54	\$1,572.54
Specific Organics** (\$/ton)		=	\$115.76	\$183.43	\$275.12	\$275.12
Nitrogen Oxides (\$/ton)		=	\$378.55	\$601.30	\$905.59	\$905.59
Sulfur Oxides (\$/ton)		=	\$448.80	\$725.50	\$1,089.24	\$1,089.24
Carbon Monoxide (\$/ton)		=	=	=	=	\$7.75
Particulate Matter (\$/ton)		=	\$494.78	\$801.73	\$1,200.40	\$1,200.40
Ammonia (\$/lb)		\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Chlorofluorocarbons (\$/lb)	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43
1,1,1-trichloroethane (\$/lb)	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06

* Excluding methane, and exempt compounds as defined in Rule 102 specified in paragraph (c)(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

<u>CAS</u>	<u>TOXIC COMPOUNDS</u>	<u>Annual Emission Thresholds (lbs)</u>	<u>Fees Before January 1, 2021</u>
			<u>\$/1 lb</u>
<u>1332214</u>	<u>Asbestos</u>	<u>0.0001</u>	<u>6.74</u>
<u>71432</u>	<u>Benzene</u>	<u>2</u>	<u>2.27</u>
<u>7440439</u>	<u>Cadmium</u>	<u>0.01</u>	<u>6.74</u>
<u>56235</u>	<u>Carbon tetrachloride</u>	<u>1</u>	<u>2.27</u>
<u>106934</u>	<u>Ethylene dibromide</u>	<u>0.5</u>	<u>2.27</u>
<u>107062</u>	<u>Ethylene dichloride</u>	<u>2</u>	<u>2.27</u>
<u>75218</u>	<u>Ethylene oxide</u>	<u>0.5</u>	<u>2.27</u>
<u>50000</u>	<u>Formaldehyde</u>	<u>5</u>	<u>0.5</u>
<u>18540299</u>	<u>Hexavalent chromium</u>	<u>0.0001</u>	<u>9.01</u>
<u>75092</u>	<u>Methylene chloride</u>	<u>50</u>	<u>0.09</u>
<u>7440020</u>	<u>Nickel</u>	<u>0.1</u>	<u>4.49</u>
<u>127184</u>	<u>Perchloroethylene</u>	<u>5</u>	<u>0.5</u>
<u>106990</u>	<u>1,3-Butadiene</u>	<u>0.1</u>	<u>6.74</u>
<u>7440382</u>	<u>Inorganic arsenic</u>	<u>0.01</u>	<u>6.74</u>
<u>7440417</u>	<u>Beryllium</u>	<u>0.001</u>	<u>6.74</u>
<u>75014</u>	<u>Vinyl chloride</u>	<u>0.5</u>	<u>2.27</u>
<u>7439921</u>	<u>Lead</u>	<u>0.5</u>	<u>2.27</u>
<u>123911</u>	<u>1,4-Dioxane</u>	<u>5</u>	<u>0.5</u>
<u>79016</u>	<u>Trichloroethylene</u>	<u>20</u>	<u>0.18</u>
<u>1086</u>	<u>Chlorinated dioxins, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1746016</u>	<u>2,3,7,8-TCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>3268879</u>	<u>1-8OctaCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>19408743</u>	<u>1-3,7-9HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>35822469</u>	<u>1-4,6-8HpCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39227286</u>	<u>1-4,7,8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>40321764</u>	<u>1-3,7,8PeCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>57653857</u>	<u>1-3,6-8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>1080</u>	<u>Chlorinated dibenzofurans, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>39001020</u>	<u>1-8OctaCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>51207319</u>	<u>2,3,7,8-TCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>55673897</u>	<u>1-4,7-9HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117314</u>	<u>2-4,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117416</u>	<u>1-3,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117449</u>	<u>1-3,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>60851345</u>	<u>2-4,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>

<u>67562394</u>	<u>1-4,6-8HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>70648269</u>	<u>1-4,7,8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>72918219</u>	<u>1-3,7-9HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>1151</u>	<u>Polycyclic aromatic hydrocarbons, PAHs (without individual isomers reported)</u>	<u>0.2</u>	<u>6.74</u>
<u>50328</u>	<u>Benzo[a]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>53703</u>	<u>Dibenz[a,h]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56495</u>	<u>3-Methylcholanthrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56553</u>	<u>Benz[a]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57976</u>	<u>7,12-Dimethylbenz(a)Anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>91203</u>	<u>Naphthalene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189559</u>	<u>Dibenzo[a,i]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189640</u>	<u>Dibenzo[a,h]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>191300</u>	<u>Dibenzo[a,l]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>192654</u>	<u>Dibenzo[a,e]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>193395</u>	<u>Indeno[1,2,3-cd]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>194592</u>	<u>7H-Dibenzo(c,g)Carbazole [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205823</u>	<u>Benzo[j]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205992</u>	<u>Benzo[b]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>207089</u>	<u>Benzo[k]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>218019</u>	<u>Chrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>224420</u>	<u>Dibenz(a,i)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>226368</u>	<u>Dibenz(a,h)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>602879</u>	<u>5-Nitroacenaphthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>607578</u>	<u>2-Nitrofluorene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>3697243</u>	<u>5-Methylchrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>5522430</u>	<u>1-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>7496028</u>	<u>6-Nitrochrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397648</u>	<u>1,6-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397659</u>	<u>1,8-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57835924</u>	<u>4-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>9901</u>	<u>Diesel Particulate Matter</u>	<u>0.1</u>	<u>0</u>

TABLE V
ANNUAL CLEAN FUELS FEES

Volatile Organic Compounds (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Particulate Matter (\$/ton)
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\$48.71 <u>49.01</u>	\$27.31 <u>28.26</u>	\$33.85 <u>35.03</u>	\$27.31 <u>28.26</u>
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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
\$62.92 <u>65.12</u>	\$192.40 <u>199.13</u>	\$450.38 <u>466.14</u>	\$706.21 <u>730.92</u>	\$1,023.47 <u>1,059.29</u>	\$1,705.79 <u>1,776.54</u>

Additional Service Charge Fees				
Revision to Notification for Start Date, Quantity, and/or End Date ²	Special Handling Fee ³	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee ⁴
\$62.92 <u>25.00</u>	\$62.92 <u>65.12</u>	\$706.21 <u>730.92</u>	\$706.21 <u>730.92</u>	\$353.10 <u>365.45</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.

For renovation, the fee is based on the amount of asbestos/lead removed.

² For revisions to notifications to change the End Date, service charge fees will only be charged if revisions result in a later End Date

²³ ~~For all notifications postmarked received less than 14 calendar days prior to project start date.~~

³⁴ ~~For all expedited Procedure 4 or 5 plan evaluation requests postmarked received 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
FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE
V ONLY, AND BOTH RECLAIM & TITLE V

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee <ul style="list-style-type: none"> RECLAIM Only or non-RECLAIM/non-Title V Title V Only* RECLAIM & Title V* * Includes administrative, minor, de minimis significant, or significant amendment/revision	(l)(4) (m)(4)	\$1,170.63 \$1,325.61 \$2,496.24	\$1,170.63 211. 60 \$1,466.92 518. 26 \$2,637.55 729. 86
Facility Permit Change of <u>Owner/Operator</u> <ul style="list-style-type: none"> Facility Permit Amendment Fee Plus <ul style="list-style-type: none"> Application Processing Fee for Each Application 	(c)(2) (l)(6) (m)(4) (n)(5)	<i>Facility Permit Amendment/Revision Fee (See Above)</i> Plus <i>Processing Fees (See Table FEE RATE-C))</i>	
Title V Facility Permit Renewal Fee (Due at Filing) Plus Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5) (m)(9)	\$3,010.95 Plus \$210.67 per hour	\$3,331.91 448. 52 Plus \$233.13 241.2 9 per hour

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)
(Updated May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 ~~\$192.36~~199.09 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 sent by mail, electronic mail, or other electronic means, and shall be due fifteen (15) days from the date of personal service, mailing, or electronic submission. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day with the same effect as if it had been delivered, postmarked, or electronically paid 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	\$ 6,073.43 <u>286.00</u>
Carbon Monoxide	\$ 59.46 <u>61.54</u>
Oxides of nitrogen (expressed as nitrogen dioxide)	\$ 3,643.58 <u>771.10</u>
Gaseous sulfur compounds (expressed as sulfur dioxide)	\$ 4,248.96 <u>397.67</u>
Particulate matter	\$ 4,248.96 <u>397.67</u>
Ammonia	\$0.11
Asbestos	\$ 26.80 <u>27.73</u>
Benzene	\$ 8.94 <u>9.25</u>
Cadmium	\$ 26.80 <u>27.73</u>
Carbon tetrachloride	\$ 8.94 <u>9.25</u>
Chlorinated dioxins and dibenzofurans (26 species)	\$ 44.62 <u>46.18</u>
Ethylene dibromide	\$ 8.94 <u>9.25</u>
Ethylene dichloride	\$ 8.94 <u>9.25</u>
Ethylene oxide	\$ 8.94 <u>9.25</u>
Formaldehyde	\$ 1.87 <u>93</u>
Hexavalent chromium	\$ 35.67 <u>36.91</u>
Methylene chloride	\$0.42 <u>43</u>
Nickel	\$ 17.73 <u>18.35</u>
Perchloroethylene	\$ 1.87 <u>93</u>
1,3-Butadiene	\$ 26.80 <u>27.73</u>
Inorganic arsenic	\$ 26.80 <u>27.73</u>
Beryllium	\$ 26.80 <u>27.73</u>
Polynuclear aromatic hydrocarbons (PAHs)	\$ 26.80 <u>27.73</u>
Vinyl chloride	\$ 8.94 <u>9.25</u>
Lead	\$ 8.94 <u>9.25</u>
1,4-Dioxane	\$ 1.87 <u>93</u>
Trichloroethylene	\$ 0.77 <u>79</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:

$$\text{Fee} = (\text{Opacity* equivalent} - 20) \times \text{number of days on which the violation is expected to occur} \times \$10.0540$$

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:

$$\text{Fee} = (\text{Opacity* equivalent} - 40) \times \text{number of days on which the violation is expected to occur} \times \$10.0540$$

* 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	\$1,574.33 <u>629.43</u>	\$282.34 <u>292.22</u>
<input type="checkbox"/> Short (without interim)	\$1,259.47 <u>303.55</u>	\$282.34 <u>292.22</u>
<input type="checkbox"/> Regular (without interim)	\$1,259.47 <u>303.55</u>	\$282.34 <u>292.22</u>
<input type="checkbox"/> Emergency or Ex Parte Emergency	\$1,259.47 <u>303.55</u>	\$282.34 <u>292.22</u>
<input type="checkbox"/> Variance plus Alternate Operating Condition(s)	\$1,889.19 <u>955.31</u>	\$282.34 <u>292.22</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	\$705.19 <u>729.87</u>	\$140.91 <u>145.84</u>

PRODUCT VARIANCE		
Filing Fee	\$1,889.19 <u>955.31</u>	\$282.34 <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$705.19 <u>729.87</u>	\$140.91 <u>145.84</u>

GROUP VARIANCE		
Two	\$1,416.91 <u>466.50</u>	
Three	\$2,204.06 <u>281.20</u>	
Four or More	\$3,148.69 <u>258.89</u>	
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$1,057.84 <u>094.86</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	\$1,259.47 <u>303.55</u>	\$282.34 <u>292.22</u>
<input type="checkbox"/> Modification of Order for Abatement (requested by respondent)	\$1,259.47 <u>303.55</u>	\$282.34 <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional of	\$705.19 <u>729.87</u>	\$140.91 <u>145.84</u>

MODIFICATION OF EXISTING ORDERS EXCLUDING FINAL COMPLIANCE DATE		
<input type="checkbox"/> Modification of Variance (Increments of Progress and Conditions)	\$940.67 <u>973.59</u>	\$282.34 <u>292.22</u>
<input type="checkbox"/> Interim Authorization (Increments of Progress)	\$940.67 <u>973.59</u>	\$282.34 <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$303.80 <u>314.43</u>	

ADMINISTRATIVE TYPE OF HEARINGS		
<input type="checkbox"/> Administrative Hearings (issuance of subpoenas, waiver of fees, etc.)	\$940.67 <u>973.59</u>	\$282.34 <u>292.22</u>
Plus, for each hearing day in in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$314.88 <u>325.90</u>	\$140.91 <u>145.84</u>

APPEAL		
Filing fee	\$1,889.19 <u>955.31</u>	\$282.34 <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$1,057.84 <u>094.86</u>	\$207.00 <u>214.24</u>

CONSENT CALENDAR		
Filing Fee	\$435.27 <u>450.50</u>	\$140.91 <u>145.84</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$275.52 <u>285.16</u>	\$140.91 <u>145.84</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	\$787.17 <u>814.72</u>	\$282.34 <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$705.19 <u>729.87</u>	\$140.91 <u>145.84</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)(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 ~~\$135.77~~140.52 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 \$17,278.64~~883.39~~, 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 ~~\$135.77~~140.52 per person per hour 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	\$180.99 <u>187.32</u>
Facility Inspection (if required)	\$135.77 <u>140.52</u> / hour up to \$397.96 <u>411.88</u> additional
Audit Sample (if required)	\$180.99 <u>187.32</u> / hour up to \$530.57 <u>549.14</u> additional
Annual Renewal	\$180.99 <u>187.32</u>
Method Equivalence	\$180.99 <u>187.32</u> / hour up to \$863.86 <u>894.09</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)(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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	\$135.77 <u>140.52</u> / hour of analysis
(B)	Micro-Fourier Transform Infrared Spectroscopy	\$201.26 <u>208.30</u> / particle
(C)	X-Ray Diffraction	\$201.26 <u>208.30</u> / sample
(D)	Particle Size Determination	
(i)	by microscopy	\$135.77 <u>140.52</u> / hour of analysis
(ii)	by sieve	\$135.77 <u>140.52</u> / sample
(E)	Energy Dispersive X-Ray - microprobe	As charged by outside laboratory (charge pass through)
(2)	Asbestos (Bulk Samples)	
(A)	PLM	\$135.77 <u>140.52</u> / sub-sample
(B)	Point Counting	\$135.77 <u>140.52</u> / sub-sample
(C)	TEM, Quantitative	As charged by outside laboratory (charge pass through)
(D)	TEM, Qualitative	As charged by outside laboratory (charge pass through)

	<u>Type of Test</u>	<u>Fee</u>
	(E) X-Ray Diffraction	\$299.99 <u>310.49</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	\$90.32 <u>93.48</u> / sample
	(B) Isoteniscope	As charged by outside laboratory (charge pass through)
	(C) Speciation of Components in each sample	\$380.09 <u>393.39</u> for five or fewer compounds \$45.09 <u>46.66</u> for each additional compound
	(D) Calculation	\$265.21 <u>274.49</u> / sample
(5)	Fuel Analysis	
	(A) Metals (Pb in gasoline)	\$271.50 <u>281.00</u> / sample \$35.85 <u>37.10</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	\$135.77 <u>140.52</u> / sample
	(E) Heat Content	As charged by outside laboratory (charge pass through)
	(F) Water	As charged by outside laboratory (charge pass through)
	(G) Bromine Number	As charged by outside laboratory (charge pass through)
	(H) Sulfur	
	(i) In Fuel Gas	\$316.88 <u>327.97</u> / sample

	Type of Test	Fee
	(ii) In Fuel Oil (by XRF)	\$108.23 <u>112.01</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	\$135.77 <u>140.52</u> / sample
(B)	Density of Coating or Distillate	\$135.77 <u>140.52</u> / sample
(C)	Gloss Testing	\$135.77 <u>140.52</u> / sample
(D)	Gas Chromatograph Analysis	\$380.09 <u>393.39</u> for five or fewer compounds \$45.09 <u>46.66</u> for each additional compound
(E)	Photochemical Reactivity -	
	(i) Unknown	\$543.36 <u>562.37</u> / sample
	(ii) Known	\$380.09 <u>393.39</u> / sample
(F)	Distillation -	
	(i) Normal	\$108.24 <u>112.02</u> / sample
	(ii) Heavy Ink	\$153.65 <u>159.02</u> / sample
(G)	Water by Karl Fischer Titration	\$180.99 <u>187.32</u> / sample
(H)	Emission Spectrograph Analysis	\$135.77 <u>140.52</u> / sample
(I)	Gas Chromatograph/Mass Spectrometry	\$362.46 <u>374.83</u> for five or fewer compounds \$35.81 <u>37.06</u> for each additional compound
(J)	VOC in pipe cements	\$928.71 <u>961.21</u> / sample
(K)	VOC in adhesives containing cyanoacrylates	\$265.21 <u>274.49</u> / sample

- (7) For Certification Tests and Analyses not listed above, the fee shall be assessed at a rate of ~~\$135.77~~140.52 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	\$1,376.71 <u>1424.89</u>
(2)	Continuous Gaseous Emission Testing with Mobile Source Testing Vehicle	\$1,793.76 <u>159.33</u> plus \$153.95 <u>159.33</u> / hour
(3)	Non-Continuous Emission Testing	\$1,684.85 <u>743.82</u> plus fee listed below:
		<u>Cost Per Sample</u>
		Specific* Surcharge**
(A)	Moisture	\$244.30 <u>252.85</u> \$180.99 <u>187.32</u>
(B)	Particulate Matter	\$941.80 <u>974.76</u> \$470.75 <u>487.22</u>
(C)	Sulfur Dioxide	\$836.89 <u>866.18</u> \$418.18 <u>432.81</u>
(D)	Oxides of Nitrogen	\$416.53 <u>431.10</u> \$126.48 <u>130.90</u>
(E)	Carbon Monoxide	\$347.74 <u>359.91</u> \$173.72 <u>179.80</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>	
(F)	Total	\$869.39	\$624.74
	Hydrocarbons	<u>899.81</u>	<u>646.60</u>
	(i) Hydrogen Sulfide	\$836.89 <u>866.18</u>	\$418.18 <u>432.81</u>
	(ii) Vinyl Chloride	\$362.16 <u>374.83</u>	\$266.04 <u>275.35</u>

		<u>Cost Per Sample</u>	
		<u>Specific*</u>	<u>Surcharge**</u>
(G)	Gas Chromatograph / Mass Spectrometry for Unknown	\$362.16 <u>374.83</u> for five or fewer com- pounds \$35.81 <u>37.06</u> for each additional compound	
(H)	High Volume Sampler (Fugitive Dust)	\$739.09 <u>764.95</u>	\$369.47 <u>382.40</u>
(I)	Total Reduced Sulfur Compounds***	\$581.61 <u>601.96</u>	\$89.36 <u>92.48</u>
(J)	Sample Preparation	\$45.09 <u>46.66</u>	\$26.85 <u>27.79</u>

(c) Ambient Air Analyses Fees

- (1) Automatic-Recording Ambient Air or Atmospheric Monitoring at a Fixed Site

* 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>
(A)	Installation of One (1) Wind-Monitoring System at One (1) Site.	\$905.67 <u>937.36</u>
(B)	Installation of Each Additional Wind-Monitoring System at the Same Site as (A).	\$271.51 <u>281.01</u>
(C)	Operation of One (1) Wind-Monitoring System At One (1) Site, Including Data Reduction.	\$180.99 <u>187.32</u> / day
(D)	Operation of Each Additional Wind-Monitoring System at Same Site as (C), Including Data Reduction.	\$63.31 <u>65.52</u> / day
(2)	Continuous Automatic-Recording Ambient Monitoring In Mobile Mode	
(A)	Installation of One (1) Instrument and Wind Monitoring System in Mobile Van.	\$1,268.34 <u>1312.73</u>
(B)	Installation of Additional Instrument in Mobile Van.	\$452.67 <u>468.51</u>
(C)	Operation of One (1) Instrument and Wind-Monitoring System in Mobile Mode, 10 Hours Per Day, Weekdays Only.	\$688.39 <u>712.48</u> / day
(D)	Operation of One (1) Instrument and Wind-Monitoring System In Mobile Mode, 10 Hours Per Day, Weekends and Holidays.	\$1,032.66 <u>1068.80</u> / day
(E)	Operation of Each Additional Instrument, Other Than Those Already Installed, in Mobile Van.	\$63.31 <u>65.52</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).	\$905.67 <u>plus 937.36</u> <u>plus</u> lab analysis
(B)	Installation of Each Additional 24-Hour Sampler.	\$724.50 <u>749.85</u> <u>plus</u> lab analysis
(C)	Operation of One (1) 24-Hour Sampler and Analysis for One (1) Contaminant Per Sample.	\$316.93 <u>328.02</u> / day \$72.09 <u>74.61</u> for each additional contaminant

(D)	Operation of Each Additional 24-Hour Sampler and Analysis for Same Contaminant in (C).	\$117.53 <u>121.64</u> / day \$54.03 <u>55.92</u> for each additional contaminant
(E)	Operation of 24-Hour, Sequential-Im-pinger Sampler and Spectrophometric Analysis.	\$633.99 <u>656.18</u> / day for up to 12 samples \$271.51 <u>281.01</u> for each additional set of 12 samples
(F)	Installation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour-Samples.	\$1,086.84 <u>124.87</u>
(G)	Operation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour Samples For One Contaminant.	\$543.50 <u>562.52</u> / day
(H)	Sample Preparation or Extraction Prior to Analysis.	\$180.99 <u>187.32</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.	\$90.32 <u>93.48</u> for first sample or contaminant \$35.81 <u>37.06</u> for each additional sample or contaminant
(J)	Analysis of Each Sample Collected in (G) For Particulates.	\$108.23 <u>112.01</u> for first sample \$63.21 <u>65.42</u> for each additional sample
(K)	Gas Chromatograph/Mass Spectrometry Identification For Any Sample Col-lected Above.	\$180.99 <u>187.32</u> for five or fewer contaminants \$17.90 <u>18.52</u> for each additional contaminant

- | | | |
|--|---|---|
| (L) | Additional Fees for Sample Pick-up and Analysis After Normal Weekday Working Hours. | \$90.32 <u>93.48</u> additional / hour for each hour exceeding 8-hour normal week day for sample pick-up or collection
\$1,449.34 <u>500.06</u> additional / day for weekends and holidays requiring sample pick-up and analysis same day

\$1,811.85 <u>875.26</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. | \$634.02 <u>656.21</u> |
| (B) | Conduct Low-Level Air Observation via Tethersonde (8 Hour Program). | \$3,627.18 <u>754.13</u> |
| (C) | Conduct Pilot Balloon Observation (Pibal). | \$3,627.18 <u>754.13</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. | \$2,717.83 <u>812.95</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). | \$588.57 <u>609.17</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. \$~~19,932.00~~20,629.62
 - (B) Collection and Analysis of Each Additional Sample for (A). \$~~90.32~~93.48

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)(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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; Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Rule 109 Alternative Recordkeeping System Plan; Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); Compliance Assurance Monitoring Plan (40 CFR 64); 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 2018-19	\$155.80	\$176.42
FY 2019-20 and thereafter	\$155.80 <u>161.25</u>	\$195.23 <u>202.06</u>

(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by District staff for evaluation of a plan, assessed at the hourly rate or prorated portion thereof as follows:

Facility Type	Non-Title V	Title V
FY 2018-19	\$155.80	\$176.42
FY 2019-20 and thereafter	\$155.80 <u>161.25</u>	\$195.23 <u>202.06</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 2018-19	\$25.29	\$28.63
FY 2019-20 and thereafter	\$25.29 <u>26.17</u>	\$31.68 <u>32.78</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 2018-19	\$124.58	\$141.07
FY 2019-20 and thereafter	\$124.58 <u>128.94</u>	\$156.10 <u>161.56</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 2018-19	\$155.80	\$176.42
FY 2019-20 and thereafter	\$155.80 <u>161.25</u>	\$195.23 <u>202.06</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
1105.1	Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units
1118	<ul style="list-style-type: none">• Control of Emissions from Refinery Flares - Flare Minimization Plan• Control of Emissions from Refinery Flares – Flare Monitoring and Recording Plan
1123	Refinery Process Turnarounds
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
1420	Emissions of Lead

Rule/Reference	Plan Type
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 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 2018-19	\$155.80	\$176.42
FY 2019-20 and thereafter	\$155.80 <u>161.25</u>	\$195.23 <u>202.06</u>
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 2018-19	\$545.27	\$617.45
FY 2019-20 and thereafter	\$545.27 <u>564.35</u>	\$683.28 <u>707.19</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 sending by mail, electronic mail, or other electronic means 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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 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, 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 2018-19	\$207.68	\$235.16
FY 2019-20 and thereafter	\$207.68 <u>214.94</u>	\$260.23 <u>269.33</u>

(m) **Protocol/Report/Catalyst Equivalency Evaluation Fees**

(1) A minimum fee of ~~\$409.45~~423.78 shall be charged for the evaluation of source test protocols and reports. Additional fees for time spent on the evaluation in excess of 5 hours shall be assessed at 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.

(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 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 with the additional overtime fee billed following project completion. 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.

(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 ~~\$135.77~~145.43.

(B) The fee for review and verification of Certified Greenhouse Gas Emission Reductions by SCAQMD staff shall be assessed at ~~\$140.52~~145.43 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 ~~\$135.77~~145.43.

(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)
(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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)(17), (c)(20), (c)(21), (c)(22), (c)(24), (c)(29), (c)(32), or (c)(33) 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) MEDIUM FACILITY means a facility that has three (3) to five (5) processes as determined by six-digit SCCs.
- (14) 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.
- (15) OEHHA means the Office of Environmental Health Hazard Assessment, California Environmental Protection Agency.
- (16) 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).
- (19) 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.
- (20) 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.
- (21) 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.
- (22) 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.
- (24) SIMPLE FACILITY means a facility that has one (1) or two (2) processes as determined by six-digit SCC.
- (25) 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.
- (26) 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.
- (27) SPECIAL 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 air toxics inventory report or health risk assessment should be revised and the owner/operator cannot perform this task without errors or delays.

- (28) 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.
- (29) 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).
- (30) 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.
- (31) TOTAL ORGANIC GASES (TOG) means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- (32) 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.

- (33) 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)(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 ~~\$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 ~~\$3,406.66~~215.39.

(3) Special 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 ~~\$150.62~~155.89. 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~~178.93 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.

(6) 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.

(7) 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday with the same effect as if it had been delivered, postmarked, or electronically paid on the due date.

- (B) If an operator fails to pay the fee within sixty (60) days of this notice pursuant to subparagraph (d)(7)(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.

(8) **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.

(9) **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)(9)(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)(9)(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)(9)(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, 336612, 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)(9)(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)(9)(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)(9)(A) of this rule.

TABLE I
FACILITY FEES BY PROGRAM CATEGORY

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>HRA Tracking¹</i>	Simple Facility	\$441.17 <u>456.61</u>	\$67	\$508.17 <u>523.61</u>
	Medium Facility	\$637.29 <u>659.59</u>	\$100	\$737.29 <u>759.59</u>
	Complex Facility	\$833.41 <u>862.57</u>	\$134	\$967.41 <u>996.57</u>
<i>Unprioritized</i>	Simple Facility	\$655.66 <u>678.60</u>	\$402	\$1,057.66 <u>080.60</u>
	Medium Facility	\$3,592.96 <u>718.71</u>	\$603	\$4,195.96 <u>321.71</u>
	Complex Facility	\$4,774.53 <u>941.63</u>	\$804	\$5,578.53 <u>745.63</u>
<i>PS>10, No HRA</i>	Simple Facility	\$5,563.37 <u>758.08</u>	\$1,674	\$7,237.37 <u>432.08</u>
	Medium Facility	\$5,958.69 <u>6167.24</u>	\$2,009	\$7,967.69 <u>8,176.24</u>
	Complex Facility	\$6,350.95 <u>573.23</u>	\$2,344	\$8,694.95 <u>917.23</u>
<i>Risk ≥10 <50 in a million or HI>1</i>	Simple Facility	\$6,746.24 <u>982.35</u>	\$3,014	\$9,760.24 <u>9,996.35</u>
	Medium Facility	\$7,140.01 <u>389.91</u>	\$3,349	\$10,489.01 <u>738.91</u>
	Complex Facility	\$7,533.82 <u>797.50</u>	\$3,684	\$11,217.82 <u>481.50</u>
<i>Risk ≥50 <100 in a million</i>	Simple Facility	\$7,929.12 <u>8206.63</u>	\$4,353	\$12,282.12 <u>559.63</u>
	Medium Facility	\$8,321.36 <u>612.60</u>	\$4,688	\$13,009.36 <u>300.60</u>
	Complex Facility	\$8,716.65 <u>92021.73</u>	\$5,023	\$13,739.65 <u>14,044.73</u>
<i>Risk ≥100 in a million</i>	Simple Facility	\$9,112.00 <u>430.92</u>	\$5,693	\$14,805.00 <u>15,123.92</u>
	Medium Facility	\$9,504.24 <u>836.88</u>	\$6,028	\$15,532.24 <u>15,864.88</u>
	Complex Facility	\$9,903.43 <u>10250.05</u>	\$6,363	\$16,266.43 <u>1613.05</u>
<i>Potentially High Risk Level</i>	Simple Facility	T&M ²	\$5,693 ³	\$(T&M ² + 5,693 ³)
	Medium Facility	T&M ²	\$6,028 ³	\$(T&M ² + 6,028 ³)
	Complex Facility	T&M ²	\$6,363 ³	\$(T&M ² + 6,363 ³)

<i>Voluntary Risk Reduction</i>	Simple Facility	\$5,563.37 <u>75</u> 8.08	\$1,674	\$7,237.37 <u>432.08</u>
	Medium Facility	\$5,958.69 <u>6</u> 167.24	\$2,009	\$7,967.69 <u>8,176.24</u>
	Complex Facility	\$6,350.95 <u>57</u> 3.23	\$2,344	\$8,694.95 <u>917.23</u>
<i>District Tracking</i> ⁴		\$243.88 <u>252</u> 41		\$243.88 <u>252.41</u>
<i>State Industry-wide</i>		\$177.60 <u>183</u> 81	\$35	\$212.60 <u>218.81</u>
<i>Diesel Engine Facility</i>		\$132.98 <u>137</u> 63		\$132.98 <u>137.63</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)(Updated May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 ~~\$588.57~~609.17 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	\$1,420.69 <u>159.91</u>	\$724.50 <u>749.85</u>
250 to 499 employees	\$838.06 <u>867.39</u>	\$543.36 <u>562.37</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 ~~\$109.08~~112.89 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 ~~\$176.63~~182.81 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 \$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 ~~\$452.67~~468.51. No additional fee will be due after a first disapproval and resubmittal. A second fee of ~~\$452.67~~468.51 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	\$905.67 <u>937.36</u>
(B)	Recertification Fee	\$452.67 <u>468.51</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	\$452.67 <u>468.51</u>	\$226.10 <u>234.01</u>
(B)	Curriculum	\$905.67 <u>937.36</u>	\$452.67 <u>468.51</u>

- (2) Fee for the District's initial training program for new Employee Transportation Coordinators shall be ~~\$183.32~~189.73 per person.

- (3) A fee in the amount of ~~\$111.81~~115.72 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 ~~\$89.36~~92.48 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 ~~\$446.53~~462.15 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 ~~\$88.52~~91.61 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 ~~\$1,300.14~~345.64 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: ~~\$910.14~~941.96 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)(Updated May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 ~~\$1,936.38~~2,004.15. 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 ~~\$146.86~~161.25 ~~and an evaluation fee of \$489.61 at the time of submittal.~~ Evaluation fees shall be billed for the amount of total actual and reasonable time incurred by District staff, assessed at the hourly rate of \$161.25.
- (3) Additional evaluation fees for plans shall be assessed at the rate of ~~\$143.25~~148.26 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 ~~\$95.74~~99.09 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 ~~\$117.42~~128.94 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 sending by mail, electronic mail, or other electronic means, 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 delivered, postmarked , or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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 ~~\$195.75~~202.60.
- (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)
(Updated May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 ~~\$135.77~~\$140.52 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 June 2, 2017)
(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 303(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 ~~\$89.36~~92.48 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 ~~\$216.14~~223.70, 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)
(Amended September 6, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)(Amended June 2, 2017)(Updated May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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 ~~\$203.87~~211.00 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: \$0.04~~24~~ per gallon of paint.
 - (ii) Annual Emission Fee: \$~~291.34~~301.50 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 \$~~333.94~~345.62 for the first two hours of District time. The architectural coatings manufacturer shall be assessed additional fees at the rate of \$~~166.98~~172.82 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 \$~~333.94~~345.62. In addition, evaluation time beyond two hours shall be assessed at the rate of \$~~166.98~~172.82 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)
(Amended May 4, 2018)
(Proposed Amended Rule May 3, 2019)

Proposed Effective Date July 1, 20182019

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	\$162.38 <u>168.06</u>
Rule 461 Annual Periodic Inspection Class	\$177.71 <u>183.93</u>
Rule 461 Tester Orientation Class	\$168.96 <u>174.87</u>
Rule(s) 463/1178	\$82.13 <u>85.00</u>
Rule(s) 1110.2/1146/1146.1	No Cost
Rule 1176	\$63.47 <u>65.69</u>
Rule 1403	\$88.38 <u>91.47</u>
Rule 1469	\$35.09 <u>36.31</u>

(b) Certified Permitting Professional (CPP) License Fees

- (1) The fee for the CPP exam administered by SCAQMD is ~~\$167.71~~173.58. 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 ~~\$167.71~~173.58. The license shall expire if the license renewal fee is not received by the District, postmarked, or electronically paid within 30 days after- invoices are sent by

mail, electronic mail, or other electronic means 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 G13

(Adopted January 9, 1976)(Amended November 1, 1985)
(Amended January 5, 1990)
(Proposed Amended Rule May 3, 2019)

PROPOSED AMENDED RULE 209. TRANSFER AND VOIDING OF PERMITS

A permit shall not be transferable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another.

When equipment which has been granted a permit is altered, changes location, or no longer will be operated by the permittee, the permit shall become void. For the purposes of this rule, ~~mergers~~, name changes, or incorporations by an individual owner or partnership composed of individuals shall not constitute a transfer. Other transactions shall be deemed a transfer for purposes of this rule and shall require a change of operator or change of ownership as specified in the Change of Owner/Operator Guidelines adopted by the Executive Officer and in effect as of [date of adoption] or as subsequently modified. The Executive Officer may update those Guidelines as appropriate in accordance with principles of California corporate law, and shall publish such updated Guidelines on the District's website.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Amended Regulation III – Fees; and Proposed Amended Rule 209 – Transfer and Voiding of Permits

Including:

Proposed Amended Rule 209 – Transfer and Voiding of Permits
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 2019

Executive Officer

Wayne Nastri

Deputy Executive Officer

Planning, Rule Development and Area Sources

Philip Fine, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development and Area Sources

Sarah Rees, Ph.D.

Planning and Rules Manager

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

Chairman: DR. WILLIAM A. BURKE
Speaker of the Assembly Appointee

Vice Chairman: DR. CLARK E. PARKER, SR.
Senate Rules Committee Appointee

MEMBERS:

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Supervisor, Fifth District
County of Orange

BEN BENOIT
Council Member, Wildomar
Cities of Riverside County

JOE BUSCAINO
Council Member, 15th District
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JANICE HAHN
Supervisor, Fourth District
County of Los Angeles

LARRY MCCALLON
Mayor Pro Tem, Highland
Cities of San Bernardino County

JUDITH MITCHELL
Mayor, Rolling Hills Estates
Cities of Los Angeles County/Western Region

V. MANUEL PEREZ
Supervisor, Fourth District
County of Riverside

DWIGHT ROBINSON
Council Member, Lake Forest
Cities of Orange County

JANICE RUTHERFORD
Supervisor, Second District
County of San Bernardino

VACANT
Governor's Appointee

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, primarily to 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. Rule 209 – Transfer and Voiding of Permits defines the conditions applicable to a transfer of ownership with respect to permitted equipment. 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).

In 2017, the SCAQMD Governing Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities for permit processing fees and included equipment-based annual renewals. 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. There is no non-Title V facility fee increase scheduled for this fiscal year. These fee increases were necessary because SCAQMD was not collecting fees sufficient to recover the reasonable costs of its regulatory programs. In addition, the increases for the Title V facilities were a necessary response to an EPA review of SCAQMD's Title V program that found 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 and Rule 209:

- Pursuant to Rule 320, an automatic increase of most fees by 3.5% consistent with the increase in California Consumer Price Index from December 2017 to December 2018.
- Two targeted proposals for new fees and three proposals 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. These proposals include:
 - 1) A fee increase for Toxic Air Contaminants (TAC) listed in Rule 301 Table IV;
 - 2) A new fee to include recently adopted Rule 1118.1 in the notification fees outlined in Rule 301(x);
 - 3) An increase for California Air Resources Board's (CARB) Portable Equipment Registration Program (PERP) inspection fees, consistent with recent increases adopted by CARB;
 - 4) A new fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification renewals;

- 5) A proposal to correct fees in Rule 309 whereby they reflect an increase that was previously authorized but not applied due to administrative error.
- Six targeted proposals for fee reduction or relief including:
 - 1) Removal of a fee for worksite deletion from a multi-site or geographic program pursuant to Rule 308(c)(2)(F);
 - 2) Removal and reduction of certain fees related to Rule 1403 notifications;
 - 3) Creation of a cap for change of owner/operator fees in Rule 301 Table Fee Rate-C and Table VII;
 - 4) Removal of Paramount (Delek U.S. Holdings) from the list of facilities in 301(aa)(2), as it is now exempt from Rule 1180 O&M fees;
 - 5) Eliminating the surcharge for certain late AER amendments pertaining to emissions developed from source tests; and
 - 6) Reducing certain certified copy and permit reissuance fees.
 - Four proposed administrative changes to Regulation III and one for Rule 209, which have no fee impact, but 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.” Virtually every cost related to regulating permitted sources may be recovered under this type of fee (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 SCAQMD has adopted three basic types of Permitted Source Program fees: permit processing fees, annual renewal operating fees (equipment-based), and emissions-based operating fees.

¹ RECLAIM stands for REgional CLean Air Incentives Market, a cap-and-trade program that regulates the emissions of NOx and SOx in the South Coast Air Basin.

Traditionally, the SCAQMD has endeavored to recover its costs of permit processing from permit processing fees, its costs of inspection and enforcement from annual renewal operating fees, and its indirect costs necessary to overall Permitted Source Program regulatory activities, including related planning, monitoring, rule development and outreach programs, from emissions-based operating fees.² In recent years, some of these indirect costs have been recovered from annual operating fees rather than emissions-based fees, since emissions fees are a declining source of revenue, without a corresponding reduction in necessary rulemaking efforts and other permit-related activities.

The current structure for permit processing fees derives ultimately from a study of actual time spent processing permits, conducted by KPMG Peat Marwick for the 1990 fee amendments. Permit processing fee schedules were subsequently developed and updated based on actual time spent processing various types of equipment as gathered by permit processing staff.³ Annual renewal operating fees are based on four basic schedules [Rule 301(d)(2)] which are based on the size and complexity of the equipment, which is proportional to the amount of work needed to inspect and enforce SCAQMD rules.

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.

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

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).

³ In November 1989, the consulting firm of Peat Marwick Main and Co. "...began a comprehensive study, in concert with SCAQMD staff to assess the status of District fee programs which are outlined in Regulation III." The resulting "Recommendation Regarding Fee Assessment Study" report was presented to the SCAQMD Governing Board on March 28, 1990 (Agenda Item #10).

On August 11, 1994, the SCAQMD Governing Board authorized an independent study of the SCAQMD's fee structure and authority. A panel composed of representatives from Chevron, LA County Sanitation District, Hughes Environmental Corporation, Orange County Transportation Authority and the SCAQMD recommended the firm of KPMG to perform the study. A final "Report on the Study of the AQMD's Fee Structure and Authority" was presented to the SCAQMD Governing Board on March 10, 1995 (Agenda Item #11).

compounds (VOCs), 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 (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.

SCAQMD has further subdivided certain permit-related activities and imposed fees to at least partially recover their costs, 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 (H&SC Sections 40510(b), 40522; Rules 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 (H&SC 52510(b); Rule 303); fees for the costs of programs related to indirect sources and area-wide sources (H&SC Section 40522.5 and Rules 2202 and 314); fees to recover the costs to the air district and state agencies of implementing and administering the Air Toxics Hot Spots Program (AB 2588) (H&SC Section 44380 et seq; 17 CCR Section 90700; and Rule 307.1); fees for refinery-related community air monitoring systems (H&SC Section 42705.6); and fees for notices and copying documents (H&SC Section 40510.7 and Rule 301(f).)⁴

The above-referenced fees comprise approximately 62% of SCAQMD's 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

Both these documents are on file and available at the SCAQMD Library, 21865 East Copley Drive, Diamond Bar, CA 91765, (909-396-2600).

⁴ 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.

Fund budget. A second type of mobile source revenue is provided by AB 2766 (Motor Vehicle Subvention Program) 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 (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 (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 (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 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 (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 (H&SC Section 40523). SCAQMD has consistently complied with this limit. Total fees (other than mobile source fees which are not covered by this section) collected in FY 1993-94 were approximately \$69.6 million; adjusted by CPI since that time the cap would be approximately \$125.4 million.⁵ Total projected fees (except mobile source fees) for FY 2019-20 are approximately \$107 million,⁶ which remains below the CPI adjusted cap and includes the projected revenue impacts associated with the proposed rule amendments discussed below.

⁵ 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.

⁶ Preliminary estimate as of March 2019, subject to revisions in the next 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.

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. XIII C §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.

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. XIII C, §1). In addition to the 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, 2019, to correspond with the increase in the Calendar Year 2018 CPI of 3.5%.

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.

With respect to the proposed CPI adjustment, this increase is not subject to Proposition 26 because it is based on 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.

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.

III. PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

In addition to Rule 320 CPI-based fee rate increase, staff is proposing to amend Rule 301 to include new or increased fees for toxic emissions, Rule 1118.1 notification fees, PERP inspection fees, and Rule 309 fees for certain plans required by Regulation XVI and XXV. These fees are necessary to recover the reasonable costs of SCAQMD's regulatory activities. In addition, SCAQMD is proposing to reduce or limit several other fees. These include: the elimination of a fee under Rule 308 for adding or deleting a worksite from a Rule 2202 multi-site or geographic program; the reduction of certain asbestos notification fees; the capping of change of owner/operator fees for RECLAIM facilities; the new CAS/CACC renewal fees; and the elimination of a late surcharge for certain AER fees based on sources tests that are submitted but later disapproved of by the District.

1. INCREASE AIR TOXIC CONTAMINANT (TAC) FEES TO RECOVER TAC-RELATED REPORTING, AUDITING, MONITORING AND INVESTIGATION COSTS ASSOCIATED WITH CURRENT AND UPCOMING DISTRICT TOXICS WORK, INCLUDING RECENTLY ADOPTED AB 617, AND CLARIFY OUTDATED AND REDUNDANT RULE LANGUAGE

**Description
of Proposed
Amendment:**

Staff is proposing to update both the fee structure and the fee level for toxic emissions fees paid for by permitted facilities. Upon final phase-in, the current requirements in Rule 301(e)(7) and fee rates in Table IV would be replaced as follows:

- Any facility that emits Toxic Air Contaminants (TACs) above reporting thresholds in Table IV would pay a new Base Toxics Fee of \$78.03 per facility.
- A new Flat Rate Device Fee of \$341.89 for each piece of permitted and unpermitted equipment that emits any toxic air contaminant above reporting thresholds in Table IV.
- A new Cancer Potency-Weighted Fee of \$10 for each cancer-potency weighted pound of emissions
- Three pollutants currently listed in Table IV would not be subject to the above fees, including ammonia and the two ozone depleters, (chlorofluorocarbons and 1,1,1 trichloroethane). The fees for these pollutants would not change (other than regular CPI adjustments) and their fee rates would be moved to Table III. Finally, Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions.

In addition, some language within Rule 301(e) is unclear, outdated, or redundant. Rule language is proposed to be clarified to remove outdated and redundant language, and to ensure that existing rule provisions are consistent with the proposed new toxics fees. In particular, general applicability provisions have been consolidated into paragraph (e)(1) in subparagraphs (A), (B), and (C). Later paragraphs in Rule 301(e) then refer back to these subparagraphs in paragraph (e)(1) [e.g., facilities subject to subparagraph (e)(1)(A) pay fees according to paragraph (e)(4), facilities subject to subparagraph (e)(1)(B) pay fees according to paragraphs (e)(2), (e)(7), and Tables III and IV, facilities subject to subparagraph (e)(1)(C) pay fees according to paragraph (e)(7) and Table IV]. Clarifying text has been added to paragraph (e)(7)(A) on the proposed phase-in of

the toxics emissions fees to make clear that the phase-in of the new toxics emissions fee structure begins in 2021 for emissions that occurred in 2020.

**Proposed
Amended
Rule(s):**

Rule 301

(e) Annual Operating Emissions Fees

(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 fees based on~~ if any of the criteria in subparagraphs (e)(1)(A) through (e)(1)(C) are met.

(A) The owner/operator of a facility operates equipment under at least one permit.

(B) The total weight of emissions at a facility are greater than or equal to the thresholds for each any of the contaminants specified in ~~Table III~~ paragraph (e)(5), except for ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons, from all equipment used by the owner/operator at all locations, including The total weight of emissions of each of the contaminants specified in ~~Table III~~ paragraph (e)(5) includes:

(i) Emissions from permitted equipment

(ii) Emissions 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.

(iii) Emissions from equipment or processes not requiring a written permit pursuant to Regulation II.

~~(A)(C)~~ The owner/operator of a facility that reports emissions to the District pursuant to CARB's Criteria and Toxics Reporting Regulation (17 California Code of Regulations section 93400 et seq.) or pursuant to CARB's AB 2588 Air Toxics "Hot

Spots" Emission Inventory Criteria and Guidelines Regulation
(17 California Code of Regulations section 93300.5).

(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~~ 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 subject to subparagraph (e)(1)(B) 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 annually report all emissions for all pollutants above thresholds listed in paragraph (e)(5) and Table IV 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 subject to paragraph (e)(1)(A) operating under at least one permit (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of ~~\$131.79~~136.40.

(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.~~

Air Contaminant(s)	Annual Emissions Threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥ 4 TPY
Total organic gases (excluding methane, and exempt compounds as specified defined in Rule 102 paragraph (c)(13) , and specific organic gases as specified in paragraph subdivision (b)(28))	≥ 4 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥ 4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥ 4 TPY
Total particulate matter	≥ 4 TPY
Carbon monoxide	≥ 100 TPY
<u>Ammonia</u>	<u>≥ 0.1 TPY</u>
<u>Chlorofluorocarbons</u>	<u>≥ 1 lb per year</u>
<u>1,1,1 Trichloroethane</u>	<u>≥ 1 lb per year</u>

(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 subject to subparagraph (e)(1)(B) or (C) 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 fees as indicated in subparagraphs (e)(7)(A). ~~therein.~~ The annual emissions fees 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) For emissions reported ~~B~~before January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall pay the fees listed in Table IV. For emissions reported ~~A~~after January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall not pay the fees in Table IV and shall instead pay the following fees:

(i) A Base Toxics Fee of \$78.03;

(ii) A Flat Rate Device Fee of \$170.95, and \$341.89, starting January 1, 2021, and January 1, 2022, respectively, for each device, including permitted and unpermitted equipment and activity including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks) with emissions of any pollutant above the annual thresholds listed in Table IV;

(iii) A Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022,

respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV. The cancer-potency weighted emissions of each toxic air contaminant listed in Table IV shall be calculated as follows:

$$\text{CPWE} = \text{TAC} \times \text{CPF} \times \text{MPF}$$

Where:

CPWE = Cancer Potency Weighted Emissions

TAC = Emissions (pounds) of a Table IV toxic air contaminant

CPF = Cancer Potency Factor for the reported toxic air contaminant

MPF = Multi-Pathway Factor for the reported toxic air contaminant

The CPF and MPF shall be equal to those specified in the Rule 1401 Risk Assessment Procedures that were current at the time that the emissions were required to be reported.

(B) The following facilities are exempt from paying specified toxics emissions fees:

- (i) 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 paying any fees listed in subparagraph (e)(7)(A). ~~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.~~
- (ii) 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 fees for formaldehyde, perchloroethylene, or methylene chloride fees as— required in subparagraph (e)(7)(A) 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.

~~(ii)~~(iii) Any facility that is located more than one mile from a residential or other sensitive receptor shall be exempt from paying fees in clause (e)(7)(A)(iii).

- (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 listed in Table III and Table IV 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 ~~\$343.96~~\$355.99 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$172.04~~\$178.03 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~~The facility owner/operator shall submit an annual emissions report and pay any associated emissions fees if a notice to report emissions ~~and pay the any associated emission fees will be~~ is sent by mail, electronic mail, or other electronic means, annually to the owners/operators of all equipment (as shown in District records) ~~to~~for which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be sent by mail, electronic mail, or other electronic means, 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~~payment ~~submittals~~ 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the

next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been delivered, postmarked, or electronically paid 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) or (e)(11)(C), 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)(C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and paragraph (e)(7) 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) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75th) day from the official due date, 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 paid after one year after the seventy-fifth (75th) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.
- ~~(E)~~(F) 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 and, exempt compounds as specified defined in paragraph (e)(13) <u>Rule 102</u> , and specific organic gases as specified in paragraph subdivision (b)(28))	≥10 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥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 shall be~~ considered late ~~and is subject to a surcharge~~ if not received by the District, or postmarked, on or before the within seventy five (75) days seventy-fifth (75th) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).
- (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 paragraphs (e)(2) and (e)(7). Installment fees that have been paid for Semi-Annual Emission Fees shall not be subject to this provision.

TABLE III - EMISSION FEES

Annual Emissions (tons/yr)	Organic Gases*	Specified Organic Compounds*	Nitrogen Oxides	Sulfur Oxides	Carbon Monoxide	Particulate Matter
(tons/yr)	(\$/ton)	(\$/ton)	(\$/ton)	(\$/ton)	(\$/ton)	(\$/tons)
4—25	\$625.17647.0 5	\$111.8511 5.76	\$365.753 78.55	\$433.6 3448.8 0	-	\$478.05 494.78
>25—75	\$1,015.03050.55	\$177.2318 3.43	\$580.976 01.30	\$700.9 7725.5 0	-	\$774.62 801.73

>75 and <100	<u>\$1,519.37572.</u> <u>54</u>	<u>\$265.</u> <u>8227</u> <u>5.12</u>	<u>\$874.979</u> <u>05.59</u>	<u>\$1,052.</u> <u>41089.</u> <u>24</u>	-	<u>\$1,159.8</u> <u>1200.40</u>
≥100	<u>\$1,519.37572.</u> <u>54</u>	<u>\$265.</u> <u>8227</u> <u>5.12</u>	<u>\$874.979</u> <u>05.59</u>	<u>\$1,052.</u> <u>41089.</u> <u>24</u>	\$7.50	<u>\$1,159.8</u> <u>1200.40</u>

<u>Annual Emissions</u> <u>(tons/year)</u>	<u>≥1</u> <u>(lb/year)</u>	<u>≥0.1</u> <u>≥200</u> <u>(lb/year)</u>	<u>4 – 25</u> <u>(ton/year)</u>	<u>>25 – 75</u> <u>(ton/year)</u>	<u>>75 -</u> <u><100</u> <u>(ton/year)</u>	<u>>100</u> <u>(ton/year)</u>
<u>Organic Gases*</u> <u>(\$/ton)</u>	-	=	<u>\$647.05</u>	<u>\$1,050.5</u> <u>5</u>	<u>\$1,572.5</u> <u>4</u>	<u>\$1,572.54</u>
<u>Specific Organics**</u> <u>(\$/ton)</u>	-	=	<u>\$115.76</u>	<u>\$183.43</u>	<u>\$275.12</u>	<u>\$275.12</u>
<u>Nitrogen Oxides</u> <u>(\$/ton)</u>	-	=	<u>\$378.55</u>	<u>\$601.30</u>	<u>\$905.59</u>	<u>\$905.59</u>
<u>Sulfur Oxides</u> <u>(\$/ton)</u>	-	=	<u>\$448.80</u>	<u>\$725.50</u>	<u>\$1,089.2</u> <u>4</u>	<u>\$1,089.24</u>
<u>Carbon Monoxide</u> <u>(\$/ton)</u>	-	=	=	=	=	<u>\$7.75</u>
<u>Particulate Matter</u> <u>(\$/ton)</u>	-	=	<u>\$494.78</u>	<u>\$801.73</u>	<u>\$1,200.4</u> <u>0</u>	<u>\$1,200.40</u>
<u>Ammonia</u> <u>(\$/lb)</u>	-	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.04</u>
<u>Chlorofluo rocarbons</u> <u>(\$/lb)</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>
<u>1,1,1- trichloroeth ane</u> <u>(\$/lb)</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>

* Excluding methane, and exempt compounds as defined in Rule 102, and specific organic gases as 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

<u>TOXIC AIR CONTAMINANTS CAS</u>	<u>TOXIC COMPOUNDS</u>	<u>Annual Emission Thresholds (lbs)</u>	<u>Fees Before January 1, 2021 \$/1 lb</u>
<u>1332214</u>	<u>Asbestos</u>	<u>0.0001</u>	<u>6.74</u>
<u>71432</u>	<u>Benzene</u>	<u>2</u>	<u>2.27</u>
<u>7440439</u>	<u>Cadmium</u>	<u>0.01</u>	<u>6.74</u>
<u>56235</u>	<u>Carbon tetrachloride</u>	<u>1</u>	<u>2.27</u>
<u>106934</u>	<u>Ethylene dibromide</u>	<u>0.5</u>	<u>2.27</u>
<u>107062</u>	<u>Ethylene dichloride</u>	<u>2</u>	<u>2.27</u>
<u>75218</u>	<u>Ethylene oxide</u>	<u>0.5</u>	<u>2.27</u>
<u>50000</u>	<u>Formaldehyde</u>	<u>5</u>	<u>0.50</u>
<u>18540299</u>	<u>Hexavalent chromium</u>	<u>0.0001</u>	<u>9.01</u>
<u>75092</u>	<u>Methylene chloride</u>	<u>50</u>	<u>0.09</u>
<u>7440020</u>	<u>Nickel</u>	<u>0.1</u>	<u>4.49</u>
<u>127184</u>	<u>Perchloroethylene</u>	<u>5</u>	<u>0.50</u>
<u>106990</u>	<u>1,3-Butadiene</u>	<u>0.1</u>	<u>6.74</u>
<u>7440382</u>	<u>Inorganic arsenic</u>	<u>0.01</u>	<u>6.74</u>
<u>7440417</u>	<u>Beryllium</u>	<u>0.001</u>	<u>6.74</u>
<u>75014</u>	<u>Vinyl chloride</u>	<u>0.5</u>	<u>2.27</u>
<u>7439921</u>	<u>Lead</u>	<u>0.5</u>	<u>2.27</u>
<u>123911</u>	<u>1,4-Dioxane</u>	<u>5</u>	<u>0.50</u>
<u>79016</u>	<u>Trichloroethylene</u>	<u>20</u>	<u>0.18</u>
<u>1080</u>	<u>Chlorinated dibenzofurans, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1086</u>	<u>Chlorinated dioxins, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1746016</u>	<u>2,3,7,8-TCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>3268879</u>	<u>1-8OctaCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>19408743</u>	<u>1-3,7-9HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>35822469</u>	<u>1-4,6-8HpCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39227286</u>	<u>1-4,7,8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>40321764</u>	<u>1-3,7,8PeCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>57653857</u>	<u>1-3,6-8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39001020</u>	<u>1-8OctaCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>51207319</u>	<u>2,3,7,8-TCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>55673897</u>	<u>1-4,7-9HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117314</u>	<u>2-4,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117416</u>	<u>1-3,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117449</u>	<u>1-3,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>60851345</u>	<u>2-4,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>67562394</u>	<u>1-4,6-8HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>70648269</u>	<u>1-4,7,8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>

<u>72918219</u>	<u>1-3,7-9HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>1151</u>	<u>Polycyclic aromatic hydrocarbons, PAHs (without individual isomers reported)</u>	<u>0.2</u>	<u>6.74</u>
<u>50328</u>	<u>Benzo[a]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>53703</u>	<u>Dibenz[a,h]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56495</u>	<u>7,12-Dimethylbenz(a) Anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56553</u>	<u>Benz[a]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>91203</u>	<u>Naphthalene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189559</u>	<u>Dibenzo[a,i]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189640</u>	<u>Dibenzo[a,h]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>191300</u>	<u>Dibenzo[a,l]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>192654</u>	<u>Dibenzo[a,e]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>193395</u>	<u>Indeno[1,2,3-cd]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>194592</u>	<u>7H-Dibenzo(c,g)Carbazole [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205823</u>	<u>Benzo[j]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205992</u>	<u>Benzo[b]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>207089</u>	<u>Benzo[k]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>218019</u>	<u>Chrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>224420</u>	<u>Dibenz(a,i)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>226368</u>	<u>Dibenz(a,h)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>602879</u>	<u>5-Nitroacenaphthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>607578</u>	<u>2-Nitrofluorene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>

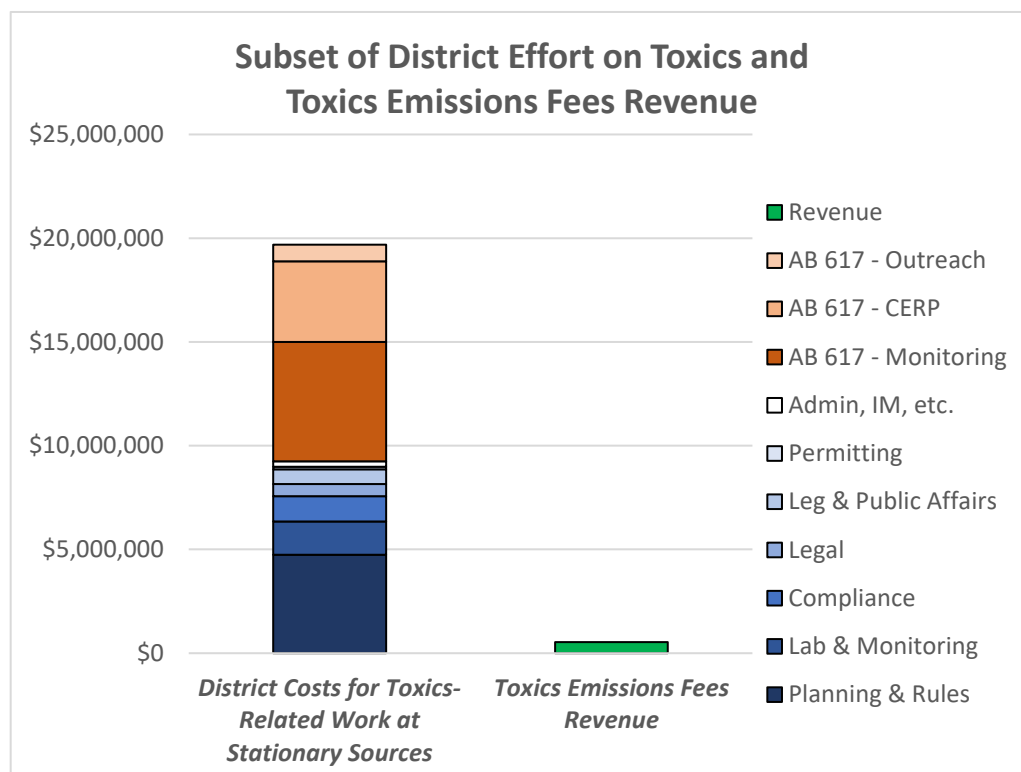
<u>3697243</u>	<u>5-Methylchrysene</u> <u>[PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>5522430</u>	<u>1-Nitropyrene</u> <u>[PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>7496028</u>	<u>6-Nitrochrysene</u> <u>[PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397648</u>	<u>1,6-Dinitropyrene</u> <u>[PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397659</u>	<u>1,8-Dinitropyrene</u> <u>[PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57835924</u>	<u>4-Nitropyrene</u> <u>[PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>9901</u>	<u>Diesel Particulate</u> <u>Matter</u>	<u>0.1</u>	<u>0.00</u>

**Justification/
Necessity/
Equity:**

Health and Safety Code 40510 authorizes use of emissions fees to pay for planning, monitoring, and enforcement functions of the District. Toxic emissions fees are one component of total emissions fees that are paid annually by permitted facilities subject to Rule 301(e). In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions (e.g., nickel, arsenic, lead) from other facilities such as battery recyclers and others in the metal-working industry, fugitive hydrocarbon emissions from oil production and refining facilities, and significant new work just getting under way with the implementation of AB 617.⁷ Much of this work has come about due to the emerging science and understanding of fugitive emissions, as well as recent updates to state risk assessment guidance that has found a nearly three-fold increase of cancer risk associated with TACs compared to previous estimates (and even higher increases for many pollutants in Table IV). As a result of these efforts, the amount of time staff spends monitoring, inspecting, and auditing facilities' TAC emission inventories has substantially increased. Because of this recent increased workload and the expectation that it will continue into the future, staff has estimated the costs associated with the amount of toxics work conducted by the District at stationary sources (see chart below). More specifically, in FY 2017-18, the District spent approximately \$19.5 million for

⁷ AB 617 work includes monitoring, enforcement, development of Community Emission Reduction Plans (CERPs), and rulemaking on stationary sources of toxics emissions. (www.aqmd.gov/ab617)

work at stationary sources related to toxic emissions even though the toxic air contaminant fees collected amounted to just \$0.5 million during the same period.



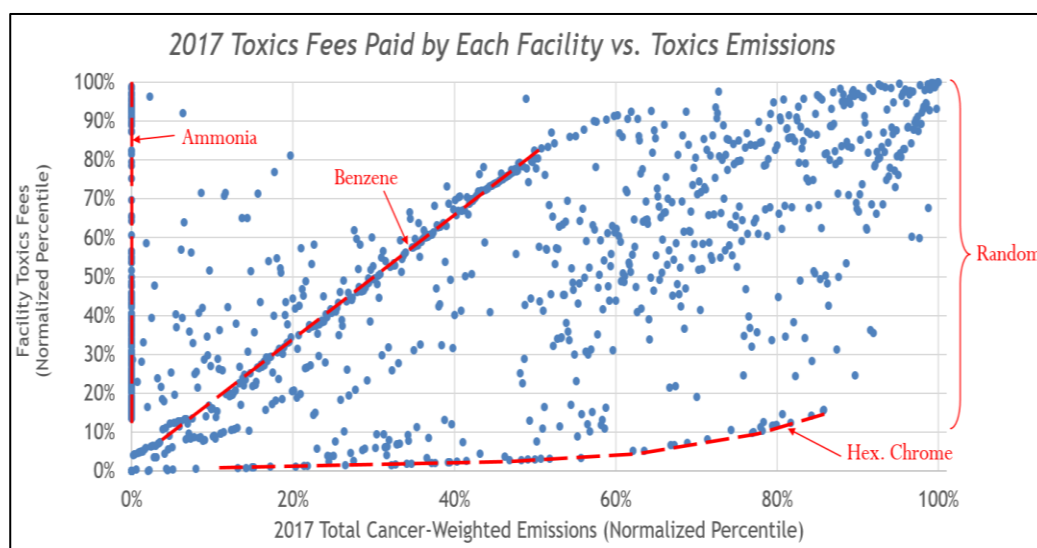
This work identified in the chart does not include additional work that the District conducts on toxic air contaminants in other contexts (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). Additional explanation of these costs is presented in Appendix C. Revenue for stationary source toxics work has come from existing emissions fees revenues and one-time sources, including penalties, grants, or allocations from the state legislature. In particular, the District has received two one-time allocations totaling about \$31 million to implement AB 617 for the first two years of the program. While the District will continue to pursue these revenue streams, there is no guarantee that these one-time revenues will continue.⁸

With respect to costs incurred by the District, there are two key drivers when considering how District resources are spent to conduct work related to the permitting, investigation, auditing, and enforcement of limits on toxics emissions.

⁸ As an example, Section 9 of the authorizing bill for AB 617 states: “No reimbursement is required by this act ... because a local agency ... has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act...”

First, facilities with high toxicity-weighted emissions require greater effort because the District informs its permitting and enforcement-related activities in large part by the potential for public health impacts.⁹ While high toxicity-weighted emissions do not necessarily directly equate to higher health risk due to factors such as how pollutants disperse from a facility and the distance to nearby receptors, overall more District resources are spent to monitor, enforce, and conduct associated planning work such as inventorying, auditing, and rulemaking on facilities with higher toxicity-weighted emissions.¹⁰

Second, staff spends more overall time working on facilities with more emissions sources (e.g., permitted devices) with toxics emissions than facilities with the same level of toxic emissions but fewer emissions sources. The staff time therefore is also a function of the number of permitted devices, because the emissions from each device and process must be confirmed by staff. Despite these two drivers between District workload and toxic emissions, the current fee schedule in Table IV does not result in higher fees collected from facilities with higher toxicity of emissions or with more emission sources (see chart below).



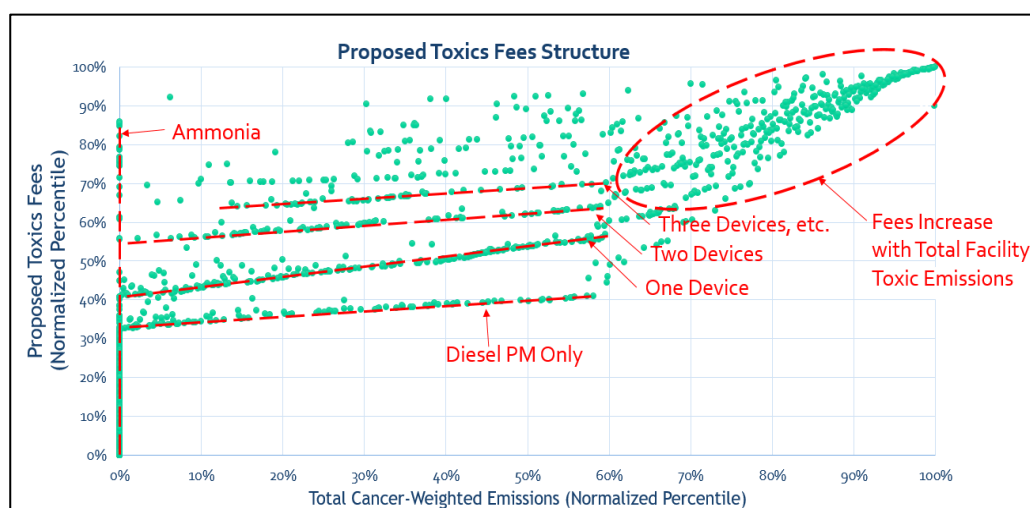
Further, because of DPM's high cancer potency, its prevalence throughout the South Coast Air Basin (Basin) as indicated in the District's Multiple Air Toxics Exposure studies (MATES) and the 2016 Air Quality Management Plan

⁹ Due to health risk assessment methodologies, cancer-causing pollutants are the most common risk driver and a much higher focus of District efforts compared to non-cancer causing toxic pollutants.

¹⁰ 301(e)(7)(B)(iii) of the proposed amendment exempts a facility from the cancer potency-weighted fees in 301(e)(7)(A)(iii) if it is located more than one mile from a sensitive receptor.

(AQMP)¹¹, and the subsequent amount of District resources spent on this pollutant, staff is proposing to add DPM¹² as a toxic air contaminant that must be reported and for which fees must be paid. In addition, there are three pollutants currently in Table IV (ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons) that are being moved to Table III.¹³ The fees for those pollutants are not being changed other than typical CPI adjustments because the toxics-related work described above does not apply to these pollutants. Most staff work associated with ammonia is related to criteria pollutants as it is a precursor to regional particulate matter. The ozone depleters – 1,1,1 trichloroethane and chlorofluorocarbons – do not have cancer potency factors and there is no associated toxics workload associated with them, though limited inventory work on these pollutants will continue in the future and can be supported at the current fee level.

In order to address the disparity that has developed between District workload and fees paid by facilities, staff is proposing to change the structure of how facilities pay air toxics fees as indicated in the previous section. The result of this change in structure provides toxics fee revenues that are more closely connected to current District workload from higher toxic emitting facilities (see chart below).



¹¹ Multiple Air Toxics Exposure Studies

<http://www.aqmd.gov/home/air-quality/air-quality-studies/health-studies>

Air Quality Management Plan

<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan>

¹² The addition of DPM to the list of toxic air contaminants with fees pertain only to emissions from permitted stationary sources.

¹³ Table III is also being reformatted to simplify and clarify the presentation of information.

Further explanation of the proposed structure and level of toxics fees is included below.

- The new Base Toxics Fee of \$78.03 would cover the basic annual software needs (\$50,000 annually) and minimal staffing needed (0.1 FTE at \$230,037 fully burdened rate) to ensure that facilities can readily report toxics emissions to the District. The necessary base cost of \$73,000 is evenly divided among facilities reporting emissions of any toxic air contaminant above existing reporting thresholds¹⁴ in Table IV. \$78.03 is the projected minimum necessary to recover the base costs of reporting.
- A new Flat Rate Device Fee¹⁵ of \$341.89 would be applied per emission source at a permitted facility that emits a toxic air contaminant above existing reporting thresholds in Table IV. These fees would be equal to the District resources needed to run the entire toxics emissions inventory program that is necessary to support enforcement of District rules. This work includes inventorying, auditing, and coordinating with CARB and EPA to whom the data must be reported, and totals approximately \$1.4M annually. The workload requires approximately 5.8 FTE staff at an average fully burdened rate of \$233,353 (which includes different types of staff – air quality specialists, engineers, supervisors, etc.) to handle the toxics workload in these inventory programs annually. The fee rate of \$341.89 per emission source was derived by dividing the \$1.4M of staff work by the 3,968 devices for which facilities reported toxics emissions above Table IV thresholds from the 2017 emissions reporting year.
- A new Cancer-Potency Weighted Fee of \$10 would be applied per cancer-potency weighted pound of emissions above reporting thresholds in Table IV. As described above, the District conducts approximately \$20 million of work every year in connection with toxics emissions. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million from facilities that currently report emissions

¹⁴ New reporting thresholds are added for DPM and the carcinogenic species of dioxins, furans, and PAH's. The threshold for DPM is derived from AB2588 Quadrennial Reporting Guidance, which is consistent with all other Table IV pollutants. The species for dioxins, furans, and PAH's were added as an option for facilities to reduce their fee burden. In particular, facilities can choose to report more specific information that indicates that their total cancer-potency weighted speciated emissions are lower than if emissions were reported at the unspciated level.

¹⁵ Devices would continue to be reported in the same way as is currently required for the Annual Emissions Reporting program through its web-tool. Existing guidance for reporting emissions at the device level will continue to be used and is available on the AER website at: <http://www.aqmd.gov/home/rules-compliance/compliance/annual-emission-reporting>

to the District, leaving a significant shortfall. Much of the remaining District work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other District programs. Those facilities with higher potential public health concern due to their emissions will therefore pay higher fees to cover the higher level of effort from the District for investigating and enforcing rules on those facilities.

These newly proposed fees are expected to have the following effect:

Fee	New Revenue
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total Toxics Fees	\$4.9 million

This fee increase represents approximately an average 22% increase in total emissions fee revenue, including criteria pollutants. The three new fees (Base Toxics Fee, Flat Rate Device Fee, and Cancer-Potency Weighted Fee) would start on January 1, 2021.¹⁶ These fees would phase in over a two year period (50% each year for the Flat Rate Device and the Cancer-Potency Weighted Fees and 100% of the Base Toxicity Fee in 2021). Once phased in, total new net revenue is expected to be approximately \$4.4 million per year because the District will be losing the \$0.5 million which it currently collects. In anticipation of the potential for this work to fluctuate, as well as the uncertainty associated with one-time funding from the Legislature, staff anticipates revisiting this fee and District

¹⁶ The fee would apply to emissions that occurred in 2020 and that are required to be reported in 2021.

workload in future years and will propose rebalancing this fee up or down as necessary.

A sample equation below shows how the fee would be calculated for a facility with one pound of hexavalent chromium emissions split equally between two permitted devices. A table with cancer potency factors, multi-pathway factors, and reporting thresholds is included as an appendix to this staff report.

- Base Toxics Fee = \$78.03 because 1 lb. Cr VI is >0.00001 threshold
- Flat Rate Device Fee = \$683.78 = \$341.89 x 2 devices (each with Cr VI emissions above threshold)
- Cancer-Potency Weighted Fee
 = CPF x MPF x Emissions (pounds) x \$10
 = 510 x 1.6 x 1 x \$10 = \$8,160.00
- Total toxics Fees = \$8,921.81 = \$78.03 + \$683.78 + \$8,160.00

Some minor clarifications to the proposed amendments have been made since the draft rule was made available publicly on April 2, 2019 in sections (e)(2), (e)(5), (e)(7)(A), (e)(7)(B)(ii), and Tables III and IV. The update to (e)(2) removes a duplicate reference to thresholds that is already specified in (e)(1) and clarifies that reporting facilities must continue to report emissions from all pollutants listed in (e)(5) and Table IV, consistent with the existing rule. Paragraph (e)(5) has been updated to be consistent to previously proposed amendments in (e)(11) and Table III. Clarifying text has been added to paragraph (e)(7)(A) on the proposed phase-in of the toxics emissions fees to make clear that the phase-in of the new toxics emissions fee structure begins in 2021 for emissions that occurred in 2020. Clause (e)(7)(B)(ii) includes a grammatical edit. Table III now includes greater than or equal to symbols (>) before the 1 lb/year and 200 lb/year thresholds to clarify that these fees apply above these levels, consistent with all other thresholds in this table. Table IV includes those PAHs with a cancer potency factor that were inadvertently omitted from the April 2, 2019 draft.

2. **ADD NEW RULE 1118.1 NOTIFICATION FEE TO RULE 301(x)**

Description of Proposed Amendment:

In order to recover costs incurred by SCAQMD to process required notifications, Rule 1118.1 would be subject to the notification fee described in Rule 301(x). The fee for the Rule 1118.1 notification is \$65.12 per notification, and is subject to the annual automatic CPI adjustment pursuant to Rule 320.

**Proposed
Amended
Rule(s):**

Rule 301

(x) ~~Rule 1149, Rule 1166, and Rule 1466 Notification Fees~~ Notification Fees for Rules 1118.1, 1149, 1166, and 1466

- (1) Any person who is required by the District to submit a written notice pursuant to Rules 1118.1, 1149, ~~Rule~~ 1166, ~~Rule~~ 1466, or for soil vapor extraction projects shall pay a notification fee of ~~\$62.92~~ \$65.12 per notification.

**Justification/
Necessity/
Equity:**

Rule 1118.1 was adopted on January 4, 2019, to control emissions from non-refinery flares. This rule establishes emission limits for NOx and VOC, as well as for CO for new, replaced, or relocated flares, and establishes an industry specific capacity threshold for existing flares. Owners and operators of flares that require a SCAQMD permit at certain non-refinery facilities are required to submit several notifications to the SCAQMD to comply with Rule 1118.1 requirements. Required notifications include:

- Notification of Flare Inventory and Capacity
- Notification of Intent
- Notification of Annual Percent Capacity Greater than Threshold
- Notification of Flare Throughput Reduction
- Notification of Increments of Progress

The deadline to submit the Notification of Flare Inventory and Capacity occurred before the amendments to Rule 301; therefore, no fee will be required for that notification. New or replaced flares will pay for submittal of a permit application, for which a fee is already included in Rule 301. Therefore, and per Rule 1118.1(d)(10), this proposed amendment impacts only the remaining notification types under Rule 1118.1.

This new fee is necessary to recover the reasonable regulatory costs related to the notification requirements of Rule 1118.1. The fee is identical to the amount charged for Rule 1149, 1166, and 1466 notifications. Moreover, the amount to be charged is necessary to recover the costs to the District for processing the notifications. As set forth in the table below, staff estimates that it will take an Office Assistant approximately 30 minutes to receive the notification, enter the information, and file the notification, and 20 minutes for a Staff or Air Quality Specialist to review the notification. Therefore, the recovery cost is calculated to be approximately \$69.27 based on the FY 2018-19 hourly burdened rates. This estimate is approximate and does not exceed the CPI adjusted rate of \$65.12. The proposed Rule 1118.1 notification fee will be the same fee rate as Rules 1149, 1166, and 1466 notification fees for

similar notification requirements. Thus, the proposed Rule 1118.1 notification fee does not exceed the estimated cost of processing required notifications and is apportioned equitably because it will be paid by the permit holder required to submit the specified notification.

Table 1: Cost Estimates for Processing the Rule 1118.1 Notifications

Staff Position	Estimated Processing Time (in Hours)	×	FY 2018-19 Hourly Burdened Rate	=	Estimated Cost
Office Assistant	0.50		\$66.88		\$33.44
Staff Specialist	0.33		\$108.58		\$35.83
Total Cost	0.83				\$69.27

3. INCREASE PERP ENFORCEMENT INSPECTION FEES

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD to inspect portable equipment units and Tactical Support Equipment (TSE) registered in the California Air Resources Board's (CARB) Portable Equipment Registration Program (PERP), staff is proposing to amend Rule 301 (w) to increase the TSE and hourly inspection fees. These proposed increases are consistent with the fees recently updated and authorized by CARB in the PERP regulation.

Proposed Amended Rule(s):

Rule 301

(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~~115.00 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~~590.00 per unit.

(2)(A)(i)(a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of ~~\$75.00~~90.00.

(2)(A)(i)(b)(1) The actual time to conduct the inspection the rate of ~~\$400.25~~115.00 per hour, or

(2)(A)(i)(b)(2) A unit cost of ~~\$75.00~~90.00 per registered TSE unit inspected.

- (2)(A)(ii)(b)(1) The actual time to conduct the inspection the rate of ~~\$100.25~~115.00 per hour, or
- (2)(A)(ii)(b)(2) A unit cost of ~~\$75.00~~90.00 per registered TSE unit inspected.
- (3) 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~~60.00 per hour for the time necessary to complete the inspection.
- (4) 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 due 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.~~

**Justification/
Necessity/
Equity:**

CARB has established the Statewide Portable Equipment Registration Program (PERP) to facilitate the operation of portable equipment throughout California without having to obtain individual permits from local air districts. Under PERP, the District conducts inspections of that equipment and is authorized to charge fees consistent with amounts determined by CARB. On November 30, 2018, CARB amended the PERP Regulation to increase the uniform fee schedule for all districts enforcing PERP through inspections of registered portable equipment and TSE equipment. PERP Regulation Section 2461 (g) allows districts to collect fees that do not exceed the fees listed in Section 2461.1 of the PERP Regulation.

The fees set forth in PAR 301(w) reflect the reasonable regulatory costs of the SCAQMD and do not exceed the maximums set forth by CARB. Table 2 provides the cost estimates for a PERP equipment inspection. Based on staff estimates it takes a Staff Assistant approximately 20-25 minutes to receive an

inspection request, enter the information, assign to an inspector, receive the billing from the inspector, create an invoice and mail to the facility. Based on staff estimates it takes an inspector approximately 60-65 minutes to arrange the inspection, inspect the equipment, submit a PERP field inspection survey, fill out a billing form, and submit the forms to a Staff Assistant. These activities result in cost to the District of approximately \$124.32 - \$131.87 per hour at the FY 2018-19 hourly burdened rates. Although this cost estimate slightly exceeds the maximum hourly inspection fee of \$115.00 fee authorized by CARB in Section 2461.1, the proposed fees are necessary to recover the reasonable costs of the District and they will be equitably apportioned because they will be paid by the owners of the equipment subject to inspection.

Table 2: Cost Estimates for a PERP Inspection

Staff Position	Range of Processing time (in Hours)		FY 2017-19 Hourly Burdened Rate		Range of Cost
			x	=	
Staff Assistant	0.33	0.42	\$73.62		\$30.85 - \$30.92
AQ Inspector II	1.0	1.08	\$93.47		\$93.47 - \$100.95
Total Cost					124.32 - \$131.87

4. **ADDING A RENEWAL FEE FOR CAS AND CACC CERTIFICATION FEES**

Description of Proposed Amendment: The Clean Air Solvents (CAS) and Clean Air Choices Cleaners (CACC) Certifications are voluntary programs that issue certificates for clean air solvents and cleaners. Manufacturers can apply for a CAS certification, which is valid for five years and can be renewed upon approval by the SCAQMD. Similarly, manufacturers can apply for a CACC certification, which is valid for three years and can be renewed upon approval by the SCAQMD. Current Rule 301 (r) and (s) provide a flat fee covering the laboratory analysis of product samples submitted for testing for certification. These sections do not provide a fee for certificate renewal; instead facilities have to pay the larger application fee even though the level of work associated with issuance of a renewal may be substantially lower.

Proposed Amended Rule(s):

Rule 301

(r) Fees for Certification of Clean Air Solvents

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$1,503.77~~\$556.40 for each product to be tested. Additional fees will be assessed at the rate of ~~\$135.77~~\$145.43 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. The renewal fee shall be \$145.43 per certificate.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

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 ~~\$1,503.77~~556.40 for each product to be tested, plus an additional fee of ~~\$300~~310.50 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~~145.43 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. The renewal fee shall be \$145.43 per certificate.

**Justification/
Necessity/
Equity:**

This amendment is necessary in order to specify costs associated with CAS and CACC certificate renewal. The protocol for issuing a CAS or CACC certification includes laboratory analysis of submitted products for testing, and if the product is approved as a CAS or CACC, an issuance of the certificate.

The current fee for the certifications is \$1,556.40 per sample, plus an additional fee of \$310.50 for additional analysis required for CACC certification, with time spent on the analysis/certification process in excess of 12 hours assessed at the current CPI-adjusted hourly rate of \$145.43 per hour. The flat fee covers costs for the laboratory staff's analysis and review of the submitted sample, but it does not include cost of the certificate. Certificate renewal involves approximately an hour to review the product and subsequently issue a renewed certificate. In keeping with the current fee mechanism laid out for these certifications, the \$145.43 per hour rate would address the cost for time spent to issue a renewed certificate.

This proposed fee is for voluntary certification programs and is not being imposed on any payor. Participation in these programs is not a result of any

SCAQMD rule requirements. The fee is not part of SCAQMD's Permitted Source Program. The VOC content of the product is performed by the SCAQMD laboratory pursuant to SCAQMD Method 313.

Currently, after five years, a facility would have to re-submit the full fee for another five or three year certificate. In circumstances where a new certificate is being sought for a formula that is identical to a formula previously analyzed by the District, then it makes sense to charge a reduced renewal fee of \$145.43. This amount covers the amount of time necessary to issue a renewed certificate and is necessary to recover the reasonable cost of services provided. The proposed fee is equitable because it is paid by the person requesting services to certify a product for a voluntary certification program.

5. ALIGNING INSPECTION FEE RATES IN RULE 306 AND 309

Description of Proposed Amendment: This amendment corrects fee amounts Rule 309. The 3% fee increase authorized in 2014 was inadvertently not applied and that failure created a confusing discrepancy with Rule 306. The fees in Rule 306 and 309 have typically been aligned because the services provided are similar.

Proposed Amended Rule(s):

Rule 309

(c) Fee Assessments

(1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,936.38~~2,004.15. The fee shall be paid at the time of plan submittal.

(2) Regulation XVI and Regulation XXV as defined in paragraph (b)(2), except Scrapping Plans, shall be assessed a filing fee of \$161.25 ~~and an evaluation fee of \$489.61 at the time of submittal.~~ Evaluation fees shall be billed for the amount of total actual and reasonable time incurred by District staff, assessed at the hourly rate of \$161.25.

(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 ~~\$117.42~~128.94 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.

Justification/ Necessity/ Equity: In 2006, the filing and inspection fees in Rule 309(c)(2) and (d) were aligned with the filing and inspection fees in Rule 306. This alignment of fees recognized the equivalent amount of resource expenditure for these services whether conducted pursuant to Rule 306 or Rule 309. The filing and inspection fees remained the same for both rules until June 6, 2014. For FY 2014-15 most Regulation III fees including Rule 309 were increased by the Consumer Price Index (CPI) rate of 1.6%. In addition, permit and plan fees were increased by a further 3% resulting in a cumulative 4.64% increase. Even though the fee assessments and inspection fees in Rule 309 reference Regulation XVI and XXV Plans and Rule 1610 Scrapping Plans, respectively, these fees were inadvertently only increased by the 1.6% increase in the CPI and were not given the additional 3% fee increase for plan fees.

The actual amount of resources expended for Rule 1610 implementation is equivalent to similar types of fees already in Rule 306. Although the majority of the Reg. XVI and XXV rules are either credit or investment based, they do require plans and, as such, should have also received the additional 3% increase. This increase, is in line with the 3% increase in Rule 306 fees and correctly recovers the cost associated with Rule 1610 plan filings, evaluations and inspections.

The proposed filing, evaluation, and inspections fees for plans submitted for Reg. XVI and XXV are necessary to recover the cost of staff resources expended in implementation of these plans, which require similar time, personnel, and materials associated with other plans typically assessed per Rule 306. Reg. XVI and XXV plans are subject to similar plan verification procedures as other plans assessed per Rule 306, and therefore, it is equitable for Reg. XVI and XXV plan holders to pay the proposed fees. Furthermore, these fees are equitable since they are paid by the entities to which the service is provided.

6. ELIMINATE FEE IN RULE 308 FOR ADDING/DELETING SITE FROM A MULTI-SITE OR GEOGRAPHIC PROGRAM

Description of Proposed Amendment: Staff is proposing to eliminate the fee for employers who are amending their Rule 2202 Employee Commute Reduction Program strategies by adding or deleting a worksite from their program. Rule 308(c)(2)(F) requires that regulated entities be charged a CPI-adjusted fee of \$182.81 each time a worksite is added to or deleted from a multi-site or geographic program.

Proposed Amended Rule(s): *Rule 308*
(c)(2)(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 ~~\$176.63~~182.81 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 \$176.63 per worksite being added or deleted, unless the worksite being deleted is no longer subject to Rule 2202.~~

Justification/ Necessity/ Equity: Under Rule 2202, employers with more than 250 employees are required to annually register with the District and implement an emissions reduction program, including but not limited to Employee Commute Reduction Programs (ECRP). Rule 308 sets forth the registration fees and the specific ECRP fees. Covered facilities with multiple sites pay various submittal and amendment fees. On occasion, facilities seek to amend their program strategies with either substantive amendments to the strategies or through the addition or deletion of a work-site from a multi-site or geographic program. The addition or deletion of a site from a multi-site or geographic program does not result in any significant additional work that would not sufficiently be covered by the initial registration fees. The fee would remain for any substantive amendment of strategies. This change is necessary because charging a separate fee for adding or deleting a worksite from a multi-site program appears to discourage regulated entities from accurately reporting real-time worksite population levels and inaccurate records of sites covered by the plan increases the compliance costs for the District. Removing the fee promotes accurate reporting and is not expected to have a significant impact on revenue.

7. REDUCING CERTAIN NOTIFICATION FEES IN TABLE VI TO RULE 1403 (ASBESTOS EMISSIONS FROM DEMOLITION/RENOVATION ACTIVITIES)

Description of Proposed Amendment: Rule 1403 specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities. Table VI in Rule 301 sets forth the applicable demolition, asbestos, and lead notification fees as well as additional service charge fees. Staff proposes the following clarifications and amendments to Table VI:

- a) Remove “and Lead” from the title of the table;

b) Under “Additional Service Charge Fees,” add a new Footnote 2 to clarify that the proposed \$25 fee applies to notifications changing the End Date to a later date only. Existing footnotes 2 and 3 would be renumbered as footnotes 3 and 4;

c) Under “Additional Service Charge Fees,” eliminate fees for revisions for earlier End Date only, and reduce the Revision to Notification fee (\$62.92) to \$25.00 because automation of the process has reduced staff costs. Also clarify that the Revision to Notification fee applies, save for the exception outlined in Footnote 2, to Revision to Notification for Start Date, Quantity, and/or End Date; and,

d) Under “Additional Service Charge Fees,” change “postmarked” to “received” in Footnotes 3 and 4, as renumbered.

**Proposed
Amended
Rule(s):**

Rule 301

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
\$62.92 65.1 <u>2</u>	\$192.40 19 <u>9.13</u>	\$450.38 46 <u>6.14</u>	\$706.21 73 <u>0.92</u>	\$1,023.47 59.29	\$1,705.79 7 <u>65.49</u>

Additional Service Charge Fees				
Revision to Notification for <u>Start Date, Quantity, and/or End Date</u> ²	Special Handling Fee ²³	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee ³⁴
\$62.92 25.00	\$62.92 65.1 <u>2</u>	\$706.21 730.9 <u>2</u>	\$706.21 730. <u>92</u>	\$353.10 365.4 <u>5</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.

For renovation, the fee is based on the amount of asbestos/~~lead~~ removed.

² For revisions to notifications to change the End Date to a later date only.

²³ ~~For all notifications postmarked~~ received less than 14 calendar days prior to project start date.

³⁴ ~~For all expedited Procedure 4 or 5 plan evaluation requests postmarked~~ received 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).

**Justification/
Necessity/
Equity:**

These amendments are necessary to clarify and reduce certain fees in circumstances where District costs have been reduced by certain automated processes. More specifically:

- a) Staff is proposing to amend the title of Table VI (Demolition, Asbestos and Lead Notifications) because there is no lead removal rule requiring notifications.
- b) Staff is proposing to remove the fee to revise End Dates in circumstances where the end date is being advanced. Doing so removes a disincentive for facilities to update notifications for completed asbestos removal and demolition projects, and reduces District costs which are triggered when an inspector unnecessarily travels to a job that has already been completed. The expected loss of revenue is offset by the reduction of inspection-related costs of travelling to and from a completed job in circumstances where there is nothing left to inspect.
- c) Staff is also proposing to reduce the fee for revising notifications regarding start dates, quantity, and end dates. Originally this fee of \$62.92 was determined based on the amount of time SCAQMD office staff required to update paper notifications in the CLASS database. Presently, the information is entered by the notifier directly via the Rule 1403 Web App rather than SCAQMD office staff. Staff proposes that the fee be reduced to \$25, but not eliminated, so as to still account for Compliance staff time reviewing inspection plans affected by revisions to notifications, particularly for project dates. The revised column header simply specifies the typical instances (start date, quantity, and/or end date) where a Revision to Notification Fee would be charged.
- d) Staff is proposing to change language in Footnotes 2 and 3, which are being re-numbered to Footnotes 3 and 4. Previously, Rule 1403 notifications were typically submitted via standard mail. With the implementation of the Rule 1403 Web App, the notifications are now received electronically and there is no postmark.

8. CREATION OF A FEE CAP FOR CERTAIN CHANGE OF OWNER/OPERATOR APPLICATIONS

Description of Proposed Amendment: This proposal will provide fee relief for larger RECLAIM facilities that apply for a change of owner/operator by adding a new fee cap.

In addition, all references to “change of operator” will be replaced with “change of owner/operator” to clarify the applicability of this administrative change to both changes of owner and changes of operator permit applications. Currently, Rule 301 consistently refers to owner/operator in all instances except when referring to change of operator. These edits will add consistency and clarity and reflects current practice.

Proposed Amended Rule(s):

Rule 301

- (c) Fees for Permit Processing
 - (1) Permit Processing Fee
 - (A) Permit Processing Fee Applicability

...

- (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 Owner/Operator table according to the applicable schedule under the Change of Owner/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.

...

- (G) Fees for Permit Processing for Certified Equipment Permits and Registration Permits
 - (i) ...
 - (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A shall be assessed to a person applying for a Change of Owner/Operator for a Certified Equipment Permit.

...

(2) Fee for Change of Owner/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 owner/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 Table FEE RATE-C for equipment at one location so long as the new owner/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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the owner/operator will not be billed for any additional fees billed to the previous owner/operator.

(B) If an application for change of owner/operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous owner/operator, the new owner/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)(C), shall apply.

(d) Annual Operating Permit Renewal Fee

...

(7) Annual Renewal Date for Change of Owner/Operator

The same annual renewal date shall apply from one change of owner/operator to another.

...

- (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 owner/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.

...
 - (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 owner/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:

...
 - (j) Special Permit Processing Fees - California Environmental Quality Act (CEQA) Assistance, Air Quality Analysis, Health Risk Assessment, and Public Notice for Projects

...
 - (5) Payment for Review of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS), and Alternative Continuous Emissions Monitoring System (ACEMS)

...
 - (E) CEMS, FSMS, or ACEMS Change of Owner/Operator

Every applicant who files an application for a change of owner/operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of owner/operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$273.61~~\$283.18 for the first CEMS, FSMS,

or ACEMS, plus ~~\$54.57~~56.48 for each additional CEMS, FSMS, or ACEMS.

...

(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 Owner/Operator;

...

- (6) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a RECLAIM facility permit shall be determined from Table FEE RATE-C. In addition, a Facility Permit Amendment fee as specified in paragraph (1)(4) 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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely the new owner/operator will not be billed for any additional fees billed to the previous owner/operator.

...

(n) All Facility Permit Holders

...

- (5) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a facility permit shall be determined from Table FEE RATE-C. In addition, an administrative permit revision fee, as specified in Table VII, 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 Owner/Operator or Additional Operator application is filed, and all facility specific fees (such as “Hot Spots” fees), must

be paid before the Change of Owner/Operator or Additional Operator application is accepted. If, after an application is received, ~~and the~~ SCAQMD determines that additional fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new owner/operator will not be billed for any additional fees billed to the previous owner/operator.

...

(t) All Facility Registration Holders

...

(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 owner/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 ~~\$216.14~~223.70 for the first equipment listed in the Facility Registration plus ~~\$1,972.03~~ for each additional equipment listed in the Facility Registration.

(u) Fees for Non-permitted Emission Sources Subject to Rule 222

...

(2) Change of Owner/Operator or 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 ~~\$209.98~~217.32 for each emission source.

...

(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~~ applicant or permit holder. 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.

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES
CHANGE OF OWNER/OPERATOR^a

Facility Type	Non-Title V	Title V
Small Business	\$248.03 <u>256.71</u>	\$280.86 for FY 2018-19 and \$340.79 <u>321.66</u> for FY 2019-20 and thereafter
Non-Small Business	\$681.14 <u>704.98</u>	\$771.30 for FY 2018-19 and \$853.53 <u>883.40</u> for FY 2019-20 and thereafter

^a Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of owner/operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$9,593.22 for FY 2018-19 and \$10,615.86~~987.41 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$16,943.43~~17,536.45 per facility. ~~The change of owner/operator fee~~ There is no limit to the change of operator fees for RECLAIM facilities shall not exceed \$50,000.

TABLE VII
FACILITY PERMIT FEES FOR FACILITIES THAT ARE
~~RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM &~~
TITLE V

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee • RECLAIM Only or non- <u>RECLAIM/non-Title V</u> • Title V Only* • RECLAIM & Title V* * Includes administrative, minor, de minimis significant, or significant amendment/revision	(l)(4) (m)(4)	\$1,170.63 \$1,325.61 \$2,496.24	\$1,170.63 <u>211.60</u> \$1,466.92 <u>518.26</u> \$2,637.55 <u>729.86</u>
Facility Permit Change of <u>Owner/Operator</u> • Facility Permit Amendment Fee Plus • Application Processing Fee for Each Application	(c)(2), (l)(6), (m)(4), (n)(5)	Facility Permit Amendment/Revision Fee (See Above) Plus Processing Fees (See Table FEE RATE-C))	
Title V Facility Permit Renewal Fee (Due at Filing) Plus Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5), (m)(9)	\$3,010.95 Plus \$210.67 per hour	\$3,331.91 <u>448.52</u> Plus \$233.13 <u>241.29</u> per hour

**Justification/
Necessity/
Equity:**

This proposal will reduce fees associated with filing applications for changes of owner/operator at large facilities. Recent implementation of streamlined procedures for processing change of owner/operator applications has made cost recovery possible at lower fees. Change of owner/operator is an administrative process that requires no engineering evaluation, but creates a new facility ID and new application numbers for every permit transferred to the new owner/operator. For RECLAIM facilities, the current fees associated with this administrative change can be as high as \$300,000 due to the absence of a fee cap. The proposal is to add a cap of \$50,000 for RECLAIM (or RECLAIM/TV) facilities (which is equivalent to the per-permit fee for ~65 permits). There are currently 23 RECLAIM (or RECLAIM/TV) facilities anticipated to benefit from this proposed fee cap.

Additional amendments are also being proposed for purposes of clarification and consistency. The edits to replace “change of operator” with “change of owner/operator”. There are currently 52 instances in Rule 301 of the term “owner/operator”, and consistently using the term per the proposed changes will not change the way these actions have been historically treated.

9. AMEND RULE 301 PARAGRAPH (aa) TO REMOVE DELEK U.S. HOLDINGS, INC. (PARAMOUNT), AS IT IS NO LONGER SUBJECT TO RULE 1180 REQUIREMENTS (301(aa))

Description of Proposed Amendment: This amendment is necessary will remove Delek U.S. Holdings Inc. (Paramount) from the list of affected facilities responsible for paying the annual O&M fees listed in paragraph (aa) of Rule 301 as it is no longer subject to the Rule 1180 requirements.¹⁷

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:

Facility Name* and Location	Annual Operating and Maintenance Fee
Andeavor Corporation (Carson)	\$871,086.00 901,574.01
Andeavor Corporation (Wilmington)	\$435,543.45 0,787.00
Chevron U.S.A, Inc. (El Segundo)	\$871,086.00 901,574.01
Delek U.S. Holdings, Inc. (Paramount)	\$217,771.50
Phillips 66 Company (Carson)	\$435,543.45 0,787.00
Phillips 66 Company (Wilmington)	\$435,543.45 0,787.00
PBF Energy, Torrance Refining Company (Torrance)	\$871,086.00 901,574.01
Valero Energy (Wilmington)	\$435,543.45 0,787.00

¹⁷ Changes to the remaining O&M fees in the table within 301(aa) reflect CPI increases as a result of Rule 320.

*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

Justification/ Necessity/ Equity: Rule 1180 – Refinery Fenceline And Community Air Monitoring (*approved in December 2017*), which implements Health and Safety Code §42705.6, requires affected facilities to pay an annual operating and maintenance (O&M) fee for refinery-related community air monitoring system(s) in communities near these refineries, pursuant to paragraph (aa) of Rule 301, when applicable. Petroleum refineries that have a maximum capacity to process less than 40,000 barrels per day are exempt from Rule 1180. One facility, Delek U.S. Holdings Inc. (Paramount) now known as AltAir Fuels was originally subject to the rule requirements, including the capital cost to establish a refinery-related community monitoring system and applicable annual O&M fees specified in paragraph (aa) of Rule 301. Since the latest amendment of Rule 301 in May 2018, Paramount has voluntarily accepted a permit condition limiting the operator’s throughput of crude oil to no more than 39,500 barrels per day, thus qualifying for the exemption under Rule 1180 requirements. In turn, Paramount is alleviated from paying the cost for a community monitoring system and the corresponding annual O&M fees set-forth in paragraph (aa) of Rule 301. This is an equitable approach as only those facilities with a community monitoring system should be responsible for annual O&M fees.

10. **ELIMINATING SURCHARGE FOR CERTAIN LATE AER AMENDMENTS PERTAINING TO EMISSIONS DEVELOPED FROM SOURCE TESTS**

Description of Proposed Amendment: The revision provides relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the SCAQMD Source Test Unit prior to or at the time the AER was due, but had to base AER emissions on these source tests before they were approved.

Proposed Amended Rule(s): *Rule 301*
(e)(10)(E) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75th) day from the official due date, 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 paid after one year after the seventy-fifth (75th) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

(EF) 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.

**Justification/
Necessity/
Equity:**

According to Rule 301 (e)(10)(C), if emission fees are paid timely, and if, within one year after the 75th day from the official due date is determined to be less than 90 percent of the full amount that should have been paid, a 15 percent surcharge should be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid. According to Rule 301 (e)(10)(D), one year and 75 days after the official due date of the AER, any fees due and payable for emissions reported or reportable pursuant to subparagraph Rule 301 (e)(8)(C) are assessed fees according to Rule 301 Tables III, IV, and V; and further increased by a penalty of 50 percent.

This amendment would eliminate the surcharge/penalty for emissions developed from source tests, where the source tests were submitted in good faith for approval to the SCAQMD Source Test Unit prior to or at the time the AER was due, but the source tests were not approved before the date surcharges/penalties would be currently assessed. Fees would still be required for any emissions that were underreported related to these source tests pursuant to fee rates discussed in Rule 301 (e)(10)(C) and (D). This amendment is necessary because of delays that sometimes occur in SCAQMD approval of source tests. SCAQMD staff believes surcharges/penalties are not appropriate in circumstance where emissions are reported based on source tests that were promptly submitted to the District, but were not approved by the District until a later date.

11. REDUCING CERTAIN CERTIFIED COPY FEES

**Description
of Proposed
Amendment:**

This is a clarification and simplification of existing fees currently referenced in multiple (overlapping) sections. Currently, the fees to obtain a certified copy of a permit and the fees to obtain a reissued permit are mentioned in three locations. In Section (f)(1)-(2), flat fees are listed for non-Title V and Title V permits. In (l)(10)-(11), nearly identical fees are listed for RECLAIM facilities (both RECLAIM-only and RECLAIM/TV), but additional per-page fees apply for each page after the first page. In (n)(7)-(8), a single fee is listed for non-RECLAIM facility permits (notably lower than the other fees from sections (f) and (l)), with an additional fee (also lower than in section (l)), for each page after the first page. All Title V permits are facility permits, as are all

RECLAIM and RECLAIM/TV permits. This makes the rates in (n)(7)-(8) appear to be in conflict with those in sections (f) and (l).

By consolidating all certified copy and permit reissue fees in a single section that requires payment at the lowest rate in all three sections, the discrepancy between sections would be eliminated and future discrepancies would be avoided. The currently implemented procedure for printing certified copies or reissued permits has been streamlined and makes the per-page fee no longer necessary. Although this may result in a decrease in revenue for facility permits, the current annual number of requests for facility permit copies and reissued facility permits is negligible, so there is no anticipated impact on revenue. Also, in most cases, facility permits are not reissued, but instead required to submit an administrative amendment fee to reflect the types of changes that result in a reissuance.

**Proposed
Amended
Rule(s):**

(note that sections (f), (f)(1), and (f)(2) are unchanged, but are provided here for clarity)

Rule 301

(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 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19 <u>\$31.24</u>	\$37.84 <u>\$39.16</u>

(2) Reissued Permit

Facility Type	Non-Title V	Title V
FY 2018-19	\$233.77	\$264.71
FY 2019-20 and thereafter	\$233.77 <u>\$241.95</u>	\$292.93 <u>\$303.18</u>

...

(l) RECLAIM Facilities

~~(10) 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 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19	\$37.84

~~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 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

~~(11) Reissued Permits~~

~~A request for a reissued Facility Permit shall be made in writing by the permittee when 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 2018-19	\$233.78	\$264.71
FY 2019-20 and thereafter	\$233.78	\$292.93

~~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 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

(n) All Facility Permit Holders

(1) Applicability

The requirements of this subdivision apply to all non-RECLAIM holders of a Facility Permit.

~~(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 \$27.92 for the first page and \$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 \$216.14 for the first page plus \$1.97 for each additional page in the Facility Permit.~~

**Justification/
Necessity/
Equity:** The discrepancy between certified copy and permit reissuance fees was introduced as an error during rule amendment in 2017. The intent to recover increased costs from the Title V program is not met by assessing a lower fee for Title V-only Facility Permits, and the current configuration of multiple conflicting references is confusing and unclear.

By removing references to certified copy and reissuance fees in sections (l)(10)-(11) and (n)(7)-(8), fees are reduced and the correct fees are more clearly identified in sections (f)(1)-(2).

The adjustment is warranted to correct a mistake from an earlier rule revision. The adjustment will align and consolidate the fees for certified copies and reissuance of permits (and facility permits). In addition, for Title V-only facilities, the fee adjustment will continue to recover costs required to implement the Title V program, which is required by the Clean Air Act.

IV. PROPOSED RULE AMENDMENTS WITH NO FEE IMPACTS AND/OR ADMINISTRATIVE CHANGES

The proposed rule amendments in this section do not have fee impacts. Rather, these amendments generally include administrative changes, including clarifications, deletions, re-numbering, and corrections to existing rule language.

In addition to the proposed amendments to specific rule language as discussed below, and 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.

1. CREATION OF “NON-RECLAIM/NON-TITLE V” FACILITY CATEGORY IN TABLE VII OF RULE 301

Description of Proposed Amendment: Table VII of Rule 301 specifies fees applicable to holders of facility permits. In particular, Table VII identifies three separate categories of facility permits: Title V, RECLAIM, and Title V/RECLAIM. Currently, there are about 130 facilities in the “RECLAIM” category. As the RECLAIM program ends, and these non-Title V facilities exit the RECLAIM program, they will continue to hold their facility-wide permits unless they voluntarily apply to convert their facility-wide permit to individual equipment-based permits. The sunset of the RECLAIM program results in a re-naming of the category pertaining to these facilities. They will no longer be known as “RECLAIM” facilities. Instead, they will be known as “non-RECLAIM/non-Title V” facilities. This category name change requires an updating/clarification of Table VII to capture their new name/status/category. These facilities will continue to possess their same facility-wide permit and the fee they were paying for that facility permit will be unchanged.

Proposed Amended Rule(s):

Rule 301

(n) All Facility Permit Holders

(3) Facility Permit Revision

Except as provided in paragraphs (m)(4) and (m)(5), 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 (j). For a non-Title V facility, the facility permit revision fee shall be the applicable facility permit fee in Table VII.

TABLE VII

~~FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM & TITLE V~~

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee • <u>RECLAIM Only or non-RECLAIM/non-Title V</u> • Title V Only* • RECLAIM & Title V* * Includes administrative, minor, de minimis significant, or significant amendment/revision	(l)(4) (m)(4) (n)(3)	\$1,170.63 \$1,325.61 \$2,496.24	\$1,170.63 <u>211.60</u> \$1,466.92 <u>518.26</u> \$2,637.55 <u>729.86</u>
Facility Permit Change of <u>Owner/Operator</u> • Facility Permit Amendment Fee Plus • Application Processing Fee for Each Application	(c)(2) (l)(6) (m)(4) (n)(5)	<i>Facility Permit Amendment/Revision Fee</i> <i>(See Above)</i> Plus <i>Processing Fees</i> <i>(See Table FEE RATE-C)</i>	
Title V Facility Permit Renewal Fee (Due at Filing) Plus Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5) (m)(9)	\$3,010.95 Plus \$210.67 per hour	\$3,331.91 <u>448.52</u> Plus \$233.13 <u>241.29</u> per hour

**Justification/
Necessity/
Equity:**

Facility permits have additional administrative costs due to their comprehensive nature. The creation of a new category in Table VII is necessary to ensure the continued recovery of administrative costs associated with the processing of facility permits. The proposed revision makes clear that facility permit fees continue to apply to non-Title V facilities that exit the RECLAIM program.

2. UPDATE RULE 2002 REFERENCE FOR PERMIT REISSUANCE FEE

Description of Proposed Amendment: This proposed amendment to Rule 301(l)(16) changes the reference from “Rule 2002(f)(7)” to “Rule 2002(f)(8)” to reflect renumbering that occurred as a result of the Rule 2002 amendment process in 2018.

**Proposed
Amended
Rule(s):**

Rule 301

(l) RECLAIM Facilities

Renumbered as a result of another proposed amendment

~~(46)(14)~~ Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NO_x RECLAIM program pursuant to Rule 2002(f)(~~7~~8) 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 NO_x 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 NO_x RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(~~7~~8) shall be paid at the time of filing and assessed according to the following fee schedule.

**Justification/
Necessity/
Equity:**

The proposed amendment would simply revise Rule 301 to reflect updated rule language by properly referencing Rule 2002(f)(8) instead of 2002(f)(7). No new fee or revision to existing fees would occur because of this amendment.

3. LATE SURCHARGE CLARIFICATION

Description of Proposed Amendment: This amendment would clarify rule references with respect to late surcharges. Rule 301(e)(11)(C) currently refers to Rule 301(e)(10) in regards to the surcharge if an installment fee payment is considered late. Since Rule 301(e)(10) has several subsections that apply to different conditions, some clarification/amendment to the rule language seem to be necessary to prevent confusion. The proposed amendment to Rule 301(e)(11)(C) would more specifically identify the subsections which is applicable, i.e. Rule 301(e)(10)(B). Subparagraph (e)(10)(B) would also be amended to include an appropriate cross-reference to subparagraph (e)(11)(C).

Proposed Amended Rule(s): *Rule 301*

(e)(10)(B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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))

(e)(11)(C) An installment fee payment shall be ~~is~~ considered late ~~and is subject to a surcharge if not received by the District, or postmarked, on or before the within seventy five (75) days seventy-fifth (75th) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).~~

Justification/ Necessity/ Equity: The proposal would clarify which subparagraph should be used to estimate the surcharge in Rule 301(e)(10) to prevent confusion.

4. OWNER/OPERATOR CLARIFICATION IN RULE 209

Description of Proposed Amendment: Staff is proposing to amend Rule 209 with language that clarifies when a change of owner/operator occurs.

**Proposed
Amended
Rule(s):**

Rule 209

A permit shall not be transferable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another.

When equipment which has been granted a permit is altered, changes location, or no longer will be operated by the permittee, the permit shall become void. For the purposes of this rule, ~~mergers~~, name changes, or incorporations by an individual owner or partnership composed of individuals shall not constitute a transfer. Other transactions shall be deemed a transfer for purposes of this rule and shall require a change of operator or change of ownership as specified in the Change of Owner/Operator Guidelines adopted by the Executive Officer and in effect as of July 1, 2019 or as subsequently modified. The Executive Officer may update those Guidelines as appropriate in accordance with principles of California corporate law, and shall publish such updated Guidelines on the District's website.

**Justification/
Necessity/
Equity:**

Rule 209 currently states that a merger does not result in a transfer of owner/operator at a facility. This position is inconsistent with the principles of California corporate law. The rule is being amended to remove that inconsistency. In addition, the rule is being updated to include a reference to District issued Change of Operator/Owner Guidelines prepared by the District.

5. SEVERABILITY IN RULE 301

**Description
of Proposed
Amendment:**

Staff is proposing to add a severability clause to Rule 301.

**Proposed
Amended
Rule(s):**

Rule 301

(ac) Severability

If any provision of this rule is held by judicial order to be invalid, or 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.

**Justification/
Necessity/
Equity:**

Rule 301 contains multiple fees associated with the District's permit processing program. These fees constitute a significant portion of the District's revenue. Staff is proposing to add a severability clause to protect revenue in circumstances when one or more of these fees are successfully challenged.

V. IMPACT ASSESSMENT**A. FISCAL IMPACT FOR SCAQMD**

The fiscal impact of the proposed amendments, including except for those impacted only by the CPI increase, have not been taken into consideration by the FY 2019-20 budget and the related five-year projections is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter.

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The proposed project is comprised of amendments to Regulation III, and Rule 209. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees consistent with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; 4) the removal, reduction, and capping of certain fees to provide fee reduction and relief; and 5) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 – Transfer and Voiding of Permits, consists of a clarification on how permit transfers are considered when there is a change of owner/operator. 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 Regulation III and Rule 209 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 new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 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) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed 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. Also, the proposed amendments to Rule 209 isare categorically exempt because they are it is designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of

the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be 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 increase has been prepared as a separate report and was posted online on March 15, 2019 (available on SCAQMD's website at: http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase_2019.pdf.) A socioeconomic impact assessment of other proposed rule amendments with fee impacts will be conducted and released for public review and comment at least 30 days prior to the SCAQMD Governing Board Hearing on Proposed Amended Regulation III and Fiscal Year 2018-19 Proposed Draft Budget and Work Program, which is anticipated to be heard on May 4, 2019.

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 to add or increase certain fees in Rules 301 and 309 in order to recover reasonable and actual costs incurred by SCAQMD in implementing necessary clean air programs. These fees include fees for toxic emissions, Rule 1118.1 notification fees, PERP inspection fees, Rule 309 fees for certain plans required by Regulation XVI and XXV, and new renewal fees for CAS/CACC certifications. In addition, ~~the SCAQMD Governing Board has determined that~~ other fees in Rule 301 and 308, should be eliminated, reduced, or capped because such fees are resulting in collateral and unanticipated costs to the District and/or are no longer necessary due to process improvements at the SCAQMD. Finally, the amendments set forth in the no fee impact/administrative change section of this report are necessary to add rule clarity or make necessary administrative changes to Rule 301. CPI updates to Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 are necessary to recover SCAQMD's costs as a result of inflation. All fees are necessary to fund the Fiscal Year 2019-20 Budget. It is also necessary to amend Rule 209 to clarify when a change of owner/operator occurs. As currently written, it is inconsistent with California corporate law insofar as it provides that a merger that does not result in a transfer of owner/operator at a facility.

B. EQUITY

H&SC 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 increases in fee rates in Proposed Amended Rules 301, 308, and Rule 309 are found to be equitably apportioned.

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, 40501.1, 40502, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, 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~~ Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315 and 209, as proposed to be amended, are 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~~ Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209 as proposed to be amended, are 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~~ Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209, as proposed to be amended, do 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, i~~In amending these rules, ~~references the following statutes which the SCAQMD hereby~~ references, implements, interprets, or makes specific: H&SC Sections 40500, 40500.1, 40510, 40510.5, 40512, 40522, 40522.5 40523, 41512, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C.S. 7661 (b)(3)].

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(aa)	Amend Rule 301 Paragraph (aa) to remove Delek U.S. Holdings, Inc. (Paramount)	✓	✓	
301(e)	TAC Fee Increases for AER, AB 2588, and Special Monitoring Cost Recovery	✓	✓	
301 (e)(10)(E)	New subparagraph Rule 301 (e)(10)(E), existing subparagraph Rule 301 (e)(10)(E) would be renumbered Rule 301 (e)(10)(F)	✓		✓
301(e)(10)(B)	Clarification to Rule 301(e)(10)(B)	✓		✓
301(e)(11)(C)	Clarification to Rule 301(e)(11)(C)	✓		✓
301(f)(1)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(l)(10)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(l)(16)	Change Reference to Rule 2002 (f)(7) to Rule 2002 (f)(8)	✓		✓
301(n)(3)	Creation of “former RECLAIM/non-Title V” facility category in Table VII of Rule 301	✓		✓
301(n)(7)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(r)	Clean Air Solvent Certification Fees	✓	✓	
301(v)	Update Rule 301 Fee and update Table VI applying to Rule 1403	✓	✓	
301(w)	Enforcement Inspection Fees for PERP Regulations		✓	
301(x)	Include Rule 1118.1 in rules subject to fees in Rule 301 (x)	✓	✓	

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301 Table IV	TAC Fee Increases for AER, AB 2588, and Special Monitoring Cost Recovery	✓	✓	
301 Table VI	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
303	Hearing Board Fees	✓		
304	Equipment, Materials, and Ambient Air Analyses	✓		
304.1	Analyses Fees	✓		
306	Plan Fees	✓		
307.1	Alternative Fees for Air Toxics Emissions Inventory	✓		
308(c)(2)	Remove Fee in Rule 308 for Adding/Deleting Site from a Multi-Site or Geographic Program	✓	✓	
308	On-Road Motor Vehicle Mitigation Options Fees	✓		
309(c)(2)	Aligning Inspection Fee Rates in Rule 306 and 309	✓	✓	
309(c)	Aligning Inspection Fee Rates in Rule 306 and 309	✓	✓	
309	Fees for Regulation XVI and Regulation XXV	✓		
311	Air Quality Investment Program (AQIP) Fees	✓		
313	Authority to Adjust Fees and Due Dates	✓		
314	Fees for Architectural Coatings	✓		
315	Fees for Training Classes and License Renewal	✓		

APPENDIX C – DETAILED BREAKDOWN OF DISTRICT COSTS FOR STATIONARY SOURCE TOXICS: EXISTING SOUTH COAST AQMD PROGRAMS

SCAQMD Division	District Work Programs Eligible to be Paid for by Emissions Fees*	Total FTE Staff in Work Programs (FY 18-19)	Portion of Program Paid for with Emissions Fees (FY 18-19)	Percent of Program Effort on Stationary Source Toxics**	Program Cost for Stationary Source Toxics	Division Total	<p>This analysis used as a baseline every South Coast AQMD work program that is at least partially paid for with emissions fees. The amount of emissions fees used to pay for each work program is listed in the middle column. Staff from each program then provided estimates for the resources that were spent on toxics emissions from permitted facilities. This percentage was then multiplied by the middle column. The subtotals from this calculation were then summed, resulting in the total of ~\$9.25 million.</p>
Compliance	Public Complaints/Breakdowns	14.1	\$1,140,113	60%	\$684,068	\$1,207,708	
	Compliance Guidelines		\$316,698	50%	\$158,349		
	Compliance Testing		\$219,132	50%	\$109,566		
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
	Compliance/IM Related Activities		\$108,566	100%	\$108,566		
Permitting	Emergency Response	4.3	\$20,480	100%	\$20,480	\$137,343	
	Perm Proc/IM Programming		\$58,131	25%	\$14,533		
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
	School Siting		\$56,991	100%	\$56,991		
	Rulemaking		\$50,722	41%	\$20,796		
Planning & Rules	Environmental Justice	31.1	\$302,926	50%	\$151,463	\$4,747,199	
	Customer Service		\$17,097	50%	\$8,549		
	Rulemaking/Toxics		\$2,492,700	100%	\$2,492,700		
	Annual Emission Reporting		\$2,297,884	60%	\$1,378,730		
	Socio-Economic		\$1,024,833	41%	\$415,218		
	SCAQMD Projects		\$326,949	25%	\$81,737		
	CEQA Document Projects		\$106,598	50%	\$53,299		
	Regional Modeling		\$197,933	25%	\$49,483		
	AQMP/Emissions Inventory		\$117,384	10%	\$11,738		
	Emissions Inventory Studies		\$83,845	50%	\$41,923		
	Health Effects		\$66,283	100%	\$66,283		
	Ch Communities Pln		\$28,326	100%	\$28,326		
Leg & Public Affairs	MATES V	22.1	\$27,136	100%	\$27,136	\$695,360	
	EI-AQ Guidance Document		\$5,212	100%	\$5,212		
	Intergov Geographic Deployment		\$571,483	50%	\$285,742		
	Environmental Justice		\$302,926	50%	\$151,463		
	Small Business/Permit Streamln		\$230,107	30%	\$69,032		
	Outreach/Business		\$93,208	35%	\$32,623		
	Public Education/Public Events		\$76,504	30%	\$22,951		
	Clean Air Connections		\$53,595	30%	\$16,078		
	Public Notification		\$47,778	90%	\$43,001		
	Fee Review		\$14,318	0%	\$0		
	Lab & Monitoring		Public Information Center	18.6	\$41,993		90%
Environmental Education		\$25,632	30%		\$7,690		
Advisory Group/Ethnic Comm		\$21,438	70%		\$15,006		
Ambient Air Analysis		\$347,848	50%		\$173,924		
ST Methods Development		\$207,811	75%		\$155,858		
Quality Assurance		\$131,249	33%		\$43,312		
Spec Monitoring/Emerg Response		\$109,374	50%		\$54,687		
ST Sample Analysis/Air Program		\$54,687	75%		\$41,015		
ST Sample Analysis/Air Program		\$54,687	75%		\$41,015		
VOC Sample Analysis/Rules		\$52,500	41%		\$21,525		
Air Quality Data Management		\$28,437	10%		\$2,844		
NATTS(Natl Air Tox Trends Sta)		\$22,969	100%		\$22,969		
Legal		Environmental Justice	10.7		\$302,926	50%	\$151,463
	DB/Computerization	\$14,437		33%	\$4,764		
	Rulemaking/Support PRA	\$10,937		41%	\$4,484		
	Ongoing lab/monitoring consumables	\$1,046,000		85%	\$887,264		
	Case Disposition	\$810,146		25%	\$202,536		
Admin, IM, etc.	Legal Rep/Litigation	20.8	\$699,670	25%	\$174,917	\$257,166	
	Rules/Legal Advice		\$341,114	41%	\$139,857		
	CEQA Document Projects		\$106,598	50%	\$53,299		
	Interagency Coordination		\$52,304	33%	\$17,260		
	Legal Rep/Legislation		\$49,746	25%	\$12,436		
	New System Development		\$473,234	15%	\$70,985		
TOTAL							\$9,250,209
* Consistent with Health and Safety Code 40510							
** Estimates provided by each Division							

DETAILED BREAKDOWN OF DISTRICT COSTS FOR STATIONARY SOURCE TOXICS: AB 617 WORK PROGRAMS

AB 617 Work Programs	Full Time Equivalent Staff***	AB 617 Sub-Programs	Anticipated Costs for Year 1 of AB 617 Sub-Programs	Anticipated Percent of Sub-Program Focused on Stationary Source Toxics****	Anticipated Sub-Program Costs for Stationary Source Toxics	Anticipated Program Total for Stationary Source Toxics
Community Monitoring and Analysis	23	Equipment, Sensors, Monitoring Sites, Vehicles	\$3,271,500	50%	\$1,635,750	\$5,752,056
		Recurring Costs (hazardous wst, license, software, etc)	\$1,145,000	50%	\$572,500	
		Recurring Costs (Equipment, Vehicles, real estate)	\$302,000	50%	\$151,000	
		Contract (remote sensing, laboratory)	\$1,380,000	50%	\$690,000	
		Staff Expense	\$5,385,612	50%	\$2,692,806	
		Travel	\$20,000	50%	\$10,000	
Community Emission Reduction Plans	23.5	Software & Website	\$100,000	70%	\$70,000	\$3,363,941
		Steering Committee/Community Meetings	\$404,440	70%	\$283,108	
		Steering Committee/Community Engagement	\$44,400	70%	\$31,080	
		Staff Expense	\$4,256,791	70%	\$2,979,754	
Uniform Emissions Reporting	6.0	Inventory Protocol Implementation Staff	\$1,457,065	60%	\$874,239	\$1,054,239
		Software, Data Enhancements & Programming	\$300,000	60%	\$180,000	
TOTAL	52.5					\$10,170,236.3

*** Estimate based on expected workload to implement AB 617 and is consistent with previous Board approvals when recognizing one time revenues from the state in January and December 2018

**** Estimated percentages for Community Monitoring and Emission Reduction Plans based on expected long-term implementation of AB 617 across many communities. In addition, District efforts on Emission Reduction Plans are expected to focus on stationary sources while CARB resources are expected to focus more on mobile sources. Estimated percentages for Emissions Reporting are consistent with current Annual Emissions Reporting workload.

This analysis used as a baseline a budgeting analysis conducted for Year 1 implementation of the South Coast AQMD AB 617 program. This baseline estimate is consistent what has previously been discussed with Community Steering Committees (e.g., <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/wilmington/presentation-feb12-2019.pdf>). The baseline total estimated workload is \$27.7 million for all South Coast AQMD AB 617 work. Note that costs are expected to increase in future years due to the addition of more AB 617 communities. Costs for all work programs that may address toxics emissions from permitted facilities, at least in part, are listed in the middle column.

Staff then estimated the amount of work dedicated to toxics emissions from permitted facilities for each program. Because AB 617 is a new program, these estimates are uncertain as work proceeds, and as new communities are added, each with its own unique needs. These estimated percentages are based on staff's experience in conducting similar work in the past in other communities (e.g., Paramount), and in the recognition that South Coast AQMD has primary authority over stationary sources while CARB has primary authority over mobile sources. Hence, while many communities may be impacted largely by mobile sources, much of that work would be conducted by CARB, while South Coast AQMD would focus on permitted stationary sources.

Similar to the analysis for existing South Coast AQMD work programs on the previous page, the percentages for each program were multiplied by the middle column, and the resulting subtotals were summed to arrive at the estimate of approximately \$10.2 million for AB 617 work on toxics emissions from permitted sources. This estimate comes out to about one third of all AB 617 work being focused on toxics emissions from permitted facilities.

APPENDIX D – PUBLIC COMMENTS

From: jmeyer@aviation-repair.com [<mailto:jmeyer@aviation-repair.com>]
Sent: Friday, April 12, 2019 8:15 PM
To: Shah Dabirian <SDabirian@aqmd.gov>
Cc: john.kabateck@nfib.org; 'Wesley Turnbow' <wturnbow@emeplating.com>
Subject: FW: Webinar To Discuss Proposed New Toxics Emissions Fees

Hi Shah,

These are not ready for a review by the board. You should consider:

- 1) How would a facility determine how many devices to which it should apply the “flat rate device fee” to? How would we count the “unpermitted” items? What are they? and how would you define what is countable? Are you counting my stacks (1), or my tanks (6), or my rectifiers (many)? And what unit of measure would be used to count an activity? Is duration of activity important? This seems to be a pretty fundamental problem with the proposal. Obviously without these definitions the public from whom you are seeking comment input can only estimate the MINIMUM they would pay based on their known number of permits. The maximum is an undefined unknown. I hope this is not intentional. } 1-1
- 2) I am curious how the “TEF Impact by Industry” analysis dealt with my business. We are an FAA repair facility, a 100% service business, and a small business with 16 employees but somehow not included in the 146 establishments the industry analysis has in the “Services: Repair and Maintenance” category. Our fees ALONE would total more than are attributed as the entire amount that segment of 146 companies would pay. The proper inclusion of us in that category would cause the category average to more than double and we would be the top impacted business in the category. We are NAICS 488190. What category does AQMD think we are in? What category are the other metal finishers in? They are all service businesses. Makes me suspicious of the entire page. Obviously this also taints the line purporting to represent the impact on small business as well. I would think the small business advocates might take more interest if higher values are shown in the small business line. } 1-2
- 3) My kids and grandkids sometimes fly in airplanes. When they do, I am very happy that the following systems, which are designed to include hexavalent chromium, cadmium, and nickel work effectively: Landing Gear, Thrust Reversers, Rudder Actuators, Ball-screws, and Propeller Actuators. I am glad that police forces are able to fly safely in helicopters that use the same materials in Rotor Servos and Actuators. I am glad that our Armed Forces are able to rely on the safe operation of aircraft. We maintain all of the above. We are keeping you and your children safe, every day. As you consider how beneficial it would be to the nation to roll AQMD policies nationwide, consider the impact on lives if critical aircraft maintenance could only be performed economically in countries without the same environmental rules we have. } 1-3

Best Regards,
 Jim Meyer

Response to Comment 1-1

As stated in the staff report on page 28, footnote 15, devices will continue to be reported in the same manner as is currently required for the Annual Emissions Reporting (AER) program through its web tool. Since 2014, all facilities have been required to report emissions through AER at the device level (often called an ‘Emission Source’ within the web-tool). Therefore, the methodology for reporting the number of devices within AER is not changed. Several guidance documents are available online to guide facilities in reporting emissions for their facility, including instructions for reporting emissions at the device level (<http://www.aqmd.gov/home/rules-compliance/compliance/annual-emission-reporting>). For example, in the Frequently Asked Questions document located on the AER website, Questions 18 and 19 state:

18. What is An Emission Source (ES)?

Emission source (ES) and its numbers are generated by the reporting tool for tracking purposes. It is designated to a source of emission, whether permitted or not. Each ES is assigned to a device/equipment in facility’s permit profile. User can always add ES to the list for the missing source of emissions, permitted or not.

19. How Do I Add an Emission Source (ES)?

User can add an emission source for the operation that either does not require a written permit (Rule 219 equipment or un-permitted operations) or missing from the uploaded permit profile. Please see “Add an Emission Source” section in Help and Support manual for detailed instructions.

The number of devices for each facility will vary depending on the specific nature of each facility’s operations. In general, every permitted device is an emissions source, as are unpermitted non-vehicular equipment with emissions (e.g, Rule 219 registered equipment). Facilities may contact AER staff to discuss how many devices must be reported for their facility [(909) 396-3660, aer@aqmd.gov].

Response to Comment 1-2

The commenter’s facility is not included in the ‘TEF Impact by Industry’ table because Proposed Amended Rule 301 will not require the facility to report emissions. This facility’s emissions are below the thresholds required to report emissions in paragraphs (e)(1) and (e)(5). CARB is proposing a new regulation (Criteria and Toxics Reporting [CTR]) that may require more facilities to report their emissions to air districts, however this regulation has not been finalized, and the additional reporting requirements from that regulation are unknown. Because the commenter’s facility is not required to report emissions (or pay the proposed toxics emissions fees) to South Coast AQMD pursuant to Proposed Amended Rule 301, no socioeconomic impacts for this facility are presently expected if the Board approves this rule. Staff confirms the commenter’s facility categorization, *Other Support Activities for Air Transportation*, which is classified as 488190 in NAICS.

If this facility is required to report emissions (and subsequently pay toxics emissions fees) by the new state regulation, then the South Coast AQMD’s workload is expected to increase in proportion to all other facilities currently reporting under Rule 301 – and fees will be tied to the facility’s reported toxics emissions level and number of devices.

Response to Comment 1-3

Proposed amendments to Regulation III do not prohibit the use of hexavalent chromium, cadmium, and nickel in industrial and commercial applications. The South Coast AQMD has no plan or authority to “roll [its] policies nationwide.” Unfortunately, the use of toxic metals, even if necessary or beneficial, creates work and costs for the South Coast AQMD. The new fee schedule is proposed to recover costs incurred by the agency in relation to activities such as monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples of recent efforts undertaken by the South Coast AQMD include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions (e.g., nickel, arsenic, lead) from facilities such as battery recyclers and others in the metal-working industry and fugitive hydrocarbon emissions.

The proposed increased in toxic emission fees would increase the cost of services rendered by the affected industries in the region. The magnitude of the impact depends on the size and diversification, and infrastructure in a local economy as well as interactions among industries. The socioeconomic analysis for Regulation III found that our region’s large, diversified, and resourceful economy is expected to absorb the impact described above with minimal impact. The socioeconomic assessment of the proposed amendments shows that nearly 40 percent of the facilities currently subject to toxic emission fees will have no future difference in their total annual toxics fees compared with the 2017 reporting year, and only about 132 out of about 22,000 permitted facilities are expected to incur more than \$5,000 in toxics emissions fees annually.

From: Ahn, Terry [mailto:tahn@ocsd.com]
Sent: Friday, April 19, 2019 2:28 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: [EXTERNAL]

1. There should be a discount given for device fee for identical equipment similar to discount given for permit processing fee.
2. AB 617 work related costs should be recovered only from those facilities that are located in the communities that are selected by CARB.

} 2-1
 } 2-2

Thank you!



Terry Ahn
 Orange County Sanitation District
 Laboratory, Monitoring, and Compliance | Regulatory Specialist
 Office: 714.593.7082
www.ocsd.com

Response to Comment 2-1

The current proposal for the device-level fee corresponds with the workload associated for each individual device in auditing by South Coast AQMD staff the emission reporting. While some devices may be similar for permitting purposes, their annual emissions often vary due to differences in throughput, etc., hence the toxics inventory workload for each device generally cannot be streamlined even for similarly permitted equipment.

Response to Comment 2-2

Under the new fee structure, higher toxics emitting facilities will pay higher fees, consistent with the expected increased South Coast AQMD workload. This is more equitable than allocating fees based on geography, as suggested by the commenter. With respect to AB617 new communities need to be added every year, and many facilities located outside of AB 617 communities impact residents inside AB 617 communities. This fact, along with the nature of the work required for the South Coast AQMD, means that AB 617 has impacts that extend beyond the initially chosen communities. For example, monitoring-related investigations instigated at the request of a particular community will generate knowledge that has impacts beyond that individual community. The District's past work at specific lead or metal finishing facilities contributed immensely to the District's knowledge about the behavior of fugitive emissions. That knowledge has been applied in other contexts. In addition, work in an AB 617 community is expected to result in additional rulemaking responsibilities for the agency. That rulemaking will not be targeted at a single facility in a single community. Instead, it will be a rule of general application throughout the South Coast Air Basin. Under these circumstances, it would not be equitable to seek recovery of these expenses from a single or limited number of facilities in a single community.

It is also significant that much of the current South Coast AQMD work on toxics emissions from permitted sources is also associated with non-AB 617 work as illustrated in the Final Staff Report in Chapter III and Appendix C. Finally, the Board resolution also contains a requirement for staff to report back to the Administrative Committee within one year of final phase in of the toxics emissions fee on the revenues raised by the fee, the costs of toxics work covered by the fee, and the District's efforts to obtain funding for toxics work covered by this fee.

From: Natasha Meskal [mailto:nmeskal@ecotek.com]

Sent: Friday, April 19, 2019 2:29 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]So when will toxic emissions fee be assigned for emissions < 1 pound?

Hi,

So when will toxic emissions fee be assigned for emissions < 1 pound?

} 3-1

Are you planning to re-evaluate default emission factors?

} 3-2

Will you add option to add control, when applicable, to combustion worksheets?

} 3-3

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

Response to Comment 3-1

The current proposal uses thresholds specific to each Table IV listed pollutant, and therefore some compounds have thresholds that exceed 1 pound per year, while others have thresholds that are significantly less than one pound. The thresholds used are consistent with thresholds used for reporting emissions under the AB 2588 Toxics Hot Spots Program. Reporting under the new toxics emissions fee structure is proposed to begin in January 1, 2021 for emissions that occurred in 2020.

Response to Comment 3-2

South Coast AQMD is committed to improving default emission factors for emission reporting, which are largely based on source testing. As estimation methods improve, emission reporting will reflect the best available methodologies. California Air Resources Board is similarly looking into new reporting methods as part of AB617 and the requirement for uniform emission reporting of toxic air contaminants. In addition, the Board resolution contains a requirement for South Coast AQMD staff to convene a working group and review and update default emission factors as appropriate, and report back to its Stationary Source Committee within 12 months on the status of this work.

Response to Comment 3-3

The current AER web tool allows users to include the effect of controls to all emission sources, including combustion worksheets. If the commenter has detailed suggestions for improvements to the web-tool, she is encouraged to contact AER staff directly at [(909) 396-3660, aer@aqmd.gov].

From: Natasha Meskal [mailto:nmeskal@ecotek.com]
Sent: Friday, April 19, 2019 2:32 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: [EXTERNAL]Questions

Hi,

What will be toxic fee threshold?

} 4-1

Will toxic emissions affect AER applicability?

} 4-2

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47
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714-596-8837 Fax
WWW.ECOTEK.COM

Response to Comment 4-1

The requirements for toxics fees are stated in Rule 301 (e) and thresholds are listed in TABLE IV.

Response to Comment 4-2

These amendments are not designed to require more facilities to report emissions. The requirements for reporting emissions to the South Coast AQMD are listed in paragraph 301(e)(1). If a facility emits more than 4 TPY of any criteria pollutant, that facility must report all criteria pollutant emissions and the emissions for all toxics listed in TABLE IV of Rule 301. CARB is currently in the process of drafting a regulation related to criteria pollutant and toxics emissions reporting. This regulation entitled Criteria Toxics Reporting (CTR) may require additional facilities to report toxic emissions in the future to air districts, however proposed amendments to Rule 301 do not duplicate any potential requirements from CARB's proposed CTR regulation.

From: James Simonelli [mailto:james@metalscoalition.com]

Sent: Friday, April 19, 2019 2:27 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Questions

Hi Ian:

- | | | |
|--|---|-----|
| <p>1) Slide 7. Since the phase-in of the TAC fee is not imminent, what is the objection to taking more time to discuss these fees? Is there a deadline to hear this May 3?</p> | } | 5-1 |
| <p>2) Slide 6. Many companies will see a 400-600% increase in a TAC fee (ex: fee would increase from \$2000 to \$8000). Was this addressed in Slide 6. And how often does SCAQMD increase fees at this high level?</p> | } | 5-2 |
| <p>3) General question. Does the SCAQMD acknowledge that the same companies are getting hit with higher fees and taxes from 10-20+ California government agencies? Each agency takes \$5,000-\$10,000 each, but it adds up to hundreds of thousands of dollars every year.</p> | } | 5-3 |
| <p>4) General comment. Friday afternoon of a major holiday weekend is probably the worst timing. Any reason why this webinar couldn't have been done next week?</p> | } | 5-4 |

Thank you!

James Simonelli, Executive Director
 California Metals Coalition
<http://www.metalscoalition.com>
 916-933-3075

Response to Comment 5-1

The Commenter's questions are in reference to the slide presentation made on April 19, 2019. Regulation III is customarily packaged with the annual budget update, and staff is proposing rule amendments and the budget together at the May 3 Governing Board hearing. One of the objectives of the delayed implementation schedule and proposed three year phase-in was to offer facilities ample time to evaluate the proposed amendments and their potential impacts. Delaying implementation allows facilities to take a closer look at their current emissions profile and to also look into the possibility of more source testing. The current phase-in allows facilities the opportunity to look at their emissions profile and plan for the optimal way to report their emissions under this new fee structure.

Response to Comment 5-2

Some facilities would experience increases in toxic fees relative to current toxic fees, consistent with the level indicated by the commenter. Some facilities are expected to pay even higher fees, as shown in Table 4 of the Socioeconomic Assessment. The current fee level is relatively low and does not cover all costs associated with current and anticipated work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program. The SCAQMD is committed to reasonable cost recovery and equitable allocation of its fees. Looking across all emissions fees, including criteria pollutants,

staff anticipates these amendments will result in an approximately 22% increase in total emissions fees collected. Staff continually evaluates the level of fees collected from facilities relative to the workload associated with permitting and other activities related to permitted facilities. Fees are increased or decreased as appropriate. For example, most recently in 2017 Regulation III was amended to include an increase in Title V fees that totaled approximately \$4 million in additional revenue to address that program's needs. In contrast, staff also proposes fee reductions when appropriate. The proposed amendments this year also include an approximate \$300,000 reduction in fees for asbestos demolition notifications consistent with expected streamlining of staff work for that program.

Response to Comment 5-3

The South Coast AQMD provided a detailed Socioeconomic Impact Assessment for the proposed amendments to Regulation III. As part of the socioeconomic analysis, staff projects the macroeconomic impacts resulting from the proposed amendments using Regional Economic Model, Inc. (REMI). The REMI model takes the projected incremental costs to various economic sectors as an input and estimates job impacts for each sector relative to a baseline scenario. This baseline scenario attempts to account for all regulatory and other costs that all regional economic sectors currently encounter.

In general, the South Coast AQMD is not in a position to address the impacts of additional fees imposed by other California government agencies. The proposed toxic air contaminants (TACs) fees are necessary to recover the recent increases in South Coast AQMD's efforts on monitoring, inspecting, auditing facilities' TAC emission inventories, rulemaking, and enforcement of rules for toxic air contaminants. The proposed fees were based on actual costs incurred for toxics related work which is expected to continue.

Response to Comment 5-4

The Governing Board's request to conduct the Regulation III Webinar in response to stakeholder feedback was made on April 12, with the Public Hearing scheduled on May 3. Staff scheduled the Webinar at the earliest opportunity (on April 19), in order to allow stakeholders the most time to provide comment. This Webinar was provided to supplement the previous public meetings that served as opportunities for public comment. In addition, staff has made and will continue to make themselves available to discuss any and all inquiries regarding the proposed amendments to Regulation III. In addition, a recording of this April 19th Regulation III Webinar is available online (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>).

From: Bill LaMarr [mailto:billlamarr@msn.com]
Sent: Friday, April 19, 2019 2:34 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: QUESTION

The terms in the pie chart only shows percentages and is too vague (e.g., “manufacturing”). Can staff delineate what industry “families” are included in manufacturing” (e.g., auto body shops, dry cleaners, metal finishing job shops, restaurants, etc.)

6-1

Response to Comment 6-1

Additional material was made available on April 16 to provide more detailed information on the impacts to industry resulting from the proposed TAC fee increase. This table “Toxic Emissions Fee Impact by Industry” is currently available online (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>) and provides percentile, average, and maximum estimates of the fee increase resulting from the proposed amendments for various industry sectors. In addition, this same information can also be found in Table 4 in the Final Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees.

From: Davenport, Neal [mailto:neal.davenport@davenport-co.com]

Sent: Friday, April 19, 2019 2:35 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: Reg III Question

Is the District planning to update its default EF profile for natural gas external combustion to replace the 1151 PAH listing with individual species?

It would seem that many reporters that burn utility natural gas would benefit.

7-1

Neal Davenport

Davenport Engineering, Inc. | Principal Engineer

Los Angeles: (310) 787-4600 x15 | **Houston:** (832) 317-6530 | **Cell:** (310) 625-0025

23705 Crenshaw Blvd., Suite 101, Torrance, California 90505

2600 South Shore Blvd., Suite 300, League City, Texas 77573

neal.davenport@davenport-co.com

Response to Comment 7-1

Please refer to the response to comment 3-2 regarding the improvement of the AER reporting methodologies.

From: Natasha Meskal [mailto:nmeskal@ecotek.com]

Sent: Friday, April 19, 2019 2:37 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Question

Hi,

Did I understand correctly that the current Toxic reporting thresholds will become Toxic fee thresholds?

} 8-1

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

Response to Comment 8-1

Correct. The proposed amendment to Rule 301(e)(7) requires facilities to pay toxics emissions fees if facility-wide emissions exceed thresholds in Table IV, and to pay Flat Rate Device fees if device-level emissions exceed Table IV thresholds per Rule 301(e)(7)(A)(ii).¹⁸

¹⁸ Emissions thresholds in Table IV are derived from CARB guidelines. See Appendix A of CARB's Emission Inventory Criteria and Guidelines Report (<https://www.arb.ca.gov/ab2588/2588guid.htm>)

From: Bob Rost [mailto:brost@cla-val.com]
Sent: Friday, April 19, 2019 2:44 PM
To: REG 3 Questions <reg3questions@aqmd.gov>
Subject: Rule III

Will the socio-economic study be release to the public, and when?

} 9-1

Response to Comment 9-1

The Final Socioeconomic Impact Assessment for Regulation III- Fees is being released with the entire May 3 Board package. The Draft Socioeconomic Impact Assessment for Regulation III- Fees was previously released on April 2, 2019.

From: Suzanne Gornick [mailto:sgornick@worldoilcorp.com]

Sent: Friday, April 19, 2019 2:46 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Question

Ian,

Is the number of devices the total number contributing to an over-threshold TAC or only an individual device that is over the threshold?

} 10-1

Sue

Response to Comment 10-1

In the proposed amendments, the Flat Rate Device fee applies only to those devices that emit any toxic pollutant above the thresholds listed in Table IV. If a device emits toxics below all Table IV thresholds, then the Flat Rate Device fee will not be applied to that device.

From: Natasha Meskal [mailto:nmeskal@ecotek.com]

Sent: Friday, April 19, 2019 2:52 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Question

Hi,

Is Flat Device fee applicable to permitted and non-permitted devices?

} 11-1

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

Response to Comment 11-1

The flat device fee applies to any device (permitted and non-permitted) that has emissions exceeding the thresholds listed in Rule 301 Table IV

From: Torres, Alison [mailto:torresa@emwd.org]

Sent: Monday, April 22, 2019 8:13 AM

To: Shah Dabirian <SDabirian@aqmd.gov>

Subject: Regulation III Estimates -Fee calculator

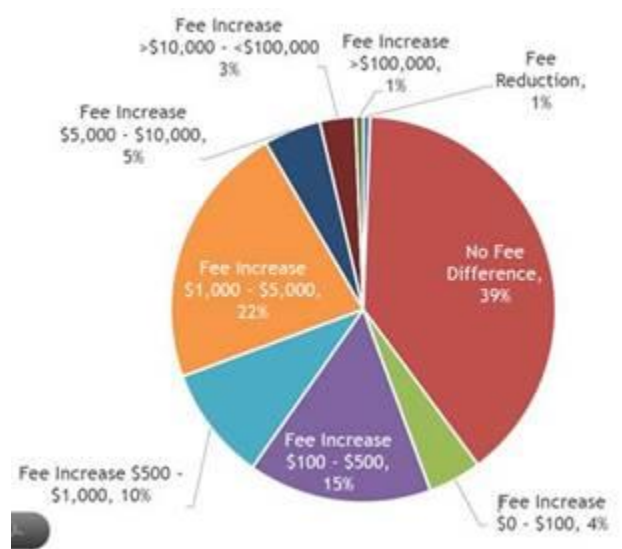
Good morning Shah,

Thank you for the distribution of the Toxic Fee Calculator for the proposed Regulation III changes. It is very helpful in estimating the fee impacts.

Staff has presented the fee increases as less than \$5,000 for a large majority of facilities.

What total number of facilities is used for these estimates?

} 12-1



Thank you in advance for your help.

Alison Torres

Senior Air Quality Compliance Analyst
Environmental & Regulatory Compliance Dept
Eastern Municipal Water District
(951) 928-3777, ext. 6345
torresa@emwd.org

Serving our community today and tomorrow

Response to Comment 12-1

The total number of facilities reflected in this chart is 1,541. The number of facilities with fee impacts greater than \$5,000 increase annually was determined to be 132. The numerical breakdown associated with the different categories in this chart can be found in Table A1 of the Final Socioeconomic Impact Assessment.

From: Suzanne Gornick [mailto:sgornick@worldoilcorp.com]

Sent: Friday, April 19, 2019 3:08 PM

To: Ian MacMillan <imacmillan@aqmd.gov>

Cc: Shah Dabirian <SDabirian@aqmd.gov>

Subject: Question about Toxics fee calculations

Ian,

I'm trying to calculate the new proposed toxics fees with the calculator. Can you confirm which one is correct?

Scenario 2 - Total Individual devices that "individually" are over a TAC threshold - 12

Scenario 1 - Total individual devices that "contribute" to over-threshold quantities - 315

I'm including fugitives as devices. Double counting devices is a given with either approach - not sure how you get around that. Ammonia, fluorocarbons, and 1,1,1 trichloroethane are calculated at set fees independent of device count.

Regards,

Sue Gornick

VP, EHS

World Oil Corp.

562-307-6353

-

<u>TAC Group</u>	<u>TAC / ODC</u>	<u>Annual Emissions (lbs)</u>	<u>Threshold</u>
<u>14</u>	<u>Arsenic and Compounds (inorganic)</u>	<u>0.011</u>	<u>0.01</u>
<u>2</u>	<u>Benzene</u>	<u>27.851</u>	<u>2</u>
<u>3</u>	<u>Beryllium</u>	<u>0.003</u>	<u>0.001</u>
<u>4</u>	<u>Butadiene [1,3]</u>	<u>0.539</u>	<u>0.1</u>
<u>13</u>	<u>Chromium, hexavalent (and compounds)</u>	<u>0.001</u>	<u>0.0001</u>
<u>12</u>	<u>Formaldehyde</u>	<u>14.263</u>	<u>5</u>
<u>19</u>	<u>PAHs [PAH, POM]</u>	<u>1.829</u>	<u>0.2</u>
<u>21</u>	<u>Vinyl chloride</u>	<u>0.992</u>	<u>0.5</u>

-

Scenario 1

-

ALL FACILITIES PAY FLAT RATE FEE of \$78.03		2021 Facility Fee	2022 Facility Fee	2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
		\$78.03	\$78.03	\$173.31	\$54,865.80	\$109,565.78
ENTER NUMBER OF PERMITTED DEVICES, UNPERMITTED DEVICES, OR REPORTABLE TAC ACTIVITY ABOVE ANNUAL THRESHOLDS LISTED IN TABLE IV		2021 Device Fee	2022 Device Fee			
315		\$53,849.25	\$107,695.35			

Scenario 2

ALL FACILITIES PAY FLAT RATE FEE of \$78.03		2021 Facility Fee	2022 Facility Fee	2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
		\$78.03	\$78.03	\$173.31	\$3,067.95	\$5,973.11
ENTER NUMBER OF PERMITTED DEVICES, UNPERMITTED DEVICES, OR REPORTABLE TAC ACTIVITY ABOVE ANNUAL THRESHOLDS LISTED IN TABLE IV		2021 Device Fee	2022 Device Fee			
12		\$2,051.40	\$4,102.68			

Chemical Abstract #	Ammonia and Ozone Depleters	ENTER EMISSIONS (in lbs.) FOR EACH COMPOUND LISTED IN COLUMN 'D'	2020 Emissions Fee	2021 Emissions Fee	2022 Emissions Fee
7664417	Ammonia	2116.12	\$84.64	\$84.64	\$84.64
1104	Chlorofluorocarbons	0	\$0.00	\$0.00	\$0.00
71556	1,1,1-trichloroethane	0.0361	\$0.00	\$0.00	\$0.00
		Total	\$84.64	\$84.64	\$84.64

Response to Comment 13-1

It should be scenario 2. All devices need to report all toxics in Table IV. Also facility-wide emissions over threshold will be used to determine the cancer-potency weighted fees. But devices are only counted if they emit at least one toxic over a Table IV threshold.



April 23, 2019

Mr. Wayne Nastri
Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Proposed Amended Regulation III (Fees)
Significant concerns over proposed air toxics fee changes

Dear Mr. Nastri,

We are writing on behalf of the Los Angeles County Business Federation (BizFed) - a grassroots alliance of more than 180 top business groups representing 390,000 employers with 3.5 million employees throughout Los Angeles County. Our members include large and small employers, minority business owners, and job creators from a wide range of industries. We appreciate the opportunity that the South Coast Air Quality Management District (AQMD or District) has given our members to participate in working groups on various rulemakings.

BizFed is writing to express our concerns regarding the proposed amendments to Regulation III. Specifically, we are very concerned about the proposed modifications to the toxics emissions fees in Rule 301(e).

- 1. Proposed changes to Rule 301(e) would significantly alter the applicable fee structure, reportedly increasing the fees collected by over 800 percent.¹ As of the writing of this letter, these proposed updates to the rule have not been adequately disclosed to all the affected stakeholders.**

The District's proposed changes to Rule 301(e) would significantly alter the fee structure applied to Southern California business with applicable toxics emissions. Some stakeholders will be subject to large increases in fees, driven largely by a complicated new "cancer potency-weighted fee" which would recover costs for District enforcement and related efforts for facilities with higher emissions of toxics. District have estimated a large increase in air toxics fees from a baseline of \$0.4M (2018) to \$4.9M (2022 for the 2021 reporting year) from this provision alone.² The District cites recent and anticipated District workload as part of the justification for the need to recover increasing costs for addressing toxics emissions from stationary sources. However, the claim that costs derived from workload is directly correlated to the toxicity and the complexity of emission sources at a facility (e.g., number of devices) does not appear to be sufficiently supported in the rulemaking documents made public thus far. These proposed changes were not presented to a Working Group at first, and thus stakeholders were not afforded sufficient opportunity to digest the proposed changes and provide comments. Simply put, more time is needed.

14-1

- 2. The notice period provided for the proposed changes to Rule 301(e) has not been sufficient given the potential for significant impacts and limited timeframe for public comment.**

¹ SCAQMD, Presentation for Proposed Amended Regulation III, Public Consultation Meeting, Draft, March 22, 2019. See slide 9.

² Ibid.

The District's notice of this radical change in Rule 301's fee structure and (projected) fees collected has been inadequate for public review and comment necessary for proposed changes of this magnitude. The first time any information regarding proposed toxics fee increases was made public appears to be the slideshow for the March 22, 2019 Public Consultation Meeting.³ However, neither the meeting notice nor the subsequent April 2, 2019 Draft Staff Report⁴ indicate that some facilities would be significantly impacted by the proposed changes. The Draft Staff Report does not explain that for certain industrial sectors, the annual toxics fees could increase as much as \$15,000 to \$427,000).

Another example highlighting this issue is that the March 27, 2019 "Notice of Public Hearing" letter⁵ does not mention the word "toxics". This is a concern, considering the most consequential of the proposed fee changes are associated with toxics emissions fees. Assuming no other notifications were distributed directly, facilities reporting air toxics were given no indication that their fees would be significantly increased by the proposed changes. The Draft Staff Report also describes how the increased toxics fees would represent a significant increase in total emissions fees collected (for both criteria and air toxics) but does not detail the potential range of impacts on individual facilities, including those which do not report air toxics emissions. More detailed information on impacts to specific industry sectors and subsectors, is only found in the April 2, 2019 Socioeconomic Report.⁶ According to that report, more than 1500 facilities are expected to be affected by the proposed increases to toxics fees. It has not been made clear that AQMD conducted any outreach to these facilities beyond the public hearing and public workshop notices that omitted important information.

Finally, AQMD is also proposing to apply these new toxics fees to diesel particulate matter (DPM). This would impact every facility with a diesel generator (including emergency generators), including local government facilities, hospitals, etc. which may assume that they would not be affected by the fee proposal. This important proposed change does not appear to have been detailed or even disclosed in the Public Hearing notice.

14-2

3. The justification for the proposed Rule 301(e) fee increases have not been adequately supported.

The District's justification of the fee increases is presented in a stack chart in the Draft Staff Report that claims to detail AQMD efforts on toxics that can be paid for with toxics emissions fees. However, supporting information is not provided to explain the specific District efforts or their relation to existing toxics emissions at facilities, nor to explain the justification that those efforts are related solely to stationary source emissions. In addition, over half of these efforts are (according to the District presentations) related to the AB617 program. We cannot tell if the District has partitioned those efforts between stationary sources and area or mobile source emissions. Nor can we determine if the District has accounted for the new AB 617 mandates (and related resources) already affecting some of the facilities that would also be affected by these fees. On top of this, the District has also introduced the new concept of "cancer potency-weighted fees" without sufficient justification

14-3

³ SCAQMD, Presentation for Proposed Amended Regulation III, Public Consultation Meeting, Draft, March 22, 2019.

⁴ SCAQMD, Preliminary Draft Staff Report for Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, March 15, 2019.

⁵ SCAQMD, Notice of Public Hearing for Proposed Amended Regulation III, March 27, 2019.

⁶ SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

for the claim that Staff workload is correlated to the toxicity of the emissions. Facilities with greater reported emissions often are paying higher permit fees and other District fees.

There is no known analysis of the program costs for specific air toxics and how these program costs might relate to the toxicity, if at all. Justification of how this fee structure was developed according to the anticipated level of effort on the part of the District would be important and may actually be necessary per California state laws covering tax/fee increases. In short, the proposed changes to the Rule 301(e) toxics emissions fees have not been sufficiently workshopped and are not ready for consideration by the Governing Board.

14-3 cont.

BizFed strongly recommends that the proposed amendments to Rule 301(e) toxics emissions fees should be considered separately from the less significant Regulation III amendments and postponed to a later Governing Board hearing. This bifurcation is necessary to allow time for additional working group consideration for Staff's proposed modifications to the toxics emissions fees in Rule 301(e). These changes are significant and are subject to Prop 26 limitations, and therefore should not be hurriedly rushed to decision. Working groups are needed so that stakeholders are given the opportunity to fully understand and provide comments on these proposed changes.

14-4

Sincerely,



Steve Bullock
BizFed Chair
Cerrell Associates



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO
IMPOWER, Inc.

cc:
Philip Fine
AQMD Board Members

Response to Comment 14-1

For a justification of the correlation between District workload and the proposed new toxic emissions fee structure, please see Response to Comment 14-3.

The commenter states that the rule concept was not discussed first with a Working Group, and notes that the proposed amendments were first discussed publicly at a Public Consultation meeting. Unlike many rules the South Coast AQMD adopts or amends that are focused on specific industries or specific emissions sources, the annual Regulation III update affects every permitted facility. Outreach is therefore focused on providing an opportunity for all permitted facilities to provide feedback. Even so, as shown in the table on the following page, staff conducted extensive outreach above and beyond what was legally required for these proposed amendments including reaching out to all stakeholders through multiple mailings, targeted emails, newspaper notices, two public consultation meetings (with supplemental conference call-in access), a Budget Advisory Committee meeting, a webinar, a Special Governing Board Meeting, in addition to many phone conversations and meetings with individual facilities.

<u>Public Outreach Activity</u>	<u>Type of Outreach*</u>	<u>Date of Activity</u>
<u>Notice of Public Consultation Meetings</u>	-Newspaper notice (3/6 & 3/8) -Letters mailed to all ~22,000 permitted facilities** -Email to 881 facilities and stakeholders -Posted online (3/15)	<u>3/13/19</u>
<u>Preliminary Draft Staff Report and Rule</u>	-Materials posted to website	<u>3/15/19</u>
<u>Public Consultation Meeting #1</u>	-Public meeting -Slides emailed and posted online (3/20)	<u>3/22/19</u>
<u>Notice of Budget Advisory Committee</u>	-Email notice with entire Committee package attached	<u>3/29/19</u>
<u>Draft Staff Report, Rule, Socioeconomic Assessment, and Toxics Fees Calculator</u>	-Posted online -Paper copies made available in SCAQMD Public Information Center	<u>4/2/19</u>
<u>Notice of Public Hearing</u>	-Newspaper notice -Letters mailed to all ~22,000 permitted facilities** -Posted online & -Email to 6,533 facilities** and stakeholders	<u>4/3/19</u>
<u>Budget Advisory Committee</u>	-Public Meeting	<u>4/5/19</u>
<u>Governing Board Meeting - Set Hearing</u>	-Agenda noticed (3/29) -Public Meeting	<u>4/5/19</u>
<u>Notice of Governing Board Special Meeting - Budget Study Session</u>	-Agenda provided to county clerks and newspapers -Board package posted online	<u>4/9/19</u>
<u>Public Consultation Meeting #2</u>	-Public Meeting	<u>4/9/19</u>
<u>Targeted Emails to All Facilities with >\$5,000 Increase in Toxics Fees</u>	-132 Emails to facilities	<u>4/11/19</u>
<u>Governing Board Budget Study Session</u>	-Public Meeting	<u>4/12/19</u>
<u>Supplemental Materials on Toxics Emissions Fees</u>	-Emailed materials to 6,214 facilities** and stakeholders -Posted online (4/16)	<u>4/12/19</u>
<u>Toxics Emissions Fees Webinar</u>	-Email notice of meeting to 6,214 facilities** and stakeholders (4/12) -Public webinar -Recording of webinar posted (4/23)	<u>4/19/19</u>
<u>Notice of Governing Board Meeting - Public Hearing</u>	-Agenda and Board package posted online	<u>4/26/19</u>
<u>Governing Board Public Hearing</u>	-Public Meeting	<u>5/3/19</u>

** Items in **bold** include specific discussion of Proposed Toxics Emissions Fees*

***Including all facilities subject to toxics emission fees*

Response to Comment 14-2

The commenter states that the first time any information regarding the proposed toxics fee increase was made public was the slideshow for the March 22, 2019, Public Consultation Meeting. However, in the Notice of Public Consultation, which was published in newspapers in each county on March 6th and 8th, 2019, emailed to 881 facilities and stakeholders and mailed to approximately 22,000 permitted facilities on March 13, 2019, and posted online on March 15, 2019, the South Coast AQMD lists a summary of Proposed Amendments to Regulation III. This summary included, among other things, notice that amendments to Regulation III would consist of “new or increased fees for cost recovery in Rule 301, including but not limited to *fees for toxic emissions*[.]” The Preliminary Draft Staff Report (“PDSR”), also published on March 15, 2019, included a description of the proposed toxic emissions fee amendment along with suggested rule language and a description of the justification for the proposed amendment. See South Coast AQMD, Preliminary Draft Staff Report, pgs. 24-44. The PDSR clearly delineates the three proposed fee levels, noting the need to cover software and staff needs as well as fees required for inventorying, auditing, monitoring, enforcement, and rulemaking. *Id.* at 41. At its March 22, 2019, Public Consultation Meeting, the South Coast AQMD presented information regarding the potential toxic emissions fee impact, the number of facilities within each impacted sector, and the potential average and maximum differences in fees. See South Coast AQMD, NOPC Slideshow, Slide 11. Note that the Public Consultation Meeting was still held in spite of the fact that California Health and Safety Code Section 40440.7 only requires a public workshop “[w]henever the south coast district intends to propose the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.”

The commenter states that “neither the [Public Consultation] meeting notice nor the subsequent April 2, 2019 Draft Staff report indicate that some facilities would be significantly impacted by the proposed changes.” As relevant here, the South Coast AQMD prepared a socioeconomic assessment consistent with California Health and Safety Code Section 40440.8(a) even though such a report is not statutorily required in these circumstances. Section 40440.8 states that a socioeconomic impact report must provide, among other things, “only the following:” (1) the type of industries affected by the rule or regulation and (2) the range of probable costs, including costs to industry, of the rule or regulation. See *Sherwin-Williams Co. v. South Coast Air Quality Management District* (2001) 86 Cal. App. 4th. 1258, 1276 (“[S]ection 40440.8 defines socioeconomic impact as the type of industries affected by the rule, the impact of the rule on employment and the economy, and the range of probable costs.”). Line 1 of Table 2 of the Draft Socioeconomic Report, published on April 2, 2019, provides estimated fee impacts of the proposed toxics fee amendment, while Table 3 provides detailed information regarding the Fee Impact of Proposed Amended Regulation III by industry. Table A1 (Appendix) of the report breaks down the estimated number of affected facilities *per* industry by proposed amendment. In response to stakeholder feedback, additional analysis was also released on April 16 detailing sub-industry impacts, and percentile breakdowns in a Table titled “Toxics Emissions Fee Impact by Industry” (now incorporated as Table 4 in the Final Socioeconomic Report). It should also be noted that a socioeconomic impact report was not statutorily required for the Proposed Amended Regulation III – Fees. Per Section 40440.8, a socioeconomic impact assessment is to be completed whenever the south coast district intends to propose adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.

Still, as shown in the table in Response to Comment 14-1, South Coast AQMD staff efforts to notify facilities of the rule and its impact included extensive public outreach efforts above and beyond any legal requirements. In particular, staff mailed over 20,000 Notices of Public Consultation Meetings on March 13, 2019 (including to every permitted facility). On March 20, 2019 a targeted email with additional updates including the presentation materials was sent to more than 880 stakeholders who had previously requested information on Regulation III updates. The ensuing Public Consultation Meeting on March 22, 2019 discussed the initial concepts of the proposed Toxic Air Contaminant fee modifications among stakeholders, including showing the range of potential costs to industry. On April 3, 2019, another email was sent to a wider list of 6,500+ facilities and stakeholders with links to updated materials posted on the South Coast AQMD Proposed Rules webpage including Draft Socioeconomic Impact Assessment for Rule 320 – CPI Adjustment, the Draft Socioeconomic Impact Assessment for Regulation III – Fees, the Draft Staff Report for Regulation III and Rule 209, proposed amended rule language for all of Reg. III and Rule 209, and a spreadsheet calculator to estimate potential fee impacts. For the FY2019-20 Draft Budget Work Program, CPI Fee Adjustment, and proposed amendments to Regulation III and Rule 209 the following events were also hosted by the South Coast AQMD:

- April 5th: Budget Advisory Committee meeting
- April 9th: Public Consultation Meeting
- April 12th: Governing Board Budget Workshop

On April 11, 2019, an email was sent to all 132 facilities identified to have a projected \$5,000 or more increase in toxics fee as a result of the proposed amendments. This email provided specific fee estimates for each facility, and encouraged recipients to contact staff for more information. Following this email, staff received and responded to about a dozen emails and phone calls regarding the use of the TAC fee calculator for facility-specific fee estimations. At the request of stakeholders and the Board, staff hosted a webinar on April 19, 2019 to discuss the proposed toxics emissions fees in Regulation III as a follow up to previous public consultation meetings. On April 12, 2019 a subsequent email was sent to more than 6,200 recipients (some of the original 6,500+ recipients email addresses had been dropped due to their servers blocking email notifications) that included an update to the previously posted TAC Fee calculator, a table showing toxic emissions fee impacts by industry, and a table showing stationary source toxics work programs giving more detail to the cost recovery for toxic work in South Coast AQMD programs.

The webinar took place on April 19, 2019, with approximately 65 people participating via the web and three attending in person. The webinar audio recording was also made available online as a reference for stakeholders unable to listen in real-time. Staff reviewed the proposed fees, and walked through several example calculations using a spreadsheet available online. Staff then answered clarifying questions submitted by webinar participants (and included in this appendix). Most comments focused on clarifying questions about the fee or emission estimation methodologies. Only one commenter inquired why the fee was being brought in May instead of a later date.

The commenter further states that the March 27, 2019, Notice of Public Hearing (“NOPH”) letter did not mention the word “toxics” and so facilities reporting air toxics were given no indication that their fees would be significantly increased by the proposed changes. The commenter also states that South Coast AQMD staff’s proposal to apply new toxics fees to Diesel Particulate Matter (“DPM”) was not detailed or disclosed in the NOPH. Per Health and Safety Code

Sections 40440.5 and 40725, the South Coast AQMD was required, among other things, to include a summary description of the effect of the proposal. As is required by state law, the NOPH issued on April 3, 2019, indicated that Proposed Amended Regulation III will add new or increased fees necessary to provide more specific cost recovery for other regulatory actions taken by the agency. See South Coast AQMD, NOPH, pg. 1. The proposed toxic fees provide a means for the South Coast AQMD to recover costs associated with recently increased efforts in monitoring, rulemaking, and enforcement of rules for toxic air contaminants. To that end, the NOPH and the proposed amended rule language both specifically contemplate the District's need to recover its costs in relation to a significant uptick in regulatory action. See *Western Oil and Gas Association v. Air Resources Board* (1984) 37 Cal.3d 502, 527 ("the regulation adopted need not be the same as that proposed as long as it deals with the same subject or issue dealt with by the notice.") The NOPH additionally listed all documents prepared for consideration in conjunction with the proposed amended regulation, including the Staff Report and Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits. The proposed toxics fee amendment was detailed in both the PDSR, published on March 15, 2019, and the DSR, published April 2, 2019. See PDSR at pgs. 24-44; DSR at pgs. 8-28. Note that the PDSR and the DSR also both clearly indicate that DPM is proposed to be added as a pollutant that must be reported and for which fees would be paid. See PDSR at 25; DSR at 8. Both reports clearly state that DPM is proposed to be added as toxic air contaminant because of its high cancer potency, its prevalence throughout the Basin, and the amount of District resources spent on this pollutant. PDSR at pgs. 39-40; DSR at pgs. 24-25. The commenter's statement that the requirement to report DPM will also cause more facilities to report emissions (and subsequently pay fees due to the reporting requirement) is incorrect. The proposed amendments do not require any additional facilities to report emissions. Only those facilities already required to annually report emissions (e.g., those that emit > four tons per year of criteria pollutants) will be required to report DPM if they emit it (see proposed amended Rule 301(e)(1), (e)(2), and (e)(7)).

Response to Comment 14-3

The stacked bar chart in Section III-1 of the Staff Report and the accompanying tables and explanation in Appendix C lists the South Coast AQMD's annual expenditures that relate to emissions of toxic air contaminants. The accompanying tables in Appendix C were previously provided on the South Coast AQMD proposed rules website and emailed to 6,200+ recipients on April 12. In all, the South Coast AQMD annually conducts approximately \$20 million of work in connection with stationary source toxics emissions for which emissions fees can be used as a revenue source. Currently, the South Coast AQMD only collects approximately \$0.5 million in toxic emission fees and the proposed amendments are seeking to increase the total toxic emissions fees collection to \$4.9 million annually. If this shortfall is allowed to continue, it has the potential to create inequities in the overall permitted source program.

As explained in Appendix C of the Final Staff Report, and in all public meetings on the topic, the stacked bar chart was created based on an analysis of South Coast AQMD work program codes that address toxics emissions from permitted facilities. These work program codes, also known as work program codes, are used by staff on their timecards to categorize the work they perform. Rules staff met with Finance staff to identify the costs/work program codes that are at

least partially paid for with emissions fees. These work program codes are set forth in Column 2 of Appendix C of the Final Staff Report. Work program codes that include work on activities unrelated to permitted facilities, like mobile sources, were not included in this analysis. Rules staff then met with responsible Division managers familiar with the work of their subordinates to develop estimates for the subset of activities in that program focused on toxics emissions from permitted facilities. All work program codes are assigned to one or more revenue sources. In creating the stacked bar chart, staff was careful to exclude costs from programs that address toxics emission from permitted facilities that use funding sources besides emissions fees to recover costs (e.g., the AB 2588 Toxics Hot Spots Program). Those costs are not included in this analysis.

Staff has also made a concerted effort to align the new proposed toxic fees to current and anticipated future District workload related to toxic emissions from permitted facilities. As explained in the Preliminary Draft Staff Report, Draft Staff Report, and Final Staff Report, the Base Toxics Fee is intended to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report toxics emissions to the District. The Flat Rate Device Fee is tied to the number of devices with toxics emissions at each facility. The number of devices each facility has is highly correlated with the amount of time staff spends auditing each facility's emissions inventory. Revenues generated from this fee are anticipated to fully recover costs for staff conducting toxics inventory work in support of enforcing South Coast AQMD rules.

Finally, the Cancer-Potency Weighted Fee shall be applied per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301. Facilities with high toxicity-weighted emissions require greater effort because the District informs its permitting and enforcement-related activities in large part by the potential for public health impacts.¹⁹ While high toxicity-weighted emissions do not necessarily directly equate to higher health risk due to factors such as how pollutants disperse from a facility and the distance to nearby receptors, overall more South Coast AQMD resources are spent to monitor, enforce, and conduct associated planning work such as inventorying, auditing, and rulemaking on facilities with higher toxicity-weighted emissions. Given the role of South Coast AQMD as a public health agency, and expecting that the workload will continue to be most correlated with facilities posing the highest potential public health impact, the most reasonable structure for toxics emissions fees should include a component tied to public health impact. Staff believes that the proposed allocation of fees based on cancer-potency weighted emissions is reasonable. In *San Diego Gas & Electric Co. v. San Diego Air Quality Management District* (1988) 203 Cal. App. 3d 1132, 1147-48, the Court stated:

There is no reason to require the district to show precisely how more emissions generate more costs to justify the emissions-based apportionment formula. The purpose for the district's existence is to achieve and maintain air quality standards [citation omitted], thus from an overall perspective it is reasonable to allocate costs based on a premise that the more emissions generated by a pollution source, the greater the regulatory job of the district.

¹⁹ Due to health risk assessment methodologies, cancer-causing pollutants are the most common risk driver and a much higher focus of District efforts compared to non-cancer causing toxic pollutants.

Fees must only bear a fair or reasonable relationship to the fee payers' burden on or benefits from regulatory activity. "A 'regulatory fee, to survive as a fee, does not require a precise cost-fee ratio.'" *California Building Industry Association v. State Water Resources Control Board* (2018) 4 Cal. 5th 1032, 1052.

With respect to AB 617, those communities have been (and will be) chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Toxics emissions from many facilities located outside of AB 617 communities also contribute to the air quality impacts for those living within AB 617 communities. Similar work is conducted outside of AB 617 communities on other facilities, again focused on those with the potential greatest public health impact.

The commenter also states that facilities with greater reported emissions often pay higher permit fees and other South Coast AQMD fees. While this may be true in some instances, these other fee categories pay for other South Coast AQMD programs, such as permitting, AB 2588, etc. The proposed toxics emissions fee is not designed to recover costs to pay for these separately funded programs.

Response to Comment 14-4

In response to stakeholder feedback received throughout the rulemaking process, staff increased its outreach for this rule compared to previous years (see summary table in Response to Comments 14-1), including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and an extra webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.



Bridget McCann

Manager, Technical and Regulatory Affairs

April 23, 2019

Dr. Philip Fine
Deputy Executive Officer, Planning and Rules
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

sent via email: pfine@aqmd.gov

Re: WSPA Comments on Proposed Amended Regulation III, Fees

Dear Dr. Fine:

Western States Petroleum Association (WSPA) appreciates the opportunity to participate in South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Regulation III, Fees, Working Group. 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. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA-member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the RECLAIM Program administered by the SCAQMD and will be impacted by Proposed Amended Regulation III. We offer the following comments:

- 1. Proposed changes to the Toxics Emissions Fees under Rule 301(e) would significantly alter the District's fee structure. Given the complexity and materiality of the proposed changes to the Toxics Emissions Fees, they need to be more fully workshopped with affected facilities before Governing Board consideration.***

District Staff's proposed changes to Rule 301(e) would significantly change the fee structure for toxics emissions. Staff has proposed a "cancer potency-weighted fee" which would apply radically higher costs to emissions with higher cancer potency (per unit mass). The Staff Report suggests this change would recover staff costs for facilities deemed to have higher toxicity emissions; a change which Staff estimate would increase air toxics fees from a 2018 level of \$0.4M to \$4.9M (2022 estimated fees for the 2021 reporting year).¹

The District suggests this change would cover current "and anticipated" Staff costs for facilities with higher toxic emissions. However, the claim that Staff workload correlates to emissions toxicity or to the complexity of emission sources at a facility (e.g., number of devices) appears to be weak. The proposal needs to be more fully workshopped with affected facilities before Governing Board consideration.

15-1

¹ SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

Dr. Philip Fine
 April 23, 2019
 Page 2

2. The notice period for Proposed Amended Rule 301(e) has been insufficient given the significant financial impact. Given the ongoing and continuing disclosures by Staff, the public comment time for this rule should be extended.

While the District's Staff Report clearly acknowledges the significance of the proposed amendments to the Toxic Emissions Fees in Rule 301(e), the District's "Notice of Public Hearing"² letter did not even include the word "toxics" or otherwise identify proposed changes to the Toxic Emissions Fees. This public notice was inadequate given the scope and significance of the proposed amendments. Therefore, facilities which report air toxics were initially given no indication that their fees would be significantly increased by the proposal.

The first public information on the proposed toxics fee increases appears to be the District's presentation for the Public Consultation Meeting which was held on March 22, 2019. While the draft socioeconomic assessment³ noted that certain industrial sectors could experience annual toxics fee increases of as much \$427,000, that information was not included in the public hearing notice or the Preliminary Draft Staff Report.⁴ Nor did they disclose Staff's estimate that "over 1519 facilities" could be impacted by the proposed toxics fee increase.

Staff has now released new information within just the last several days and held a webinar (on the afternoon of Good Friday) to present that information.⁵ While we appreciate the additional information, stakeholders simply have not been given adequate time to understand and comment on this new information or these complex rule amendments. We recommend that additional workshops are needed for the proposed changes to the Toxics Emissions Fees and the comment period should be extended before advancing the proposed amendments.

15-2

3. The basis for the proposed Rule 301(e) fee increase has not been adequately supported or provided in a manner to give affected stakeholders sufficient time for review or comment.

District Staff's justification for the fee increase is presented in a stack chart that purports to present "A Subset of District Effort on Toxics and Toxics Emissions Fees Revenue."⁶ However, information is not provided to support the specific SCAQMD efforts and their linkages to existing or (projected) facility toxic emissions, nor does Staff demonstrate that those District efforts are purely related to stationary sources toxics as opposed to mobile sources, consumer products, etc.

In addition, over half of the efforts presented by Staff appear to be related to the District's new Assembly Bill 617 (AB617) program. The District has previously reported that regional air toxics

15-3

² SCAQMD, Notice of Public Hearing for Proposed Amended Regulation III, Fees, March 27, 2019.

³ SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

⁴ SCAQMD, Draft Staff Report Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, March 15, 2019.

⁵ SCAQMD Webinar To Discuss Proposed New Toxics Emissions Fees in Proposed Amended Regulation III, Friday, April 19, 2019 at 2:00 PM.

⁶ SCAQMD, Draft Staff Report Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, April 2019, see page 23.

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Page 3

risk is mostly attributable to mobile source emissions.⁷ However, it is unclear if or how the District has accounted the projected AB617 efforts for stationary sources versus area or mobile sources in the proposed increase in toxics fees. It is also unclear from the Staff Report how the District is accounting for other AB617 funding sources or AB617 mandates already affecting certain facilities. These questions should be fully answered before the proposed rule amendments move forward to the Governing Board.

15-3 cont.

4. Any changes which exceed the change in the Consumer Price Index (CPI) should be phased in over at least four years.

The District notes that California law places limits on the District's ability to increase fees, including requirements to phase-in increases exceeding the change in the Consumer Price Index (CPI) over a period of at least two years.⁸ The changes proposed by Staff clearly exceed that CPI threshold. Staff's own estimate of the current proposal suggests certain manufacturing facilities could see fee increases exceeding \$400,000 per year, and certain small businesses could experience emissions fee increases exceeding \$200,000 per year.⁹ These proposed changes to the Toxic Emissions Fees are significant and, if adopted, would really need to be phased-in over a multi-year period. WSPA suggests a period of at least four years would be more appropriate for changes of this magnitude.

15-4

5. We support the proposed surcharge/penalty exemption for emissions developed from source tests submitted for approval.

The District has proposed a revision to Rule 301 that would provide relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the SCAQMD Source Test Unit prior to or at the time the Annual Emissions Report (AER) was due, but had to base AER emissions on these source tests before they were approved. WSPA supports this change to the regulation. Facilities have no control or influence over District review/approval timetables which can often be quite lengthy. This proposed change would allow reported emissions to reflect more current and/or source-specific information. Furthermore, we would recommend that the District needs to assign staff resources to improve review timetables for source tests.

15-5

⁷ SCAQMD, Final Report, Multiple Air Toxics Exposure Study in the South Coast Air Basin (MATES IV), May 2015.

⁸ California Health & Safety Code section 40510.5(b).

⁹ SCAQMD, "Detailed breakdown of projected impacts by industry sector" for Proposed Amended Regulation III, Fees. Available at <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>.

Response to Comment 15-1

For a justification of the correlation between District workload and toxicity of emissions, please see Response to Comment 14-3.

Response to Comment 15-2

For a discussion of the noticing conducted for this rulemaking see Response to Comments 14-1 and 14-2.

The commenter also states that although the draft socioeconomic assessment noted that certain industries could experience annual toxics fee increases of as much as \$427,000, this “information was not included in the public hearing notice or the PDSR. WSPA further argues that the NOPH and PDSR did not disclose South Coast AQMD’s estimate that over 1519 facilities could potentially be impacted by the proposed toxics fee increase. However, there is no requirement that either the staff report or NOPH contain such detailed, industry-specific information. As relevant here, California Health and Safety Code Section 40440.8(a) requires that a socioeconomic impact report, which is considered an element of the staff report, provide, among other things, “only the following:” (1) the type of industries affected by the rule or regulation and (2) the range of probable costs, including costs to industry, of the rule or regulation. See *Sherwin-Williams Co. v. South Coast Air Quality Management District* (2001) 86 Cal. App. 4th. 1258, 1276 (“[S]ection 40440.8 defines socioeconomic impact as the type of industries affected by the rule, the impact of the rule on employment and the economy, and the range of probable costs.”). Line 1 of Table 2 of the Socioeconomic Report, published on April 2, 2019, provides estimated fee impacts of the proposed toxics fee amendment, while Table 3 provides detailed information regarding the Fee Impact of Proposed Amended Regulation III by industry. Table A1 (Appendix) of the report breaks down the estimated number of affected facilities *per* industry by proposed amendment. In response to stakeholder feedback, additional analysis was also released on April 16 detailing sub-industry impacts, and percentile breakdowns in a Table titled “Toxics Emissions Fee Impact by Industry” (now incorporated as Table 4 in the Final Socioeconomic Report). It should also be noted that a socioeconomic impact report was not statutorily required for the Proposed Amended Regulation III – Fees. Per Section 40440.8, a socioeconomic impact assessment is to be completed whenever the south coast district intends to propose adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.

Response to Comment 15-3

For a detailed explanation of District work programs associated with stationary source toxic emissions, please see Response to Comment 14-3.

Response to Comment 15-4

Staff’s current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

Response to Comment 15-5

Staff looks forward to continuing to work with stakeholders to ensure more accurate emissions reporting through additional source testing and/or improved default emission factors. The proposed increase in toxics emissions fees can be used to provide more staff resources to improve the source test review process.

LATHAM & WATKINS LLP

April 23, 2019

VIA EMAIL

Dr. Philip Fine
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Proposed Amendments to SCAQMD Regulation III - Fees

Dear Dr. Fine:

We are submitting these comments on the proposed amendments to South Coast Air Quality Management District (“SCAQMD”) Regulation III – Fees (“Proposed Amendments”) on behalf of our client the Regulatory Flexibility Group (“RFG”). The RFG is an industry coalition comprised of companies in the refining, utility and aerospace sectors that operate facilities within the jurisdiction of the SCAQMD. RFG member facilities are required to pay various fees pursuant to SCAQMD Regulation III, and will be materially affected by the Proposed Amendments.

The RFG is deeply concerned regarding the proposed fee increases for Toxic Air Contaminants (“TAC”) listed in Rule 301 Table IV. As detailed in the Draft Staff Report dated April 2019 (“Draft Staff Report”), SCAQMD staff is proposing to dramatically increase TAC emission fees from a current aggregate level of approximately \$0.5 million to approximately \$5.0 million. According to the Draft Staff Report, some facilities, including those owned by RFG members, would see substantial increases in annual TAC emission fees. These dramatically higher fees would be implemented over a short period of time.

As a legal matter, we believe that the Draft Staff Report overstates the scope of the SCAQMD’s authority to impose the proposed fee increases to offset the costs identified in the Draft Staff Report. As a practical matter, the short period of time before the increased fees would become effective does not provide sufficient time for facilities to conduct, and obtain SCAQMD concurrence with, source tests that might indicate that actual TAC emissions are lower than suggested by current emission factors. Before being faced with dramatically higher fees on the basis of questionable legal authority, facilities should be provided with sufficient time to establish the actual level of TAC emissions with a higher degree of precision.

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1. The Draft Staff Report Overstates SCAQMD's Authority

As stated in the Draft Staff Report, SCAQMD's authority to impose fees on stationary sources stems from California Health & Safety Code ("H&S Code") sections 40510(b) and 40506(b). H&S Code section 40510(b) provides as follows:

The south coast district board may adopt a fee schedule for the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.

Citing H&S Code section 40506, the Draft Staff Report asserts that "[v]irtually every cost related to regulating permitted sources may be recovered under this type of fee." Draft Staff Report, p. 3. However, H&S Code section 40506 actually identifies a much more limited scope of costs that can be recovered:

(a) In accordance with the purposes of this chapter as set forth in Section 40402, the south coast district board shall adopt rules and regulations for the issuance by the south coast district board of permits authorizing the construction, alteration, replacement, operation, or use of any article, machine, equipment, or other contrivance for which a permit may be required by the south coast district board.

(b) The rules and regulations shall include a schedule of fees for *the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits*. All applicants, including, notwithstanding Section 6103 of the Government Code, an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations. (emphasis added)

H&S Code Section 40506(b) authorizes imposition of fees for "the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits," which is far from "[v]irtually every cost related to regulating permitted sources," as asserted in the Draft Staff Report.

The decision in *San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 203 Cal. App. 3d 1132 ("SDG&E v. SDAPCD") is informative as to the scope of costs that may be recovered by SCAQMD through fees imposed pursuant to H&S Code sections 40510 and 40506. The Draft Staff Report cites this case in support of the proposition that indirect costs associated with regulating permitted sources, including planning, monitoring, rule development and outreach programs, may be recovered through emissions-based operating fees. Draft Staff Report, pp. 2-3. While that is the holding in the case, it applies to air districts that derive their fee authority from H&S Code section 42311, and not to the SCAQMD which derives its

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authority from H&S Code sections 40510 and 40506. Subsection (d) of H&S Code section 42311 specifically excludes SCAQMD from its coverage.

H&S Code section 42311 is different than H&S Code sections 40510 and 40506 in certain critical respects. H&S Code section 42311(a) provides in pertinent part as follows:

A district board may adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover ***the cost of district programs related to permitted stationary sources*** authorized or required under this division that are not otherwise funded . . . Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, ***the estimated reasonable costs of district programs related to permitted stationary sources.*** (emphasis added)

Thus, while it is true that air districts that derive their fee authority from H&S Code section 42311 may recover “virtually every cost related to regulating permitted sources,” as indicated in the Draft Staff Report, that authority does not extend to SCAQMD, which is limited to recovering only costs associated with “the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.”¹

The *SDG&E v. SDAPCD* decision analyzes the evolution of H&S Code section 42311 from its original form, through several amendments, to its current form provided above. In doing so, it makes clear that the scope of costs that can be recovered under the authority granted in H&S Code sections 40510 and 40506 is much more limited than that which can be recovered under authority granted in current H&S Code section 42311.

At one point, H&S Code section 42311 closely tracked the language that currently exists in H&S Code sections 40510 and 40506. As explained by the court:

After its 1975 enactment, section 42311's fee language was amended several times. In 1979, the section was rewritten to state: 'A district board may adopt, by regulation, a schedule of fees for each fiscal year, commencing with the 1979-80 fiscal year, to be paid for the issuance and renewal of permits. Such schedule of fees shall not exceed the estimated cost for such fiscal year of (1) evaluation and issuance of permits, (2) inspection, including source testing and surveillance, of sources for which a permit or permits have been issued, to the extent such inspection is for the purpose of determining whether such sources are in compliance with all applicable permit conditions and all applicable orders, rules, or

16-1 cont.

¹ H&S Code section 40510 also grants SCAQMD authority to recover the costs associated with variances, but that authority is not relevant to the proposed TAC fees.

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regulations ... , and (3) implementation and enforcement of permit terms and conditions.²

...

As amended in 1979, section 42311 specified the activities for which fees could be charged (i.e., costs of evaluating and issuing permits, of inspecting for compliance with permit conditions and regulations, and of implementing and enforcing permit terms and conditions).³

The court then goes on to explain amendments effective in 1982 that introduced the concept of recovering costs associated with district programs related to permitted sources, in contrast with costs associated only with the issuance and administration of the permitting programs itself:

Effective October 1, 1982, section 42311 was amended to state: 'A district board may adopt, by regulation, a schedule of annual fees to be paid for the evaluation, issuance, and renewal of permits to cover the cost of district programs related to permitted stationary sources authorized or required under the provisions of Division 26 (commencing with Section 39000) that are not otherwise funded. ...'⁴

...

The 1982 amendment expanded the language of section 42311, broadly stating fees could be charged for evaluating, issuing and renewing permits to "cover the cost" of the district's programs.⁵

Finally, the court explains that amendments effective in 1985 further clarified the expanded scope of costs that could be recovered:

In 1985, the Legislature added the last sentence to subdivision (a) of section 42311, stating, 'Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, the estimated reasonable costs of district programs related to permitted stationary sources.' fn. 12 The 1985 amendments also added two new subdivisions, (b) and (h). . . Subdivision (h) allows the district to charge fees for permit holders emitting toxic air

16-1 cont.

² 203 Cal. App. 3d 1132 at 1138 (citations omitted).

³ *Id.* at 1142.

⁴ *Id.* at 1139 (citations omitted).

⁵ *Id.* at 1142

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contaminants based on the direct and indirect costs of district activities relating to each toxic air contaminant.⁶

With respect to the implications of the amendments described above, the court explains as follows:

SDG&E and the district do not dispute that under the 1979 statute the district could only charge fees to cover the costs directly pertaining to the permits, whereas under the 1982 statute, the district can now charge fees to cover all costs of its program, including indirect costs not related to a specific permit activity. . . The 1985 amendment, by adding the last sentence to subdivision (a), clarified that all reasonable costs could be recovered through fees.⁷

To summarize, the current language of H&S Code sections 40510 and 40506 is almost identical to the 1979 version of H&S Code section 42311, which limited fees to “costs of evaluating and issuing permits, of inspecting for compliance with permit conditions and regulations, and of implementing and enforcing permit terms and conditions.”⁸ The relevant language in each section is identified below.

H&S Code section 40510:

The south coast district board may adopt a fee schedule for *the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto*. (emphasis added)

H&S Code section 40506:

(b) The rules and regulations shall include a schedule of fees for *the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits*. All applicants, including, notwithstanding Section 6103 of the Government Code, an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations. (emphasis added)

1979 version of H&S Code section 42311:

⁶ *Id.* at 1141 (citations omitted).

⁷ *Id.* at 1142.

⁸ *Id.* at 1142.

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A district board may adopt, by regulation, a schedule of fees for each fiscal year, commencing with the 1979-80 fiscal year, to be paid for *the issuance and renewal of permits. Such schedule of fees shall not exceed the estimated cost for such fiscal year of (1) evaluation and issuance of permits, (2) inspection, including source testing and surveillance, of sources for which a permit or permits have been issued, to the extent such inspection is for the purpose of determining whether such sources are in compliance with all applicable permit conditions and all applicable orders, rules, or regulations ... , and (3) implementation and enforcement of permit terms and conditions.* (emphasis added)

Contrast the language above with that of current H&S Code section 42311, which according to the court, allowed the district to “now charge fees to cover all costs of its program, including indirect costs not related to a specific permit activity” and “clarified that all reasonable costs could be recovered through fees.”⁹

A district board may adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover *the cost of district programs related to permitted stationary sources* authorized or required under this division that are not otherwise funded . . . Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, *the estimated reasonable costs of district programs related to permitted stationary sources.* (emphasis added)

The Draft Staff Report asserts that the SCAQMD has the broad authority conferred by the current version of H&S Code section 42311 to recover “[v]irtually every cost related to regulating permitted sources may be recovered under this type of fee.” Draft Staff Report, p. 3. However, H&S Code sections 40510 and 40506 have never been amended to include the broad grant of authority contained in H&S Code section 42311, and instead confer only the more limited authority granted by earlier versions of H&S Code section 42311.

2. SCAQMD Should Commit To A Longer Implementation Period And Expedited Review Of Emission Factors

Particularly in light of the lack of legal authority to impose the proposed fee increases, the SCAQMD should modify its proposal to provide for a longer implementation period for the phase-in of the higher fees, during which time staff should engage in a process to review source test and other data to update emission factors to more accurately reflect actual emissions from affected sources. Specifically, the implementation of the proposed fee increases should be pushed out one additional year beyond the implementation schedule proposed by staff in the Draft Staff Report. During the period of time between adoption of the Proposed Amendments

⁹ *Id.* at 1142.

16-1 cont.

16-2

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and commencement of their implementation, staff should establish a working group and a process for updating relevant emission factors to ensure that facilities are not forced to overpay fees based on inflated estimates of emissions.

Thank you for your attention to these comments. If you would like to discuss our concerns, please contact me at (714) 755-8105 or by email at michael.carroll@lw.com.

Sincerely,


Michael J. Carroll
of LATHAM & WATKINS LLP

cc: Wayne Nastri, SCAQMD
Barbara Baird, SCAQMD
SCAQMD Governing Board
SCAQMD Clerk of the Board
RFG Members
Robert Wyman, Latham & Watkins LLP
John Heintz, Latham & Watkins LLP

16-2 cont.

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Response to Comment 16-1

The Refinery Flexibility Group (“RFG”) claims that the Draft Staff Report “overstates the scope of the SCAQMD’s authority to impose the proposed fee increases to offset the costs identified in the Draft Staff Report.” More specifically, RPG claims that based on its reading of *San Diego Gas & Electric Co. v. San Diego Air Pollution Control District* (1988) 203 Cal. App. 3d 1132 (“*SDG&E v. SDAPCD*”), the SCAQMD’s statutory fee authority is more limited than the fee authority granted to the San Diego APCD under California Health & Safety Code § 42311. RPG is mistaken.

In *SDG&E v. SDAPCD*, SDG&E challenged SDAPCD’s adoption of emissions-based fees which were implemented to recover the indirect costs associated with its permitted source program. The Court analyzed the legislative history of § 42311 (the fee authority statute for air pollution control districts other than the South Coast AQMD) and concluded that even though SDAPCD may have initially lacked authority to charge emission-based fees and fees designed to recover indirect costs, amendments made by the Legislature in 1982 and 1985 subsequently provided that authority. RFG claims that since no similar amendments have been made to § 40510, SCAQMD’s authority is limited to charging fees only for those “costs associated with ‘the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.’”

RFG’s conclusion is erroneous because it overlooks the dissimilarity of the language in §40510 and §42311, as well as other important language in that decision. In particular, in *SDG&E v. SDAPCD*, the Court discussed language in a Legislative Analyst’s report *preceding* the 1982 amendments. That report stated that “the administration intended to seek legislation authorizing local districts to charge emission fees to cover operating costs noting that under current law *only the south coast district had such authority.*” (203 Cal. App. 3d at 1138, emphasis added.) Thus, the amendments made to §42311 after 1982 were not designed to give SDAPCD more authority than SCAQMD had under §40510; rather, the amendments were designed to provide SDAPCD with the same authority as SCAQMD. Additional amendments to §40510 were not needed.

In short, *SDG&E v. SDAPCD* is consistent with the District’s broad interpretation of its fee authority under §40510. SCAQMD has authority to charge fees, including emission-based fees, for the purpose of recovering its reasonable direct and indirect costs of regulating permitted sources. California Health & Safety Code § 40510 provides broad authority for the District to adopt fees. Subdivision (b) provides for adoption of fees for “variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Subdivision (c) – which is noticeably absent from RFG’s comment letter – states that “fees may be varied in accordance with the quantity of emissions and the effect of those emissions on the ambient air quality within the south coast district. Subdivision (d) – which is also noticeably absent from RFG’s comment letter – states that “this section shall not prevent the district from establishing or amending an individual permit renewal or operating permit fee applicable to a class of sources to recover the reasonable district costs of permitting, planning, enforcement, and monitoring which that class will cause to district programs.”

Together these sections clearly authorize the proposed toxic air contaminant fees. These emissions-based fees are related to permitting, planning, enforcement and monitoring and are consistent with subdivision (b). (See Preliminary Draft Staff Report (p. 2), the Draft Staff Report (p. 2), and the various presentations made to the regulated community.) In addition, these fees are, in part, varied in accordance with the quantity of emissions and the effect of those emissions on the ambient air, consistent with 40510(c). The cancer-potency weighted fee is based on pounds of emissions reported and state-mandated cancer potency factors because increased toxic emissions create greater potential health risks and necessitate higher levels of effort from the District for investigating and enforcing rules on those emitters. (See Preliminary Draft Staff Report (p. 29), the Draft Staff Report (p. 29), and the various presentations made to the regulated community.)

The SCAQMD’s interpretation of its authority to adopt these TAC fees is also supported by state legislation imposing mandates on it. For example, when AB 617 was adopted, the Legislature found that no reimbursement was required because the SCAQMD “has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. . .”

To the extent commenter is challenging the SCAQMD’s legal authority based upon an alleged failure to justify the fee, please see Response to Comment 14-3.

Response to Comment 16-2

Staff’s current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes two requirements for staff. First, staff must report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources. Second, staff must initiate a review of emission factors and update them as appropriate, in consultation with a working group, and report back on the status of this effort to the Board within twelve months.

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 2019

Executive Officer

Wayne Nastri

Deputy Executive Officer

Planning, Rule Development & Area Sources

Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development & Area Sources

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VACANT
Governor's Appointee

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 of every year, 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 3.5-percent increase in fee rates (equivalent to the change in the California CPI from December 2017 to December 2018) will occur on July 1, 2019 unless the Governing Board decides to forego the 3.5-percent increase.
Affected Facilities	Nearly all facilities regulated by the SCAQMD would be affected by the proposed fee increases. These facilities cover every sector of the economy.
Approach and Findings	<p>The analysis herein 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 (78 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 by industry sectors is projected to bring additional revenue totaling \$2.85 million to SCAQMD. The manufacturing sector as a whole would incur the largest increase in fees (approximately \$1.20 million for about 3,600 facilities), followed by the services sector (approximately \$0.53 million for about 10,600 facilities) and the retail trade sector (approximately \$0.41 million for about 4,000 facilities). Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, would experience an increase of approximately \$0.49 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 3.5-percent increase in fee rates will occur on July 1, 2019 applying to fiscal year (FY) 2019-2020 unless the Governing Board decides to forego the 3.5-percent increase.² The 3.5-percent increase is equivalent to the change in the California Consumer Price Index (CPI) from December 2017 to December 2018. The annual increase in fee rates for the past five FYs and the upcoming FY are as follows: 1.6% in 2014-2015, 1.4% in 2015-2016, 2.4% in 2016-17, 2.5% in 2017-2018, 3.4% in 2018-2019, and 3.5% in 2019-2020.

In order to examine the impact of a fee rate increase on various industries, 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 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 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 2018-2019, and projected revenue for FY 2019-2020 by major fee category. Estimated revenue for FY 2018-2019 is based on actual revenue received through February 2019. FY 2019-2020 projected revenue is based on forecasts estimated by various SCAQMD operational units. Emission fees, permit processing fees, and annual permit renewal fees

² A fiscal year runs from July 1 to June 30. For example, FY 2018-2019 refers to the period of July 1, 2018 to June 30, 2019. In comparison, calendar year (CY) 2018 refers to the period of January 1 to December 31, 2018.

³ Employers 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.

together represent approximately 57 percent of SCAQMD's estimated total FY 2018-2019 revenues.

Compared to the estimated revenue in FY 2018-2019, a net total revenue increase of \$5.5 million is projected for FY 2019-2020, which reflects the impact of the across-the-board CPI-based fee rate increase, a 2017 Board-approved Title V fee increase, additional state funding, and the forecasted changes in activity levels. This estimated revenue increase is inclusive of the CPI-based fee rate increase, the impact of which is also estimated separately in Table 7.

Table 1: Actual and Estimated SCAQMD Revenue

Revenue Category	FY 2016-2017 Actual* (Thousands)	FY 2017-2018 Actual* (Thousands)	FY 2018-2019 Estimated** (Thousands)	FY 2019-2020 Projected (Thousands)	Changes in Revenue (from FY 2018-2019 Estimated)	
					Thousands	%
Emission Fees	\$18,964	\$22,787	\$19,990	\$20,676	\$686	3.4%
Annual Renewal Fees (w/o PERP)	\$47,561	\$51,007	\$56,105	\$59,351	\$3,246	5.8%
Permit Processing Fees	\$20,729	\$19,538	\$18,829	\$20,644	\$1,815	9.6%
Mobile Sources/Clean Fuels	\$23,793	\$22,016	\$26,007	\$28,218	\$2,212	8.5%
Sources Test & Lab Analysis	\$734	\$663	\$699	\$756	\$57	8.1%
Hearing Board Fees	\$188	\$352	\$140	\$217	\$77	55.3%
Transportation Program (Rule 2202) Fees	\$840	\$846	\$1,020	\$964	-\$56	-5.5%
Other Revenue***	\$36,083	\$44,713	\$42,665	\$40,159	-\$2,506	-5.9%
Total	\$148,893	\$161,921	\$165,454	\$170,985	\$5,531	3.3%

(Note: Numbers may not sum up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2016-17 & 2017-18).

** Estimates are based on actual revenue received through February 2019.

*** 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 17-18 or CY 2018 as described below. This analysis 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 18-19, emission fees account for approximately 12 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 by the California State Auditor in 1998, the Revenue Committee established by the

⁴ Excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

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 (\$2.64 million) and emissions-based fees (\$15.02 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 contaminants for facilities required to report their actual emissions each year.⁶

The services sector (NAICS 54-81) consisting of around 6,900 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 industries. 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 2018. The petroleum and coal industry (NAICS 324) alone contributed \$9.50 million to emissions-based fees, accounting for 81 percent of the manufacturing sector and 63 percent of total emissions-based fees.

⁵ Emission-based fees were derived from 2018 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2018 based on the existing Rule 301 fee rates.

⁶ Toxic air contaminants are listed in Table IV of Rule 301.

Table 2: Estimated Emission Fee Revenue by Industry in 2018 (MM\$)

Industry	NAICS	Flat Fee ¹			Emission-based Fees			Total	
		MM\$	%	# of Fac. ²	MM\$	%	# of Fac. ²	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%	244	\$0.43	2.89%	72	\$0.46	2.63%
Oil and Gas Extraction	211	\$0.02	0.73%	154	\$0.21	1.40%	47	\$0.23	1.30%
Mining (except oil and gas)	212-213	\$0.01	0.43%	90	\$0.22	1.49%	25	\$0.24	1.33%
Construction	23	\$0.09	3.55%	750	\$0.04	0.27%	9	\$0.13	0.76%
Manufacturing	31-33	\$0.40	15.26%	3,222	\$11.65	77.58%	414	\$12.05	68.25%
Food Manufacturing	311	\$0.02	0.88%	185	\$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	0.41%	87	\$9.49	63.23%	39	\$9.50	53.83%
Chemical Manufacturing	325	\$0.04	1.46%	309	\$0.25	1.69%	45	\$0.29	1.66%
Nonmetallic Mineral Product Mfg.	327	\$0.03	1.04%	219	\$0.47	3.11%	24	\$0.49	2.80%
Primary & Fabricated Metal Mfg.	331-332	\$0.10	3.61%	763	\$0.40	2.67%	95	\$0.50	2.81%
Machinery Manufacturing	333	\$0.02	0.78%	165	\$0.03	0.18%	5	\$0.05	0.27%
Computer and Electronic Product Mfg.	334	\$0.03	1.12%	237	\$0.03	0.21%	18	\$0.06	0.34%
Electrical Equipment & Appliance Mfg.	335	\$0.01	0.52%	109	\$0.01	0.09%	10	\$0.03	0.15%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.03	0.99%	210	\$0.09	0.61%	28	\$0.12	0.66%
Other Manufacturing	312-339	\$0.11	4.13%	871	\$0.78	5.16%	108	\$0.88	5.01%
Utilities	22	\$0.13	4.79%	1,009	\$0.97	6.43%	79	\$1.09	6.18%
Transportation & Warehousing	48-49	\$0.07	2.56%	538	\$0.36	2.41%	30	\$0.43	2.43%
Information	51	\$0.08	3.20%	677	\$0.02	0.11%	6	\$0.10	0.57%
Publishing Industries, Except Internet	511	\$0.00	0.10%	22	\$0.00	0.01%	1	\$0.00	0.03%
Motion Picture & Sound Recording	512	\$0.01	0.29%	63	\$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	2.55%	540	\$0.00	0.00%	0	\$0.07	0.38%
Wholesale Trade	42	\$0.13	4.85%	1,024	\$0.25	1.63%	48	\$0.37	2.12%
Retail Trade	44-45	\$0.45	16.95%	3,570	\$0.21	1.42%	70	\$0.66	3.75%
Car & Parts Dealers	441	\$0.03	1.26%	266	\$0.00	0.02%	4	\$0.04	0.20%
Gas Stations	447	\$0.21	8.08%	1,699	\$0.07	0.48%	15	\$0.29	1.62%
Other Retail Trade	Other in 44-45	\$0.20	7.61%	1,605	\$0.14	0.92%	51	\$0.34	1.92%
Finance and Insurance	52	\$0.04	1.38%	291	\$0.00	0.01%	2	\$0.04	0.21%
Real Estate and Rental Leasing	53	\$0.13	4.75%	1,006	\$0.00	0.02%	3	\$0.13	0.73%
Services	54-81	\$0.87	32.82%	6,931	\$0.80	5.34%	138	\$1.67	9.45%
Professional and Technical Services	54	\$0.07	2.55%	538	\$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	0.63%	134	\$0.00	0.01%	3	\$0.02	0.10%
Automotive Repairs & Maintenance	8111	\$0.24	9.11%	1,923	\$0.01	0.08%	4	\$0.25	1.43%
Dry Cleaning & Laundry Services	8123	\$0.13	4.91%	1,035	\$0.00	0.00%	3	\$0.13	0.74%
Health Care & Social Assistance	62	\$0.09	3.57%	753	\$0.11	0.72%	46	\$0.20	1.14%
Other Services	Other in 54-81	\$0.29	11.05%	2,337	\$0.68	4.50%	70	\$0.97	5.48%
Public Administration	92	\$0.18	6.91%	1,456	\$0.13	0.89%	18	\$0.32	1.79%
Unclassified³	N/A	\$0.04	1.44%	304	\$0.02	0.11%	3	\$0.05	0.31%
Totals		\$2.64	100%	21,103	\$15.02	100%	927	\$17.66	100%

¹ Flat emission fees based on FY 2017-2018.² Almost all facilities paying emission-based fees also pay the flat fee.³ 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 application fees being 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 \$12.80 million from about 4,600 facilities that applied for permits to construct or operate was invoiced during FY 2017-2018. Facilities can apply for multiple permits. As with emission fees, the majority of the permit processing fee revenue came from the manufacturing sector, which contributed \$5.23 million (41 percent of permit processing fee revenue). The services sector paid the second most of permit processing fees with \$2.91 million (23 percent of permit processing fee revenue).

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 26,800 facilities held operating permits as of February 22, 2019. The revenue from these facilities at the current fee rate is estimated to be \$50.36 million (Table 3). The manufacturing sector, with about 3,600 facilities, was the largest contributor, paying \$18.26 million or 36 percent of the total annual renewal fee revenue. The service sector with more than 10,500 facilities paid about \$9.77 million and the retail trade sector with about 4,000 facilities paid about \$9.25 million.

Area Source Fees (Architectural Coatings)

Rule 314 – Fees for Architectural Coatings, was adopted June 6, 2008 requiring manufacturers to pay fees and report sales and emissions of architectural coatings to the SCAQMD. Rule 314 affects about 200 architectural coatings manufacturers classified under the chemical manufacturing sector (NAICS 325). Beginning 2009 and each subsequent calendar year, Rule 314 requires architectural coatings manufacturers to report to SCAQMD 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 and its respectively recorded cumulative VOC emissions. All fees collected from architectural coating sales in FY 2017-2018 pursuant to Rule 314 were about \$2.2 million. This amount represents around 1.4 percent of the SCAQMD's total revenue for that FY, and about 0.01 percent of the chemical manufacturing industry's economic output.⁷

⁷ Please refer to the "Major Revenue Sources by Industry" section for more details.

Table 3: Estimated Permit Processing & Annual 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	0.38%	32	\$0.15	0.30%	115
Mining	21	\$0.16	1.26%	60	\$1.32	2.62%	326
Oil and Gas Extraction	211	\$0.11	0.85%	48	\$0.92	1.82%	210
Mining (except oil and gas)	212-213	\$0.05	0.42%	12	\$0.40	0.80%	116
Construction	23	\$0.36	2.79%	165	\$1.42	2.82%	1,071
Manufacturing	31-33	\$5.23	40.85%	656	\$18.26	36.26%	3,641
Food Manufacturing	311	\$0.32	2.51%	51	\$1.36	2.70%	227
Wood Products Manufacturing	321	\$0.05	0.36%	8	\$0.08	0.15%	79
Petroleum and Coal Products Mfg.	324	\$1.27	9.94%	32	\$4.86	9.64%	95
Chemical Manufacturing	325	\$0.44	3.47%	71	\$1.93	3.84%	337
Nonmetallic Mineral Product Mfg.	327	\$0.21	1.66%	38	\$1.25	2.49%	233
Primary & Fabricated Metal Mfg.	331-332	\$1.11	8.69%	161	\$3.70	7.35%	850
Machinery Manufacturing	333	\$0.17	1.31%	35	\$0.42	0.83%	195
Computer and Electronic Product Mfg.	334	\$0.30	2.33%	62	\$0.77	1.52%	265
Electrical Equipment & Appliance Mfg.	335	\$0.19	1.49%	20	\$0.45	0.90%	125
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.30	2.34%	45	\$0.93	1.85%	233
Other Manufacturing	312-339	\$0.86	6.75%	133	\$2.52	5.00%	1,002
Utilities	22	\$0.65	5.07%	132	\$2.32	4.60%	1,038
Transportation & Warehousing	48-49	\$0.27	2.11%	103	\$1.43	2.84%	640
Information	51	\$0.18	1.44%	206	\$0.51	1.00%	736
Publishing Industries, Except Internet	511	\$0.04	0.34%	9	\$0.03	0.07%	31
Motion Picture & Sound Recording	512	\$0.05	0.37%	24	\$0.14	0.27%	80
Internet Services and data processing	518,519	\$0.03	0.20%	18	\$0.05	0.11%	58
Other Information	Other in 51	\$0.07	0.52%	155	\$0.28	0.55%	567
Wholesale Trade	42	\$0.67	5.20%	166	\$2.84	5.65%	1,201
Retail Trade	44-45	\$1.26	9.86%	1,112	\$9.25	18.37%	4,044
Car & Parts Dealers	441	\$0.08	0.60%	34	\$0.24	0.48%	307
Gas Stations	447	\$0.51	4.01%	237	\$6.29	12.49%	1,836
Other Retail Trade	Other in 44-45	\$0.67	5.24%	841	\$2.71	5.39%	1,901
Finance and Insurance	52	\$0.04	0.30%	65	\$0.34	0.67%	357
Real Estate and Rental Leasing	53	\$0.32	2.48%	184	\$1.03	2.05%	1,171
Services	54-81	\$2.91	22.72%	1,397	\$9.77	19.40%	10,574
Professional and Technical Services	54	\$0.60	4.72%	161	\$1.25	2.47%	790
Accommodation	721	\$0.04	0.30%	28	\$0.23	0.46%	281
Food Services & Drinking Places	722	\$0.13	1.03%	205	\$0.65	1.28%	2,347
Automotive Repairs & Maintenance	8111	\$0.34	2.69%	183	\$1.73	3.43%	2,221
Dry Cleaning & Laundry Services	8123	\$0.10	0.75%	88	\$0.54	1.08%	1,185
Health Care & Social Assistance	62	\$0.28	2.19%	162	\$1.17	2.33%	846
Other Services	Other in 54-81	\$1.41	11.04%	570	\$4.20	8.34%	2,904
Public Administration	92	\$0.28	2.16%	153	\$1.19	2.36%	1,531
Unclassified³	N/A	\$0.43	3.36%	206	\$0.54	1.07%	360
Totals		\$12.80	100%	4,637	\$50.36	100%	26,805

¹ Based on permit applications in FY 2017-2018.² Based on permits held on February 22, 2019.³ 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 2017-2018 was approximately \$2.55 million (Table 4). The services sector's share of this total was 33 percent, which includes automotive repairs and maintenance, dry cleaning and laundry services, health care and social assistance, etc. The second and third largest contributors to hot spot fees are retail trade and manufacturing, contributing 20 and 16 percent respectively.

Source Testing Fees

The revenue from source testing fees is based on the invoiced source test fees during FY 2017-2018. During this period of time, the combined source test fee revenue from Rules 304 and 304.1 was \$0.53 million (Table 4). Manufacturing accounted for 59 percent of this revenue, followed by services with 14 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) participation in the Air Quality Investment Plan (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 2017-2018. A total of \$0.87 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP registration fees. The services sector accounted for 34 percent of the estimated Rule 2202 fee revenue. Unlike many other fee categories, only 14 percent of the Rule 2202 fee revenue came from manufacturing.

Table 4: Estimated Source Testing and Toxic Hot Spot Fees by Industry (\$MM)

Industry	NAICS	Source Testing Fees			Toxic Hot Spots Fees		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
Agriculture, Forestry, Fishing & Hunting	11	\$0.00	0.07%	1	\$0.00	0.19%	32
Mining	21	\$0.01	2.75%	6	\$0.02	0.72%	46
Oil and Gas Extraction	211	\$0.01	2.61%	5	\$0.02	0.61%	33
Mining (except oil and gas)	212-213	\$0.00	0.14%	1	\$0.00	0.11%	13
Construction	23	\$0.01	1.99%	8	\$0.04	1.55%	280
Manufacturing	31-33	\$0.32	59.46%	190	\$0.41	16.05%	1,132
Food Manufacturing	311	\$0.03	5.16%	23	\$0.01	0.20%	34
Wood Products Manufacturing	321	\$0.00	0.00%	0	\$0.00	0.05%	9
Petroleum and Coal Products Mfg.	324	\$0.02	4.18%	14	\$0.07	2.75%	41
Chemical Manufacturing	325	\$0.02	3.09%	12	\$0.03	1.09%	117
Nonmetallic Mineral Product Mfg.	327	\$0.00	0.90%	7	\$0.01	0.41%	22
Primary & Fabricated Metal Mfg.	331-332	\$0.13	24.30%	59	\$0.14	5.45%	247
Machinery Manufacturing	333	\$0.02	3.49%	10	\$0.00	0.17%	28
Computer and Electronic Product Mfg.	334	\$0.00	0.40%	2	\$0.02	0.73%	120
Electrical Equipment & Appliance Mfg.	335	\$0.02	3.44%	7	\$0.01	0.45%	29
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.01	2.68%	10	\$0.04	1.43%	92
Other Manufacturing	312-339	\$0.06	11.83%	46	\$0.08	3.31%	393
Utilities	22	\$0.05	8.65%	27	\$0.14	5.61%	738
Transportation & Warehousing	48-49	\$0.01	1.19%	2	\$0.06	2.36%	407
Information	51	\$0.00	0.27%	3	\$0.09	3.40%	655
Publishing Industries, Except Internet	511	\$0.00	0.00%	0	\$0.00	0.12%	19
Motion Picture & Sound Recording	512	\$0.00	0.27%	3	\$0.01	0.35%	56
Internet Services and data processing	518,519	\$0.00	0.00%	0	\$0.01	0.24%	47
Other Information	Other in 51	\$0.00	0.00%	0	\$0.07	2.69%	533
Wholesale Trade	42	\$0.03	5.81%	19	\$0.09	3.54%	577
Retail Trade	44-45	\$0.01	1.86%	13	\$0.52	20.47%	3,125
Car & Parts Dealers	441	\$0.00	0.64%	4	\$0.03	1.36%	212
Gas Stations	447	\$0.00	0.35%	3	\$0.31	12.14%	1,761
Other Retail Trade	Other in 44-45	\$0.00	0.87%	6	\$0.18	6.97%	1,152
Finance and Insurance	52	\$0.00	0.14%	2	\$0.04	1.59%	301
Real Estate and Rental Leasing	53	\$0.00	0.57%	4	\$0.12	4.70%	910
Services	54-81	\$0.07	13.71%	65	\$0.84	32.75%	5,427
Professional and Technical Services	54	\$0.01	2.57%	9	\$0.05	1.88%	339
Accommodation	721	\$0.00	0.58%	2	\$0.03	1.06%	210
Food Services & Drinking Places	722	\$0.00	0.60%	3	\$0.01	0.54%	99
Automotive Repairs & Maintenance	8111	\$0.01	2.18%	9	\$0.37	14.40%	2,154
Dry Cleaning & Laundry Services	8123	\$0.00	0.14%	2	\$0.07	2.64%	398
Health Care & Social Assistance	62	\$0.01	1.75%	5	\$0.10	4.00%	756
Other Services	Other in 54-81	\$0.03	5.88%	35	\$0.21	8.24%	1,471
Public Administration	92	\$0.00	0.46%	1	\$0.15	5.78%	1,066
Unclassified¹	N/A	\$0.02	3.07%	6	\$0.03	1.29%	225
Totals		\$0.53	100%	347	\$2.55	100%	14,921

¹ Facilities with no NAICS codes assigned are categorized as "unclassified."

Major Revenue Sources by Industry

Approximately 58 percent of SCAQMD's FY 2018-2019 estimated revenue comes from the following major revenue categories:⁸ emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.

⁸ Value comes from Table 1's estimated fee revenue collected for FY 2018-2019.

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: FY 2017-2018 Revenues from Major Fee Categories by Sector

Sector	NAICS	Revenues from Permit and Emission-based Fees (MM\$)
Agriculture, Forestry, Fishing & Hunting	11	\$0.33
Mining	21	\$2.01
Construction	23	\$1.96
Manufacturing	31-33	\$34.23
Utilities	22	\$3.91
Transportation & Warehousing	48-49	\$2.07
Information	51	\$0.90
Wholesale Trade	42	\$3.97
Retail Trade	44-45	\$11.68
Finance and Insurance	52	\$0.50
Real Estate and Rental Leasing	53	\$1.61
Services	54-81	\$15.16
Public Administration	92	\$2.01
Unclassified ¹	N/A	\$1.06
Total		\$81.40

¹ Facilities with no NAICS codes assigned are categorized as "unclassified."

The manufacturing sector (NAICS 31-33) provides the greatest amount of fee revenue for FY 17-18 at about \$34.23 million, which is 42 percent of fee revenues (Figure 1). This is followed by the services sector (NAICS 54-81), providing about \$15.16 million, or 19 percent of fee revenues, and the retail trade sector (NAICS 44-45), providing \$11.68 million, representing a 14 percent share.

Figure 1: FY 2017-2018 Share of Major Fee Revenue by Sector

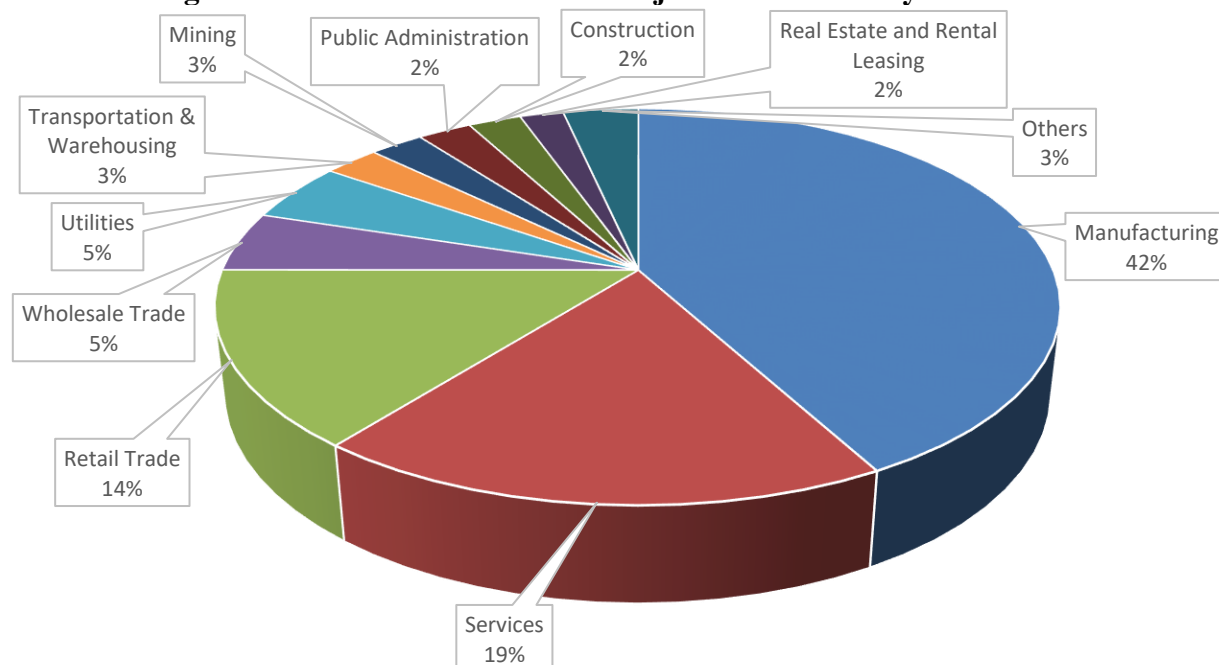


Table 6 shows the percentage of fees from these categories relative to each industry's total (gross) output and value-added to evaluate them relative to different economic measures of industries within SCAQMD's jurisdiction.⁹ Output is measured as an industry's total sales revenue. Value-added is measured as an industry's profit margin plus its expenses on labor and capital. Collectively, revenue from these fees is estimated to amount to approximately \$81.40 million, based on invoiced amounts at the current fee rates.

Table 6 ranks fees paid by each industry relative to total industry output, showing total fees paid is relatively small compared to each 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 industries that paid among the highest amount of fees relative to their output were pipeline transportation (NAICS 486), mining and supportive activities (NAICS 212 and 213), nonmetallic mineral product manufacturing (NAICS 327), and petroleum and coal products manufacturing (NAICS 324). Nominally, the petroleum and coal products manufacturing industry (NAICS 324) paid the most, with a total of \$14.08 million in various fees, representing five hundredths of one percent of the sector's output and about a fifth of a percent of the sector's value-added. Overall, SCAQMD's fee revenue represented less than one-hundredth of one percent of aggregate industry output or value-added in the four-county region for each industry.

Table 6: Share of Major Revenue by Detailed Industry

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output	% of Total Value Added
Pipeline Transportation	486	\$0.60	0.74%	0.137%	0.166%
Support Activities for Mining	213	\$0.21	0.25%	0.096%	0.200%
Mining (except oil and gas)	212	\$0.50	0.61%	0.084%	0.143%
Nonmetallic Mineral Product Mfg.	327	\$1.76	2.16%	0.051%	0.110%
Petroleum and Coal Products Mfg.	324	\$14.08	17.30%	0.051%	0.180%
Oil & Gas Extraction	211	\$1.30	1.60%	0.039%	0.047%
Waste Management & Remediation Services	562	\$1.65	2.02%	0.039%	0.077%
Primary Metal Mfg.	331	\$1.63	2.00%	0.035%	0.143%
Utilities	22	\$3.91	4.81%	0.034%	0.045%
Repair & Maintenance	811	\$3.18	3.91%	0.021%	0.033%
Fabricated Metal Product Mfg.	332	\$4.01	4.92%	0.019%	0.045%
Electrical Equipment & Appliance Mfg.	335	\$0.70	0.86%	0.016%	0.035%
Plastics and Rubber Products Mfg.	326	\$1.47	1.80%	0.014%	0.043%
Textile & Textile Product Mills	313-314	\$0.43	0.53%	0.014%	0.039%
Retail Trade	44-45	\$11.68	14.35%	0.012%	0.018%
Agriculture & Forestry support activities	113-115	\$0.07	0.08%	0.011%	0.015%
Printing & Related Support Activities	323	\$0.52	0.64%	0.011%	0.023%
Paper Mfg.	322	\$0.51	0.63%	0.011%	0.031%
Chemical Mfg.	325	\$2.59	3.18%	0.009%	0.021%
Personal & Laundry Services	812	\$1.20	1.48%	0.008%	0.013%
Wood Products Mfg.	321	\$0.14	0.17%	0.007%	0.022%
Machinery Manufacturing	333	\$0.65	0.80%	0.007%	0.019%

⁹Output and value-added data for 2016, the most recent historical data, by detailed industry were compiled by Regional Economic Modeling, Inc. (REMI) in 2018 year dollars.

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output	% of Total Value Added
Education Services	61	\$1.26	1.55%	0.007%	0.011%
Food Mfg.	311	\$1.81	2.23%	0.007%	0.031%
Furniture & Related Product Mfg.	337	\$0.30	0.37%	0.006%	0.017%
Farm (Agricultural Products)	111-112	\$0.27	0.33%	0.006%	0.018%
Amusement, Gambling, and Recreation	713	\$0.51	0.63%	0.005%	0.009%
Scenic & Sightseeing Transportation	487-488	\$0.73	0.90%	0.005%	0.011%
Beverage and Tobacco Product Mfg.	312	\$0.37	0.46%	0.005%	0.011%
Museums, Historical Sites, Zoos, and Parks	712	\$0.04	0.05%	0.005%	0.011%
Warehousing & Storage	493	\$0.32	0.40%	0.005%	0.007%
Transit & Ground passenger Transportation	485	\$0.11	0.14%	0.005%	0.008%
Miscellaneous Mfg.	339	\$0.63	0.77%	0.004%	0.008%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$1.06	1.30%	0.004%	0.010%
Motor Vehicle Mfg.	3361-3363	\$0.35	0.43%	0.004%	0.017%
Computer & Electronic Product Mfg.	334	\$1.16	1.43%	0.004%	0.005%
Administrative & Support Services	561	\$1.74	2.14%	0.004%	0.006%
Wholesale Trade	42	\$3.97	4.88%	0.004%	0.005%
Accommodation	721	\$0.36	0.44%	0.003%	0.005%
Membership Associations and Organizations	813	\$0.34	0.42%	0.003%	0.006%
Construction	23	\$1.96	2.41%	0.003%	0.005%
Hospitals	622	\$0.86	1.05%	0.003%	0.005%
Nursing & Residential Care Facilities	623	\$0.20	0.25%	0.002%	0.003%
Food Services & Drinking Places	722	\$0.82	1.01%	0.002%	0.004%
Professional and Technical Services	54	\$2.04	2.51%	0.002%	0.002%
Internet Services & Data Processing	518-519	\$0.11	0.13%	0.001%	0.003%
Rental & Leasing Services	532-533	\$0.32	0.39%	0.001%	0.002%
Ambulatory Health Care Services	621	\$0.65	0.79%	0.001%	0.002%
Government	92	\$2.01	2.46%	0.001%	0.002%
Truck Transportation	484	\$0.19	0.23%	0.001%	0.002%
Social Assistance	624	\$0.15	0.18%	0.001%	0.001%
Telecommunications	517	\$0.38	0.47%	0.001%	0.002%
Rail Transportation	482	\$0.02	0.02%	0.001%	0.001%
Securities, Commodity Contracts, Investments	523	\$0.21	0.26%	0.001%	0.001%
Couriers & Messengers	491-492	\$0.04	0.05%	0.001%	0.001%
Publishing Industries, Except Internet	511	\$0.09	0.11%	0.001%	0.001%
Monetary Authorities	521-522, 525	\$0.20	0.25%	0.001%	0.001%
Broadcasting, Except Internet	515	\$0.11	0.14%	0.001%	0.001%
Real Estate	531	\$1.29	1.58%	0.000%	0.001%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.05	0.06%	0.000%	0.001%
Performing Arts & Spectator Sports	711	\$0.10	0.12%	0.000%	0.001%
Water Transportation	483	\$0.01	0.01%	0.000%	0.001%
Insurance Carriers & Related Activities	524	\$0.09	0.11%	0.000%	0.001%
Air Transportation	481	\$0.04	0.05%	0.000%	0.001%
Motion Picture & Sound Recording Industries	512	\$0.22	0.27%	0.000%	0.000%
Management of Companies & Enterprises	55	\$0.06	0.07%	0.000%	0.000%
Unclassified*	N/A	\$1.06	1.30%		
Totals		\$81.40	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 3.5 percent for the period of December 2017 to December 2018 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 17-18 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 3.5 percent CPI increase are estimated to increase total SCAQMD revenue by approximately \$2.85 million. This estimate is only for the CPI-based increase and thus differs from the estimate in Table 1, for reasons discussed above.¹⁰

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 3,600 facilities), followed by the services sector (approximately \$0.53 million for about 10,600 facilities), the retail trade sector (approximately \$0.41 million for about 4,000 facilities), with the remaining sectors accounting for approximately \$0.71 million. Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, will have an increase of around \$0.49 million, or over 17 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 \$2.85 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).

¹⁰ 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 Facilities Affected	Revenue Change Due to 3.5% CPI Adjustment	Percent of Total CPI Increase
Agriculture, Forestry, Fishing & Hunting	111-115	115	\$11,708	0.41%
Mining	21	326	\$70,326	2.47%
Oil and Gas Extraction	211	210	\$45,635	1.60%
Mining (except oil and gas)	212-213	116	\$24,690	0.87%
Construction	23	1,071	\$68,715	2.41%
Manufacturing	31-33	3,641	\$1,197,963	42.05%
Food Manufacturing	311	227	\$63,498	2.23%
Wood Products Manufacturing	321	79	\$4,731	0.17%
Petroleum and Coal Products Mfg.	324	95	\$492,916	17.30%
Chemical Manufacturing	325	337	\$90,719	3.18%
Nonmetallic Mineral Product Mfg.	327	233	\$61,518	2.16%
Primary & Fabricated Metal Mfg.	331-332	850	\$197,392	6.93%
Machinery Manufacturing	333	195	\$22,700	0.80%
Computer and Electronic Product Mfg.	334	265	\$40,755	1.43%
Electrical Equipment & Appliance Mfg.	335	125	\$24,592	0.86%
Motor Vehicle & Trans. Equipment Mfg.	336	233	\$49,363	1.73%
Other Manufacturing	312-339	1,002	\$149,779	5.26%
Utilities	22	1,038	\$136,966	4.81%
Transportation & Warehousing	48-49	640	\$72,276	2.54%
Information	51	736	\$31,587	1.11%
Publishing Industries, Except Internet	511	31	\$3,027	0.11%
Motion Picture & Sound Recording	512	80	\$7,673	0.27%
Internet Services and data processing	518,519	58	\$3,678	0.13%
Other Information	Other in 51	567	\$17,210	0.60%
Wholesale Trade	42	1,201	\$139,116	4.88%
Retail Trade	44-45	4,044	\$408,741	14.35%
Car & Parts Dealers	441	307	\$13,926	0.49%
Gas Stations	447	1,836	\$258,045	9.06%
Other Retail Trade	Other in 44-45	1,901	\$136,770	4.80%
Finance and Insurance	52	357	\$17,599	0.62%
Real Estate and Rental Leasing	53	1,171	\$56,380	1.98%
Services	54-81	10,574	\$530,472	18.62%
Professional and Technical Services	54	790	\$71,519	2.51%
Accommodation	721	281	\$12,550	0.44%
Food Services & Drinking Places	722	2,347	\$28,718	1.01%
Automotive Repairs & Maintenance	8111	2,221	\$94,442	3.31%
Dry Cleaning & Laundry Services	8123	1,185	\$29,185	1.02%
Health Care & Social Assistance	62	846	\$64,761	2.27%
Other Services	Other in 54-81	2,904	\$229,297	8.05%
Public Administration	92	1,531	\$70,199	2.46%
Unclassified¹	N/A	360	\$37,012	1.30%
Totals		26,805	\$2,849,058	100%

¹ 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 2019

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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, 2019. 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.

Proposed Amendment with Fee Impacts	<p>Fee impacts are estimated for the following proposed amendments:</p> <ul style="list-style-type: none"> • Increasing Toxic Air Contaminant (TAC) Fees; • Adding a new Rule 1118.1 Notification Fee to Rule 301; • Increasing the PERP enforcement inspection fees; • Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306; • Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees; • Eliminating the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program; • Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation; • Creation of a Fee Cap for Change of Owner/Operator Applications at RECLAIM facilities; • Reducing certain certified copy fees ; • Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees; and • Eliminating the surcharge fee for certain late AER amendments pertaining to emissions developed from source tests.
Affected Industries	<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 the services sectors (NAICS 54-81).</p>
Estimated Fee Impacts	<p>Based on the proposed amendments evaluated in this analysis, the overall fee impact of PAR III is estimated to be -\$0.29<u>-0.30</u> million in Fiscal Year (FY) 2019-20, \$1.76 million in FY 2020-21, and \$4.12</p>

	<p>million in FY 2021-22 and thereafter. The large increases in FY 2020-21 and FY 2021-22 result from the phased implementation the proposed increase in TAC fees, which are estimated to result in \$4.42 million of additional fee costs annually.¹</p> <p>The manufacturing sector is estimated to experience the largest fee increase from the proposed amendments, with an increase of about \$1.96 million on average over the 2019-2028 time period, representing a 57 percent share of the increase.</p>
Projected Job Impacts of the Estimated Fee Impacts	<p>A macroeconomic job impact analysis was conducted based on the estimated net impacts in fees paid by the affected industries. This analysis projects an average annual increase of 21 jobs in the four-county region over a ten-year period (2019-2028). The positive job impact is a net result of projected increases in jobs in local government, finance and insurance, and administrative and waste management services, combined with smaller decreases in the manufacturing and construction sectors.</p>

¹ The TAC proposal is expected to result in a total of \$4.9 million in TAC fees collected per fiscal year, a \$4.4 million increase over the \$0.5 million collected in TAC fees in FY 2017-18. Because of the phased-in nature of that proposal and the fact that the final phase will be implemented in mid-fiscal year 2021-22, the full fiscal impact of the proposal will not occur until FY 2022-23.

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. The non-Title V increase has been fully implemented. FY 2019-20 represents the final year of the phased in Title V increase.

PAR III – Fees continues these cost recovery efforts with five proposals for new or increased fees. Increased efficiencies at SCAQMD are also reflected in six proposals which seek to eliminate, reduce, or cap fees currently paid. 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, 2019 (see: http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase_2019.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. The estimated fee impacts 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. Increasing Toxic Air Contaminant (TAC) Fees

Staff is proposing to update both the fee structure and increase the fees for toxic emissions paid for by permitted facilities. The current requirements in Rule 301(e)(7) and fee rates in Table IV would be replaced as follows:

1. Any facility that emits Toxic Air Contaminants (TACs) above reporting thresholds in Table IV would pay a new Base Toxics Fee of \$78.03 per facility.

2. A Flat Rate Toxics Fee of ~~\$78.00~~, \$170.95, and \$341.89, starting ~~January 1, 2020~~, January 1, 2021, and January 1, 2022, respectively, for each piece of permitted and unpermitted equipment and every other reportable toxic air contaminant activity with emissions of any pollutant above the annual thresholds listed in Table IV;
3. A new Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022, respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV.

Also, three pollutants currently listed in Table IV would not be subject to the above fees, including ammonia and the ozone depleters, chlorfluorocarbons, and 1,1,1 trichloroethane. The fees for these pollutants would not change (other than regular CPI adjustments), and their fee rates would be moved to Table III. Finally, Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions.

The proposed new fee schedule is necessary to recover costs incurred by SCAQMD related to toxic air contaminants. In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions from other facilities such as Exide and others in the metal-working industry, fugitive hydrocarbon emissions from oil production and refining facilities, and significant new work just getting under way with the implementation of AB 617.

The new fee schedule would affect all permitted facilities reporting toxic emissions above the emission threshold listed in Table IV of Rule 301. Potential impacts of the new fee schedule have been estimated based on the level of facility emissions reported in FY 17-18. Taking into consideration the phase-in of the fees, the estimated potential fee impact is an increase of ~~\$0.53 million~~ in FY 19-20, \$2.06 million in FY 20-21, and \$4.42 million in FY 21-22 above the \$0.53 million paid in TAC fees in 2017.

2. Adding a new Rule 1118.1 Notification Fee to Rule 301

Rule 1118.1 was adopted on January 4, 2019, to control emissions from non-refinery flares. This rule establishes emission limits for NOx and VOC, as well as for CO for new, replaced, or relocated flares, and establishes an industry specific capacity threshold for existing flares. Owners and operators of flares that require a SCAQMD permit at certain non-refinery facilities are required to submit several notifications to the SCAQMD to comply with Rule 1118.1 requirements.

In order to recover costs incurred by SCAQMD to process required notifications, Rule 1118.1 would be subject to the notification fee described in Rule 301(x). The fee for the Rule 1118.1 notification is \$65.12 per notification, and is subject to the annual automatic CPI adjustment pursuant to Rule 320. This new fee is necessary to recover the reasonable

regulatory costs related to the notification requirements of Rule 1118.1. The fee is identical to the amount charged for Rule 1149, 1166, and 1466 notifications. Moreover, the amount to be charged is necessary to recover the costs to the District for processing the notifications.

Table A1 in the Appendix presents the 82 potentially affected facilities of PR 1118.1 by North American Industry Classification System (NAICS) code. 33 facilities (about 40%) are classified under crude petroleum and natural gas extraction (NAICS 211111), 25 (about 30%) under sewage treatment (NAICS 221320), 15 (about 18%) under solid-waste landfills, and the remaining nine (about 11%) are classified as other industries.

**Table 1:
Estimated Number of Rule 1118.1 Notifications Anticipated**

Notification	Number of Notifications Anticipated			
	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Notification of annual percent capacity greater than threshold	25	25		
Notification of intent		25		
Notification of flare throughput reduction			12	
Notification of increments of progress				12
Total	25	50	12	12
Estimated Revenue	\$1,628	\$3,256	\$781	\$781

Table 1 above lists the expected number of Rule 1118.1 notifications anticipated. The fee impact of this proposed amendment is estimated based on the expected number of notifications received in years in each fiscal year. The estimated fee impact for affected industries is approximately \$1,628 in FY 19-20, \$3,256 in FY 20-21, and \$781 in FY 21-22 and beyond.

3. Increasing the PERP enforcement inspection fees

The California Air Resources Board (CARB) has established the Statewide Portable Equipment Registration Program (PERP) to facilitate the operation of portable equipment throughout California without having to obtain individual permits from local air districts. Under PERP, the District conducts inspections of that equipment and is authorized to charge fees consistent with amounts determined by CARB. On November 30, 2018, CARB amended the PERP Regulation to increase the uniform fee schedule for all districts enforcing PERP through inspections of registered portable equipment and TSE equipment.

PERP Regulation Section 2461 (g) allows districts to collect fees that do not exceed the fees listed in Section 2461.1 of the PERP Regulation.

In order to recover costs incurred by SCAQMD to inspect portable equipment units and Tactical Support Equipment (TSE) registered in PERP, staff is proposing to amend Rule 301 (w) to increase the TSE and hourly inspection fees. These proposed increases are consistent with the fees recently updated and authorized by CARB in the PERP regulation. The proposed fee increases include inspection fees of \$115/hour (with maximum of \$590/unit), \$90/unit for TSE, and \$60/hour additional fee for off-hour inspections.

The majority of facilities potentially affected by the increase in PERP inspection fees are within the construction sector (NAICS 23), commercial and industrial machinery and equipment rental and leasing (NAICS 5324), and landscaping services (NAICS 561730). Staff estimates that, on average, approximately 30-40 facilities pay PERP inspections fees per year.

The fee impact of this amendment is estimated based on the average fee revenue collected by SCAQMD for PERP inspections. From 2009 to 2017, the SCAQMD collected between \$13,044 and \$28,420 per year, or \$20,696 on average from PERP inspection fees. Given that the new fees represent an approximately 17% increase over current fee rates, staff expects this amendment to result in an annual fiscal impact to affected industries of \$3,520.

4. Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306

Rule 1610 – Old Vehicle Scrapping allows industries to meet their pollution discharge limits by reducing motor vehicle emissions instead of merely controlling their own emissions. This amendment would increase the filing and inspection fees associated with Rule 1610 Scrapping Plans to align with filing and inspection fees currently assessed in Rule 306. Staff is proposing to increase the plan filing verification fee from \$146.86 to the corresponding Rule 306 fee of \$161.25. In addition, the inspection fee in Rule 309(d) would also be increased from \$117.42 to \$128.94 per hour to align with the corresponding fee amount in Rule 306(f).

The proposed increase in filing and inspections fees is necessary to recover the cost of staff resources expended in implementation of these plans. Fees for Reg. XVI and XXV plans are being aligned with similar fees assessed in Rule 306 because both follow identical plan verification procedures.

This amendment would affect any facility with an approved scrapping program in place. There are a total of seven potentially affected facilities within the wholesale trade (NAICS 42), retail trade (NAICS 44-45), and professional and technical services (NAICS 54) sectors (see Table A1).

The fee impact of this amendment is estimated based on the average fee revenue collected by the SCAQMD from Rule 1610 filing and inspection fees. The SCAQMD collected \$34,180 in FY 16-17 and \$34,794 in FY 17-18 or an average of \$34,487 per year. Given that the increase in fees represents a 6.1% increase beyond the annual CPI increase, staff

expects the amendment to result in an annual fiscal impact to affected industries of approximately \$2,100.

5. Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees

The Clean Air Solvents (CAS) and Clean Air Choices Cleaners (CACC) Certifications are voluntary programs that issue certificates for clean air solvents and cleaners. Manufacturers can apply for a CAS certification, which is valid for five years and can be renewed upon approval by the SCAQMD. Similarly, manufacturers can apply for a CACC certification, which is valid for three years and can be renewed upon approval by the SCAQMD. Current Rule 301(r) and (s) provide a flat fee covering the laboratory analysis of product samples submitted for testing for certification. These sections do not provide a fee for certificate renewal, however. Instead, facilities currently must pay the larger application fee even though the level of work associated with issuance of a renewal may be substantially lower.

The current fee for the certifications is \$1,503.77 per sample, plus an additional fee of \$300 for additional analysis required for CACC certification, with time spent on the analysis/certification process in excess of 12 hours assessed at the current CPI-adjusted hourly rate of \$135.77 per hour. The flat fee covers costs for the laboratory staff's analysis and review of the submitted sample, but it does not include cost of the certificate. Certificate renewal involves approximately an hour to review the product and subsequently issue a renewed certificate. In keeping with the current fee mechanism laid out for these certifications, the \$135.77 per hour rate would address the cost for time spent to issue a renewed certificate.

Facilities involved in these types of operations are best classified as chemical manufacturers (NAICS 327) and chemical and allied products merchant wholesalers (NAICS 4246). The CAS program currently has approximately 100 certified products and 10% are recertified each year. The CACC program currently has approximately 30 certified products and three or less are recertified each year. Historical program data indicate that none of the applicants are facilities located within SCAQMD's jurisdiction. As a result, no annual fiscal impact is anticipated from this amendment.

6. Eliminating the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program

Under Rule 2202, employers with more than 250 employees are required to annually register with the District and implement an emissions reduction program, including but not limited to Employee Commute Reduction Programs (ECRP). Covered facilities with multiple sites pay various submittal and amendment fees set for in Rule 308. On occasion, facilities seek to amend their program strategies with either substantive amendments to the strategies or through the addition or deletion of a work-site from a multi-site or geographic program. Regulated facilities are currently charged a fee of \$176.63 when adding or deleting a worksite to a multi-site or geographic program per worksite being added or deleted. Staff is recommending that this fee be removed from Rule 308.

The addition or deletion of a site from a multi-site or geographic program does not result in any significant additional work that would not sufficiently be covered by the initial registration fees. The fee would remain for any substantive amendment of strategies. This change is necessary because charging a separate fee for adding or deleting a worksite from a multi-site program appears to discourage regulated entities from accurately reporting real-time worksite population levels and inaccurate records of sites covered by the plan increases the compliance costs for the District.

Removing the fee provides fee relief to regulated facilities and promotes accurate reporting and does is not expected to have a significant impact on revenue. Less than five regulated entities added or deleted a worksite from their multi-site program in the last fiscal year, so the financial impact of this proposed amendment is assumed to be negligible.

7. Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation

Rule 1403 specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities. Table VI in Rule 301 sets forth the applicable demolition, asbestos, and lead notification fees as well as additional service charge fees. Staff proposes to (1) eliminate fees for revisions for earlier End Dates only; and (2) reduce the Revision to Notification fee (\$62.92) to \$25.00.

Eliminating the fee on revisions to notifications for advanced End Dates removes a disincentive for facilities to update notifications for completed asbestos removal and demolition projects, and reduces the costs triggered when an inspector unnecessarily travels to a job that has already been completed.

Staff is also proposing to reduce the fee for revising notifications regarding start dates, quantity, and extended end dates. Originally this fee of \$62.92 was determined based on the amount of time SCAQMD office staff required to update paper notifications in the CLASS database. Presently, the information is entered by the notifier via the Rule 1403 Web App rather than SCAQMD office staff. Staff proposes that the fee be reduced to \$25, so as to account for the reduced staff time spent reviewing inspection plans affected by revisions to notifications.

The majority of affected facilities are within the remediation services sector (NAICS 562910). Based on the approximately 7,500 revisions filed in 2018, the fee reduction is expected to result in a savings to industry of approximately \$303,000 annually.

8. Creation of a fee cap Change of Owner/Operator Applications at RECLAIM facilities

This proposal will reduce fees associated with filing applications for changes of owner/operator at large facilities. Recent implementation of streamlined procedures for processing change of owner/operator applications has made cost recovery possible at lower fees.

Change of owner/operator is an administrative process that requires no engineering evaluation, but creates a new facility ID and new application numbers for every permit

transferred to the new owner/operator. For RECLAIM facilities, the current fees associated with this administrative change can be as high as \$300,000 due to the absence of a fee cap. The proposed amendment would place a \$50,000 cap on change of owner/operator fees for RECLAIM (or RECLAIM/TV) facilities. This proposed cap would potentially benefit the 23 current RECLAIM (or RECLAIM/TV) facilities that have more than 65 permits. Given the high level of uncertainty regarding if and/or when a facility might benefit from the proposed amendment, staff has conservatively assumed that the net fiscal impact to affected industries is \$0 even though there are likely to be savings for industry.

9. Reducing certain certified copy fees

Currently, the fees to obtain a certified copy of a permit and the fees to obtain a reissued permit are mentioned in three locations. In Section (f)(1)-(2), flat fees are listed for non-Title V and Title V permits. In (l)(10)-(11), nearly identical fees are listed for RECLAIM facilities (both RECLAIM-only and RECLAIM/TV), but additional per-page fees apply for each page after the first page. In (n)(7)-(8), a single fee is listed for non-RECLAIM facility permits (notably lower than the other fees from sections (f) and (l)), with an additional fee (also lower than in section (l)), for each page after the first page. All Title V permits are facility permits, as are all RECLAIM and RECLAIM/TV permits. This makes the rates in (n)(7)-(8) appear to be in conflict with those in sections (f) and (l).

Staff is proposing to consolidate all certified copy and permit reissue fees and to preserve only the lowest fee rates. By consolidating all certified copy and permit reissue fees in a single section that requires payment at the lowest rate in all three sections, the discrepancy between sections would be eliminated, and future discrepancies would be avoided. The current procedure for printing certified copies or reissued permits has been streamlined and makes the per-page fee no longer necessary.

This proposed amendment would result in a fee reduction for facility permits, however, the current annual number of requests for facility permit copies and reissued facility permits is negligible. As a result, staff has assumed there is no impact on industry fees paid.

10. Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees

Rule 1180 – Refinery Fenceline And Community Air Monitoring (approved in December 2017), requires affected facilities to pay an annual operating and maintenance (O&M) fee for refinery-related community air monitoring system(s) in communities near these refineries, pursuant Rule 301(aa), when applicable. Petroleum refineries that have a maximum processing capacity less than 40,000 barrels per day are exempt from Rule 1180.

A single facility, Delek U.S. Holdings Inc. (now known as AltAir Fuels) was originally subject to the rule requirements, including the capital cost to establish a refinery-related community monitoring system and applicable annual O&M fees specified in paragraph (aa) of Rule 301. Since the latest amendment of Rule 301 in May 2018, Paramount has voluntarily accepted a permit condition limiting the operator's throughput of crude oil to no more than 39,500 barrels per day, thus qualifying for the exemption under Rule 1180

requirements. In turn, Paramount is alleviated from paying the cost for a community monitoring system and the corresponding annual O&M fees set-forth in paragraph (aa) of Rule 301. The proposed amendment is expected to result in a fee reduction for a single facility, however, for the sake of this analysis, staff assumed no net impact on fees paid by industry.

11. Eliminating the surcharge fee for certain late AER amendments pertaining to emissions developed from source tests

According to Rule 301(e)(10)(C), if emission fees are paid timely, and if, within one year after the 75th day from the official due date it is determined to be less than 90 percent of the full amount that should have been paid, a 15 percent surcharge should be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid. According to Rule 301(e)(10)(D), one year and 75 days after the official due date of the AER, any fees due and payable for emissions reported or reportable pursuant to subparagraph Rule 301(e)(8)(C) are assessed fees according to Rule 301 Tables III, IV, and V; and further increased by a penalty of 50 percent.

This amendment would eliminate the surcharge/penalty for emissions developed from source tests, where the source tests were submitted in good faith for approval to the SCAQMD Source Test Unit prior to or at the time the AER was due, but the source tests were not approved before the date surcharges/penalties would be currently assessed. Fees would still be required for any emissions that were underreported related to these source tests pursuant to fee rates discussed in Rule 301(e)(10)(C) and (D).

This amendment is necessary because of delays that sometimes occur in SCAQMD approval of source tests. SCAQMD staff believes surcharges/penalties are not appropriate in circumstances where emissions are reported based on source tests that were promptly submitted to the District, but were not approved by the District until a later date. The proposed amendment would provide fee relief for affected facilities, however for the sake of this cost analysis, staff assumed that the net fee impacts are \$0 annually.

SUMMARY OF FEE IMPACTS OF PAR III

Of the 11 proposed amendments with fee impacts, five are estimated to result in fee increases, and for one of those five proposals, there are no impacts to facilities within the SCAQMD's jurisdiction. Six of the proposals are expected to result in fee savings for facilities. The fee impacts by proposed amendment are shown in Table 2 for FY 2018-19, FY 2019-20, FY 2020-21 and thereafter, and an annual average over 2019-2028. The average annual fee impact shown in Table 2 considers the cost over a 10-year period used for the analysis in this assessment. The annual average fee impacts over the 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 ~~-\$0.29~~ \$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and beyond. The Updated Air Toxic Contaminant

(TAC) Fees amendment is the proposed amendment with the greatest fee impact. Other proposed amendments result in small fee impacts relative to the TAC fee increase.

Table 2:

Estimated Fee Impacts by Proposed Amendment

Proposed Amendment	Annual Fee Impact			
	FY2019-2020	FY2020-2021	FY 2021-2022 and thereafter	Average Annual ¹ (2019-2028)
1. Increasing Toxic Air Contaminant (TAC) Fees	\$3,572 \$0	\$2,055,836	\$4,417,564	\$3,739,992
2. Adding a new Rule 1118.1 Notification Fee to Rule 301	\$0	\$1,600	\$3,200	\$2,720
3. Increasing the PERP enforcement inspection fees	\$3,520	\$3,520	\$3,520	\$3,520
4. Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306	\$2,100	\$2,100	\$2,100	\$2,100
5. Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees	\$0	\$0	\$0	\$0
6. Removing the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program	\$0	\$0	\$0	\$0
7. Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation	-\$303,000	-\$303,000	-\$303,000	-\$303,000
8. Creation of a fee cap Change of Owner/Operator Applications at RECLAIM facilities	\$0	\$0	\$0	\$0
9. Reducing certain certified copy fees	\$0	\$0	\$0	\$0
10. Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees	\$0	\$0	\$0	\$0
11. Removing surcharge fee for certain late AER amendments pertaining to emissions developed from source tests	\$0	\$0	\$0	\$0
Total	-\$297,380- \$293,808	\$1,760,056	\$4,123,384	\$3,445,332

¹ 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.

² This proposed amendment is expected to result in a net fee reduction for affected facilities, but is conservatively assumed to have no fee impact here for purposes of analysis.

Table 3:
Overall Cost Fee Impact of the PAR III by Industry

Industry	NAICS	Fee Impact of PAR III				
		FY 2019-2020	FY 2020-2021	FY 2021-2022 and thereafter	Average Annual (2019-2028)	Share of Fee Impact
Agriculture, Forestry, Fishing & Hunting	111-115	\$0	\$5,715	\$10,877	\$9,273	0.3%
Mining	21	\$0	\$71,285	\$157,876	\$133,429	3.9%
Oil and Gas Extraction	211	\$0	\$48,312	\$111,957	\$94,397	2.7%
Mining (except oil and gas)	212-213	\$0	\$22,973	\$45,919	\$39,032	1.1%
Construction	23	\$1,174	\$10,887	\$22,334	\$19,073	0.6%
Manufacturing	31-33	\$0	\$1,085,208	\$2,311,353	\$1,957,603	56.8%
Food Manufacturing	311	\$0	\$2,040	\$3,268	\$2,818	0.1%
Wood Products Manufacturing	321	\$0	\$490	\$1,079	\$912	0.0%
Petroleum and Coal Products Mfg.	324	\$0	\$611,036	\$1,341,750	\$1,134,504	32.9%
Chemical Manufacturing	325	\$0	\$121,840	\$244,881	\$208,089	6.0%
Nonmetallic Mineral Product Mfg.	327	\$0	\$36,468	\$72,489	\$61,638	1.8%
Primary Metal Mfg.	331	\$0	\$91,598	\$189,381	\$160,665	4.7%
Fabricated Metal Mfg.	332	\$0	\$103,464	\$215,043	\$182,381	5.3%
Machinery Manufacturing	333	\$0	\$49,310	\$99,094	\$84,206	2.4%
Computer and Electronic Product Mfg.	334	\$0	\$19,679	\$39,342	\$33,442	1.0%
Electrical Equipment & Appliance Mfg.	335	\$0	\$5,843	\$11,226	\$9,565	0.3%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0	\$24,233	\$49,024	\$41,642	1.2%
Other Manufacturing	312-339	\$0	\$19,208	\$44,775	\$37,741	1.1%
Utilities	22	\$0	\$318,630	\$712,744	\$602,058	17.5%
Transportation & Warehousing	48-49	\$0	\$94,396	\$209,871	\$177,337	5.1%
Information	51	\$0	\$15,450	\$31,289	\$26,577	0.8%
Publishing Industries, Except Internet	511	\$0	\$164	\$172	\$154	0.0%
Motion Picture & Sound Recording	512	\$0	\$15,287	\$31,118	\$26,423	0.8%
Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
Wholesale Trade	42	\$1,200	\$45,991	\$97,332	\$82,585	2.4%
Retail Trade	44-45	\$300	\$39,687	\$90,785	\$76,627	2.2%
Finance and Insurance	52	\$0	\$245	\$417	\$358	0.0%
Real Estate and Rental Leasing	53	\$1,173	\$2,281	\$3,020	\$2,761	0.1%
Services	54-81	-\$301,227	\$16,830	\$361,364	\$260,651	7.6%
Professional and Technical Services	54	\$300	\$16,424	\$36,138	\$30,583	0.9%
Administrative and support services	561	\$0	\$3,807	\$8,487	\$7,171	0.2%
Waste management and remediation services	562	-\$301,827	-\$151,392	\$8,488	-\$38,532	-1.1%
Educational Services	61	\$0	\$45,887	\$98,572	\$83,446	2.4%
Health Care & Social Assistance	62	\$0	\$82,318	\$170,659	\$144,759	4.2%
Accommodation	721	\$0	\$475	\$794	\$683	0.0%
Food Services & Drinking Places	722	\$0	\$344	\$537	\$464	0.0%
Other Services	Other 54-81	\$300	\$18,967	\$37,689	\$32,078	0.9%
Public Administration	92	\$0	\$18,695	\$42,199	\$35,629	1.0%
Unclassified*	N/A	\$0	\$34,754	\$71,922	\$61,013	1.8%
Totals		-\$297,380	\$1,760,056	\$4,123,384	\$3,444,974	100.0%

*Facilities with no NAICS codes assigned are categorized as “unclassified.”

Since the majority of the cost impacts from proposed amendments in Regulation III are a result of the proposed TAC fee increase, a more detailed breakdown of the fee impacts are shown in Table 4. The manufacturing sector (NAICS 31-33) incurs the largest cumulative impact by industry, but also has the largest number of facilities with impacts from the proposed TAC fee increase. As such, the facility average fee increase for all Manufacturing, approximately \$3,600, reflects a much lower average than that of the most impacted subset within Manufacturing, Petroleum and Coal Products Manufacturing (NAICS 324) where the facility average fee increase is projected to be over \$34,000. At the bottom of Table 4, impacts for facilities meeting the small business designation are shown. For more than 400 small businesses identified as impacted by the proposed TAC fee increase, the average facility fee increase is nearly \$1,200 annually, and the maximum fee increase for the category is approximately \$211,000.

Table 4:
Detailed Breakdown of TAC Fee Increase Projected Impacts by Industry Sector

<u>Industry</u>	<u>NAICS</u>	<u>Difference in Proposed TAC Fee Increase</u>							
		<u>Facility Count</u>	<u>Difference in Toxic Fees in FY 2021-2022 and thereafter</u>	<u>Facility Average</u>	<u>25th Percentile</u>	<u>50th Percentile</u>	<u>75th Percentile</u>	<u>Maximum</u>	<u>Industry Share of Fee Impact</u>
<u>Agriculture, Forestry, Fishing & Hunting</u>	<u>111-115</u>	<u>33</u>	<u>\$10,877</u>	<u>\$330</u>	<u>\$0</u>	<u>\$0</u>	<u>\$109</u>	<u>\$9,061</u>	<u>0.2%</u>
<u>Mining</u>	<u>21</u>	<u>89</u>	<u>\$156,549</u>	<u>\$1,759</u>	<u>\$407</u>	<u>\$1,072</u>	<u>\$2,074</u>	<u>\$15,501</u>	<u>3.5%</u>
<u>Oil and Gas Extraction</u>	<u>211</u>	<u>60</u>	<u>\$110,669</u>	<u>\$1,844</u>	<u>\$652</u>	<u>\$1,075</u>	<u>\$2,134</u>	<u>\$15,501</u>	<u>2.5%</u>
<u>Mining (except oil and gas)</u>	<u>212-213</u>	<u>29</u>	<u>\$45,880</u>	<u>\$1,582</u>	<u>\$0</u>	<u>\$740</u>	<u>\$1,873</u>	<u>\$8,291</u>	<u>1.0%</u>
<u>Construction</u>	<u>23</u>	<u>23</u>	<u>\$21,160</u>	<u>\$920</u>	<u>\$0</u>	<u>\$0</u>	<u>\$889</u>	<u>\$5,716</u>	<u>0.5%</u>
<u>Manufacturing</u>	<u>31-33</u>	<u>643</u>	<u>\$2,311,196</u>	<u>\$3,594</u>	<u>\$0</u>	<u>\$79</u>	<u>\$854</u>	<u>\$427,528</u>	<u>52.3%</u>
<u>Food Manufacturing</u>	<u>311</u>	<u>38</u>	<u>\$3,190</u>	<u>\$84</u>	<u>\$0</u>	<u>\$0</u>	<u>\$81</u>	<u>\$768</u>	<u>0.1%</u>
<u>Wood Products Manufacturing</u>	<u>321</u>	<u>6</u>	<u>\$1,079</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$311</u>	<u>\$665</u>	<u>0.0%</u>
<u>Petroleum and Coal Products Mfg.</u>	<u>324</u>	<u>39</u>	<u>\$1,341,750</u>	<u>\$34,404</u>	<u>\$839</u>	<u>\$2,214</u>	<u>\$22,877</u>	<u>\$427,528</u>	<u>30.4%</u>
<u>Chemical Manufacturing</u>	<u>325</u>	<u>59</u>	<u>\$244,881</u>	<u>\$4,151</u>	<u>\$0</u>	<u>\$92</u>	<u>\$667</u>	<u>\$211,103</u>	<u>5.5%</u>
<u>Nonmetallic Mineral Product Mfg.</u>	<u>327</u>	<u>37</u>	<u>\$72,489</u>	<u>\$1,959</u>	<u>\$0</u>	<u>\$426</u>	<u>\$809</u>	<u>\$19,771</u>	<u>1.6%</u>
<u>Primary Metal Mfg.</u>	<u>331</u>	<u>46</u>	<u>\$189,381</u>	<u>\$4,117</u>	<u>\$0</u>	<u>\$420</u>	<u>\$773</u>	<u>\$118,260</u>	<u>4.3%</u>
<u>Fabricated Metal Mfg.</u>	<u>332</u>	<u>157</u>	<u>\$215,043</u>	<u>\$1,370</u>	<u>\$0</u>	<u>\$303</u>	<u>\$1,505</u>	<u>\$19,252</u>	<u>4.9%</u>
<u>Machinery Manufacturing</u>	<u>333</u>	<u>13</u>	<u>\$99,094</u>	<u>\$7,623</u>	<u>\$0</u>	<u>\$0</u>	<u>\$441</u>	<u>\$94,630</u>	<u>2.2%</u>
<u>Computer and Electronic Product Mfg.</u>	<u>334</u>	<u>24</u>	<u>\$39,342</u>	<u>\$1,639</u>	<u>\$0</u>	<u>\$758</u>	<u>\$1,981</u>	<u>\$10,911</u>	<u>0.9%</u>
<u>Electrical Equipment & Appliance Mfg.</u>	<u>335</u>	<u>19</u>	<u>\$11,226</u>	<u>\$591</u>	<u>\$0</u>	<u>\$421</u>	<u>\$1,136</u>	<u>\$2,494</u>	<u>0.3%</u>
<u>Motor Vehicle & Trans. Equipment Mfg.</u>	<u>336</u>	<u>44</u>	<u>\$49,024</u>	<u>\$1,114</u>	<u>\$0</u>	<u>\$308</u>	<u>\$1,199</u>	<u>\$10,819</u>	<u>1.1%</u>

<u>Other Manufacturing</u>	<u>312-339</u>	<u>205</u>	<u>\$44,697</u>	<u>\$218</u>	<u>\$0</u>	<u>\$413</u>	<u>\$1,823</u>	<u>\$6,881</u>	<u>1.0%</u>
<u>Utilities</u>	<u>22</u>	<u>123</u>	<u>\$711,729</u>	<u>\$5,786</u>	<u>\$640</u>	<u>\$1,102</u>	<u>\$2,310</u>	<u>\$182,229</u>	<u>16.1%</u>
<u>Transportation & Warehousing</u>	<u>48-49</u>	<u>46</u>	<u>\$209,871</u>	<u>\$4,562</u>	<u>\$427</u>	<u>\$1,305</u>	<u>\$4,563</u>	<u>\$46,360</u>	<u>4.8%</u>
<u>Information</u>	<u>51</u>	<u>11</u>	<u>\$31,289</u>	<u>\$2,844</u>	<u>\$406</u>	<u>\$2,326</u>	<u>\$4,236</u>	<u>\$9,031</u>	<u>0.7%</u>
<u>Publishing Industries, Except Internet*</u>	<u>511</u>	<u>2</u>	<u>\$172</u>	<u>\$86</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$86</u>	<u>0.0%</u>
<u>Motion Picture & Sound Recording</u>	<u>512</u>	<u>8</u>	<u>\$31,118</u>	<u>\$3,890</u>	<u>\$2,128</u>	<u>\$3,171</u>	<u>\$5,387</u>	<u>\$9,031</u>	<u>0.7%</u>
<u>Internet Services and data processing*</u>	<u>518-519</u>	<u>1</u>	<u>\$0</u>	<u>\$0</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$0</u>	<u>0.0%</u>
<u>Wholesale Trade</u>	<u>42</u>	<u>65</u>	<u>\$96,132</u>	<u>\$1,479</u>	<u>\$0</u>	<u>\$411</u>	<u>\$1,430</u>	<u>\$18,866</u>	<u>2.2%</u>
<u>Retail Trade</u>	<u>44-45</u>	<u>105</u>	<u>\$90,446</u>	<u>\$861</u>	<u>\$112</u>	<u>\$274</u>	<u>\$1,024</u>	<u>\$7,586</u>	<u>2.0%</u>
<u>Finance and Insurance*</u>	<u>52</u>	<u>2</u>	<u>\$417</u>	<u>\$209</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$417</u>	<u>0.0%</u>
<u>Real Estate and Rental Leasing</u>	<u>53</u>	<u>9</u>	<u>\$1,847</u>	<u>\$205</u>	<u>\$0</u>	<u>\$132</u>	<u>\$214</u>	<u>\$1,097</u>	<u>0.0%</u>
<u>Services</u>	<u>54-81</u>	<u>329</u>	<u>\$661,927</u>	<u>\$2,156</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,373</u>	<u>\$160,373</u>	<u>15.0%</u>
<u>Professional and Technical Services</u>	<u>54</u>	<u>24</u>	<u>\$35,838</u>	<u>\$1,493</u>	<u>\$4</u>	<u>\$389</u>	<u>\$1,434</u>	<u>\$13,813</u>	<u>0.8%</u>
<u>Administrative and support services</u>	<u>561</u>	<u>20</u>	<u>\$8,487</u>	<u>\$424</u>	<u>\$0</u>	<u>\$0</u>	<u>\$186</u>	<u>\$5,910</u>	<u>0.2%</u>
<u>Waste management and remediation services</u>	<u>562</u>	<u>41</u>	<u>\$309,651</u>	<u>\$7,552</u>	<u>\$529</u>	<u>\$1,382</u>	<u>\$3,354</u>	<u>\$160,373</u>	<u>7.0%</u>
<u>Educational Services</u>	<u>61</u>	<u>22</u>	<u>\$98,572</u>	<u>\$4,481</u>	<u>\$558</u>	<u>\$1,291</u>	<u>\$5,526</u>	<u>\$28,251</u>	<u>2.2%</u>
<u>Health Care & Social Assistance</u>	<u>62</u>	<u>52</u>	<u>\$170,659</u>	<u>\$3,282</u>	<u>\$1,218</u>	<u>\$2,686</u>	<u>\$4,711</u>	<u>\$15,443</u>	<u>3.9%</u>
<u>Accommodation*</u>	<u>721</u>	<u>2</u>	<u>\$794</u>	<u>\$397</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$627</u>	<u>0.0%</u>
<u>Food Services & Drinking Places*</u>	<u>722</u>	<u>2</u>	<u>\$537</u>	<u>\$268</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$417</u>	<u>0.0%</u>
<u>Repair and Maintenance</u>	<u>811</u>	<u>146</u>	<u>\$3,313</u>	<u>\$23</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,397</u>	<u>0.1%</u>
<u>Other Services</u>	<u>Other 54-81</u>	<u>20</u>	<u>\$34,075</u>	<u>\$1,704</u>	<u>\$0</u>	<u>\$578</u>	<u>\$1,850</u>	<u>\$13,454</u>	<u>0.8%</u>
<u>Public Administration</u>	<u>92</u>	<u>30</u>	<u>\$42,199</u>	<u>\$1,407</u>	<u>\$240</u>	<u>\$416</u>	<u>\$2,014</u>	<u>\$8,188</u>	<u>1.0%</u>
<u>Unclassified**</u>	<u>N/A</u>	<u>33</u>	<u>\$71,922</u>	<u>\$2,179</u>	<u>\$0</u>	<u>\$0</u>	<u>\$437</u>	<u>\$34,222</u>	<u>1.6%</u>
<u>Small Business***</u>	<u>N/A</u>	<u>428</u>	<u>\$509,621</u>	<u>\$1,191</u>	<u>\$0</u>	<u>\$0</u>	<u>\$813</u>	<u>\$211,103</u>	<u>11.5%</u>
<u>TOTALS</u>	<u>-</u>	<u>1541</u>	<u>\$4,417,564</u>	<u>\$2,908</u>	<u>\$0</u>	<u>\$295</u>	<u>\$1,363</u>	<u>\$427,528</u>	<u>100.0%</u>

* Percentile data not provided for industries with fewer than 5 facilities

** Facilities with no NAICS codes assigned are categorized as "unclassified."

*** A small business is defined as a facility with 100 employees or fewer and annual revenue less than or equal to \$5,000,000. These facilities are spread throughout all of the industry sectors and are not included in the total count of facilities

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 3 shows the distribution of these fee impacts by industry, by fiscal year, and on average annually over a 10-year horizon. The manufacturing sector would incur the largest fee impacts with no fee increase in FY 2019-20, and an increase in fee costs of \$1.09 million in FY 2020-2021 and \$2.31 million in FY 2021-22 and thereafter, which comprises a 57% share of the average fee

impacts of PAR III. Within the manufacturing sector the petroleum and coal products manufacturing industry (NAICS 324) will incur a 57% share of the fee impacts, primarily as a result of the toxicity-weighted emissions fees that will be incurred by facilities in this industry.

Figure 1:
Proposed TAC Fee Increase Compared with 2017 Toxic Fees

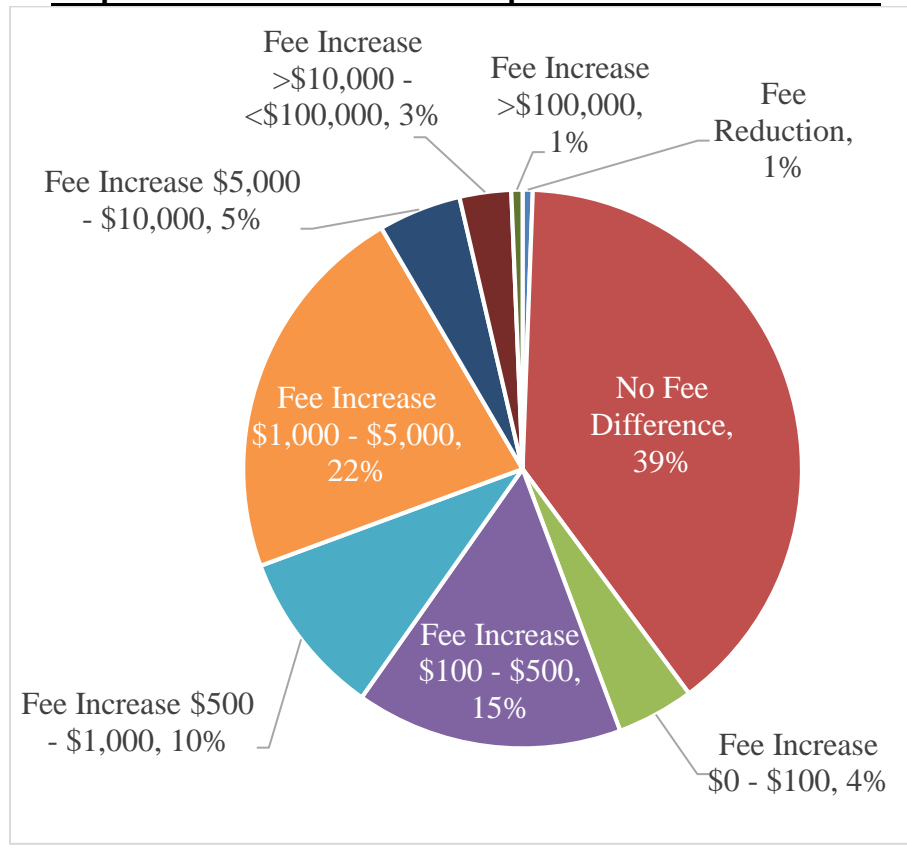


Figure 1 shows that nearly 40% of the facilities subject to the TAC Fee increase will have no difference in their total annual toxics fees compared with the 2017 reporting year. 22% of facilities will have an increase between \$1,000 and \$5,000, and 15% will have a fee increase of \$100 to \$500 annually.

MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The REMI model (PI+ v2.2) 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.²

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 a reduction in annual costs of ~~\$0.29~~\$0.30 million in FY 2019-20, followed by an increase in annual costs of \$1.76 million in FY 2020-21 and \$4.12 million in FY 2021-22 and following years (Table 2). 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 2019 to 2028, where the highest level of fee increase is realized by 2021 and is held constant for the subsequent years in 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 3) were input into the REMI model as an increase in production cost for the affected industries. 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. 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 government spending.³

² 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>.)

³ 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 3:
Fee Impact of the PAR III by Industry**

Industry	NAICS	Fee Impact of PAR III				
		FY 2019-2020	FY 2020-2021	FY 2021-2022 and thereafter	Average Annual (2019-2028)	Share of Fee Impact
Agriculture, Forestry, Fishing & Hunting	111-115	\$0	\$5,715	\$10,877	\$9,273	0.3%
Mining	21	\$0	\$71,285	\$157,876	\$133,429	3.9%
–Oil and Gas Extraction	211	\$0	\$48,312	\$111,957	\$94,397	2.7%
–Mining (except oil and gas)	212-213	\$0	\$22,973	\$45,919	\$39,032	1.1%
Construction	23	\$1,174	\$10,887	\$22,334	\$19,073	0.6%
Manufacturing	31-33	\$0	\$1,085,208	\$2,311,353	\$1,957,603	56.8%
–Food Manufacturing	311	\$0	\$2,040	\$3,268	\$2,818	0.1%
–Wood Products Manufacturing	321	\$0	\$490	\$1,079	\$912	0.0%
–Petroleum and Coal Products Mfg.	324	\$0	\$611,036	\$1,341,750	\$1,134,504	32.9%
–Chemical Manufacturing	325	\$0	\$121,840	\$244,881	\$208,089	6.0%
–Nonmetallic Mineral Product Mfg.	327	\$0	\$36,468	\$72,489	\$61,638	1.8%
–Primary Metal Mfg.	331	\$0	\$91,598	\$189,381	\$160,665	4.7%
–Fabricated Metal Mfg.	332	\$0	\$103,464	\$215,043	\$182,381	5.3%
–Machinery Manufacturing	333	\$0	\$49,310	\$99,094	\$84,206	2.4%
–Computer and Electronic Product Mfg.	334	\$0	\$19,679	\$39,342	\$33,442	1.0%
–Electrical Equipment & Appliance Mfg.	335	\$0	\$5,843	\$11,226	\$9,565	0.3%
–Motor Vehicle & Trans. Equipment Mfg.	336	\$0	\$24,233	\$49,024	\$41,642	1.2%
–Other Manufacturing	312-339	\$0	\$19,208	\$44,775	\$37,741	1.1%
Utilities	22	\$0	\$318,630	\$712,744	\$602,058	17.5%
Transportation & Warehousing	48-49	\$0	\$94,396	\$209,871	\$177,337	5.1%
Information	51	\$0	\$15,450	\$31,289	\$26,577	0.8%
–Publishing Industries, Except Internet	511	\$0	\$164	\$172	\$154	0.0%
–Motion Picture & Sound Recording	512	\$0	\$15,287	\$31,118	\$26,423	0.8%
–Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
Wholesale Trade	42	\$1,200	\$45,991	\$97,332	\$82,585	2.4%
Retail Trade	44-45	\$300	\$39,687	\$90,785	\$76,627	2.2%
Finance and Insurance	52	\$0	\$245	\$417	\$358	0.0%
Real Estate and Rental Leasing	53	\$1,173	\$2,281	\$3,020	\$2,761	0.1%
Services	54-81	-\$301,227	\$16,830	\$361,364	\$260,651	7.6%
–Professional and Technical Services	54	\$300	\$16,424	\$36,138	\$30,583	0.9%
–Administrative and support services	561	\$0	\$3,807	\$8,487	\$7,171	0.2%
–Waste management and remediation services	562	-\$301,827	-\$151,392	\$8,488	-\$38,532	-1.1%
–Educational Services	61	\$0	\$45,887	\$98,572	\$83,446	2.4%
–Health Care & Social Assistance	62	\$0	\$82,318	\$170,659	\$144,759	4.2%
–Accommodation	721	\$0	\$475	\$794	\$683	0.0%
–Food Services & Drinking Places	722	\$0	\$344	\$537	\$464	0.0%
–Other Services	Other 54-81	\$300	\$18,967	\$37,689	\$32,078	0.9%
Public Administration	92	\$0	\$18,695	\$42,199	\$35,629	1.0%
Unclassified*	N/A	\$0	\$34,754	\$71,922	\$61,013	1.8%
Totals		-\$297,380	\$1,760,056	\$4,123,384	\$3,444,974	100.0%

*Facilities with no NAICS codes assigned are categorized as “unclassified.”

Employment

Based on these inputs into the REMI model, the macroeconomic impacts of the estimated fee increases on the regional economy were simulated.⁴ 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 21 jobs on average per year above the baseline scenario job forecast from 2019 to 2028 (Table 4). 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.

Table 45:
Projected Job Impacts of Proposed Fee Rate Increases by Sector

Sector	NAICS	Jobs			Average Annual (2019-2028)		
		2020	2024	2028	Jobs	Baseline Jobs	% Change
Mining, Oil and Gas Extraction	21	0	-2	-2	-1	24,093	-0.0058%
Utilities	22	0	-1	-1	-1	21,209	-0.0033%
Construction	23	2	-4	-4	-2	488,175	-0.0005%
Manufacturing	33	0	-5	-6	-4	631,905	-0.0006%
Wholesale Trade	42	0	-1	-1	-1	492,205	-0.0001%
Retail Trade	44-45	0	-2	-3	-2	1,006,162	-0.0002%
Transportation and Warehousing	48-49	0	-1	-1	0	491,491	-0.0001%
Information	51	0	0	-1	0	343,789	-0.0001%
Finance and Insurance	52	1	0	0	1	514,823	0.0001%
Real Estate and Rental and Leasing	53	1	0	0	0	609,284	0.0000%
Professional, Scientific, and Technical Services	54	1	0	-2	0	876,610	0.0000%
Management of Companies and Enterprises	55	0	-1	-1	-1	118,986	-0.0004%
Administrative and Waste Management Services	56	1	0	-1	0	800,069	0.0000%
Educational Services	61	0	0	-1	0	262,009	0.0000%
Health Care and Social Assistance	62	1	0	-1	0	1,367,207	0.0000%
Accommodation and Food Services	72	1	1	0	1	811,398	0.0001%
State and Local Government	92	17	37	34	31	918,977	0.0034%
All Other Industries	N/A	3	1	0	0	1,290,479	0.0000%
Total		28	22	9	21	11,068,869	0.0005%

⁴ A change was made to the TAC Fee Increase implementation that resulted in a decrease in costs to industry of approximately \$3,500 in FY 19-20. However, the employment data presented in this report reflect the more conservative cost estimates presented in the Draft Socioeconomic Impact Assessment.

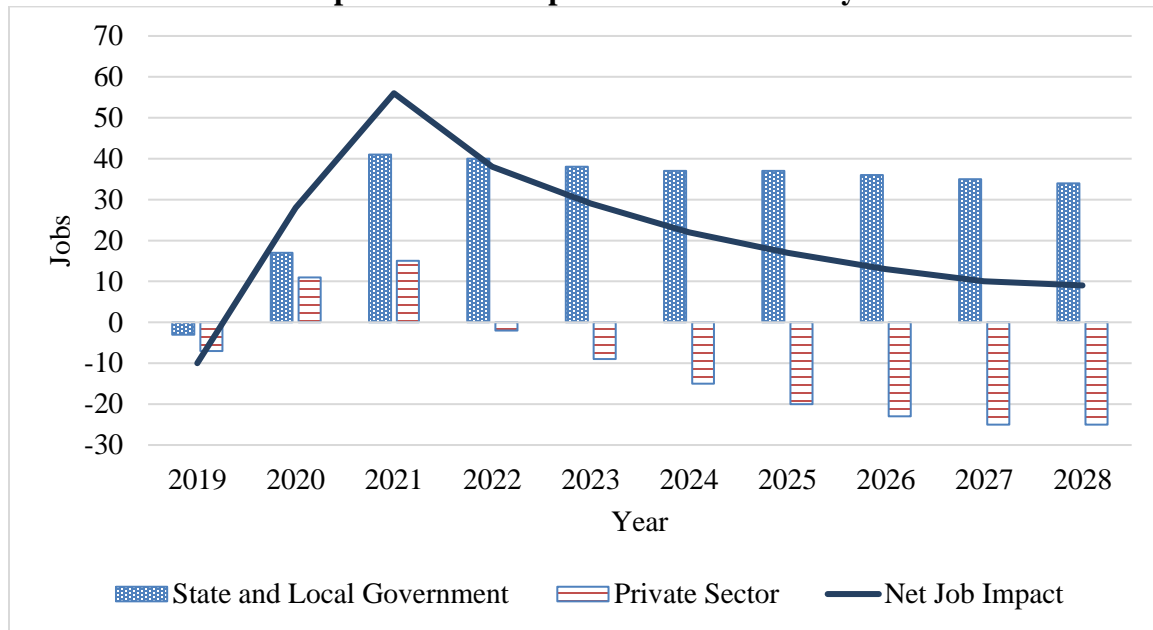
The foregone jobs are most concentrated in the manufacturing sector with four jobs foregone followed by the construction sector with two jobs foregone. These jobs foregone either occur in industries most significantly affected by the fee increase or industries which are significant intermediate suppliers 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 finance and insurance and professional, scientific, and technical services.

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 an increase of approximately 0.0005 percent.

Figure 1 illustrates the net change in jobs over the 2019-2028 time period. Following modest number of jobs forgone in the first year, REMI projects 28 job gains in the second year and increasing to 56 jobs gained in the third year due to the increased state and local government spending. Following 2021, the net job gains will diminish, as jobs foregone in the affected industries increase and local government job decrease.

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.

Figure 12:
Job Impacts of the Proposed Amendments by Year



CONCLUSION

Based on the proposed amendments, the fee impact of PAR III is estimated to be ~~-\$0.30~~~~-\$0.29~~ million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 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 2019-2028 period relative to the baseline scenario, resulting primarily from prevented job losses and job gains in local government and jobs foregone in manufacturing and construction. Ultimately, the projected job impact is very small relative to the regional economy, representing an increase of approximately 0.0005 percent.

APPENDIX

Table A1:
Estimated Number of Affected Facilities by Proposed Amendment

Industry	NAICS	Proposed Amendment					
		TAC Fee Increase	306/309 Fee Realignment	1403 Fee Reductions	PERP Fee Increase	Change of Owner/Operator Fee Cap	1118.1 Notification Fees
Agriculture, Forestry, Fishing & Hunting	111-115	33	0	0	0	0	0
Mining	21	89	0	0	0	2	34
Oil and Gas Extraction	211	60	0	0	0	1	33
Mining (except oil and gas)	212-213	29	0	0	0	1	1
Construction	23	23	0	0	20	0	0
Manufacturing	31-33	643	0	0	0	14	4
Food Manufacturing	311	38	0	0	0	0	2
Wood Products Manufacturing	321	6	0	0	0	0	0
Petroleum and Coal Products Mfg.	324	39	0	0	0	6	0
Chemical Manufacturing	325	59	0	0	0	1	0
Nonmetallic Mineral Product Mfg.	327	37	0	0	0	0	0
Primary Metal Mfg.	331	46	0	0	0	2	0
Fabricated Metal Mfg.	332	157	0	0	0	2	0
Machinery Manufacturing	333	13	0	0	0	0	0
Computer and Electronic Product Mfg.	334	24	0	0	0	0	0
Electrical Equipment & Appliance Mfg.	335	19	0	0	0	0	0
Motor Vehicle & Trans. Equipment Mfg.	336	44	0	0	0	2	0
Other Manufacturing	312-339	205	0	0	0	1	2
Utilities	22	123	0	0	0	0	26
Transportation & Warehousing	48-49	46	0	0	0	2	0

Information	51	11	0	0	0	0	0
Publishing Industries, Except Internet	511	2	0	0	0	0	0
Motion Picture & Sound Recording	512	8	0	0	0	0	0
Internet Services and data processing	518, 519	1	0	0	0	0	0
Wholesale Trade	42	65	4	0	0	1	0
Retail Trade	44-45	105	1	0	0	2	1
Finance and Insurance	52	2	0	0	0	0	0
Real Estate and Rental Leasing	53	9	0	0	10	0	0
Services	54-81	307	2	178	10	1	17
Professional and Technical Services	54	24	1	0	0	0	0
Administrative and support services	561	20	0	0	10	0	0
Waste management and remediation services	562	41	0	178	0	0	17
Educational Services	61	22	0	0	0	0	0
Health Care & Social Assistance	62	52	0	0	0	0	0
Accommodation	721	2	0	0	0	0	0
Food Services & Drinking Places	722	2	0	0	0	0	0
Other Services	Other 54-81	444 166	1	0	0	1	0
Public Administration	92	30	0	0	0	1	0
Unclassified*	N/A	33	0	0	0	0	0
Totals		1519 1541	7	178	40	23	82

*Facilities with no NAICS codes assigned are categorized as “unclassified.”



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, AND PROPOSED AMENDED RULE 209 – TRANSFER AND VOIDING OF PERMITS

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 Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees for consistency with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; and 4) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 consists of a clarification on how permit transfers are considered when there is a change of owner/operator. 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 new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 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) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed 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. Also, the proposed amendments to Rule 209 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be 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 directed to Ryan Bañuelos (c/o Planning, Rule Development and Area Sources) at the above address. Mr. Bañuelos can also be reached at (909) 396-3479. Mr. Shah Dabirian is also available at (909) 396-3076 to answer any questions regarding Proposed Amended Regulation III and Proposed Amended Rule 209.

Date: April 3, 2019

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 Regulation III – Fees, and Proposed Amended Rule 209 - Transfer and Voiding of Permits

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: The proposed project is comprised of amendments to Regulation III and Rule 209. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees for consistency with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; and 4) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 consists of a clarification on how permit transfers are considered when there is a change of owner/operator.

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) – Common Sense Exemption

CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges

CEQA Guidelines Section 15308 – Actions By Regulatory Agencies For Protection Of The Environment (Class 8 Categorical Exemption)

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 Proposed Amended Regulation III and Proposed Amended Rule 209 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) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III 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. Also, the proposed amendments to Rule 209 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions.

Date When Project Will Be Considered for Approval (subject to change):

SCAQMD Governing Board Hearing: May 3, 2019; SCAQMD Headquarters

CEQA Contact Person:	Phone Number:	Email:	Fax:
Mr. Ryan Bañuelos	(909) 396-3479	rbañuelos@aqmd.gov	(909) 396-3982

Regulation Contact Person:	Phone Number:	Email:	Fax:
Mr. Shah Dabirian	(909) 396-3076	sdabirian@aqmd.gov	(909) 396-3324

Date Received for Filing: _____ **Signature:** _____ *(Signed Upon Board Approval)*
Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development & Area Sources

ATTACHMENT L

ARTICLE 7

DESIGNATED DEPUTY ANNUAL SALARIES

(Effective with the start of the pay period encompassing January 1, 2017)

Assistant Chief Deputy Counsel, Major Prosecutions	\$162,826
Assistant Deputy Executive Officer, including Chief Information Officer	\$160,374
Chief Deputy Counsel	\$183,790
Deputy Executive Officer, including Chief Operating Officer and Chief Administrative Officer	\$171,651
Director of Strategic Initiatives	\$153,218
Health Effects Officer	\$126,053 - \$153,218 (Steps 1 – 5)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	\$156,196

(Effective with the start of the pay period encompassing July 1, 2018)

Assistant Chief Deputy Counsel, Major Prosecutions	\$167,304
Assistant Deputy Executive Officer, including Chief Information Officer	\$164,784
Chief Deputy Counsel	\$188,844
Deputy Executive Officer, including Chief Operating Officer and Chief Administrative Officer	\$176,371
Director of Strategic Initiatives	\$157,432
Director of Communications	\$157,432
Health Effects Officer	\$126,053 - \$157,432 (Steps 1 – 6)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

(Effective with the start of the pay period encompassing July 1, 2019)

Assistant Chief Deputy Counsel, Major Prosecutions	\$171,905
Assistant Deputy Executive Officer, including Chief Information Officer	\$169,316
Chief Deputy Counsel	\$194,037
<u>Chief Operating Officer</u>	<u>\$194,037</u>
Deputy Executive Officer, including Chief Operating <u>Financial</u> Officer and Chief Administrative <u>Information</u> Officer	\$181,222
Director of Strategic Initiatives	\$161,761
Director of Communications	\$161,761

<u>Director of Community Air Programs/Health Effects Officer</u>	\$126,053 - \$161,761 (Steps 1 – 7)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

(Effective with the start of the pay period encompassing July 1, 2020)

Assistant Chief Deputy Counsel, Major Prosecutions	\$176,632
Assistant Deputy Executive Officer, including Chief Information Officer	\$173,972
Chief Deputy Counsel	\$199,373
<u>Chief Operating Officer</u>	<u>\$199,373</u>
Deputy Executive Officer, including Chief Operating <u>Financial</u>	
Officer and Chief Administrative Information <u>Officer</u>	\$186,205
Director of Strategic Initiatives	\$166,209
Director of Communications	\$166,209
<u>Director of Community Air Programs/Health Effects Officer</u>	\$126,053 - \$166,209 (Steps 1 – 8)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

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ATTACHMENT M

TITLE: DIRECTOR OF COMMUNITY AIR PROGRAMS/HEALTH EFFECTS OFFICER

DEFINITION: Under general direction, serves as program ~~manager~~ director and develops and implements programs on the health effects of air pollution and as a technical specialist conducts the most difficult and complex research and analysis of health related air quality problems and develops rules and regulations based on the Air Quality Management Plan; formulates guidelines, rules, regulations and policies pertaining to air quality management, and does other work as required.

CLASSIFICATION STANDARDS: This single-position management class supervises a unit of professional and technical staff and/or is responsible for developing programs and performing the most complex health related air pollution control work.

EXAMPLES OF DUTIES:

Implements the Health Effects Program; establishes working policies and procedures within South Coast Air Quality Management District (South Coast AQMD) requirements; coordinates program activities with other South Coast AQMD District offices.

Conducts research to identify gaps in existing health effects data, conducts studies on the health effects of criteria and toxics pollutants, and provides expert testimony and technical support to other staff.

Oversees and participates in the planning, organization and development of complex projects and programs for evaluating, maintaining and updating the Air Quality Management Plan and for developing rules and regulations.

Acts as section or project liaison to Advisory Council, South Coast AQMD ~~District~~ Governing Board, other public agencies, and environmental, community or other public groups in the air quality management and rule development processes.

Provides advice and consultation to public agencies and business on various aspects of South Coast AQMD ~~District~~ plans and policies as well as specific programs and regulatory requirements.

Supervises a professional staff unit and provides subordinates with support, advice and the interpretation of policy as required.

Prepares and supervises the preparation of reports, scientific papers and other written documents and reviews and edits such material prepared by team members.

Evaluates effectiveness of programs and projects in progress and redirects or modifies them as necessary in order to achieve South Coast AQMD ~~District~~ goals.

Develops and modifies computer software as required for carrying out work on projects and programs.

Prepares and supervises the preparation of evaluations, analyses and other forms of quantitative assessment of air quality data.

TITLE: DIRECTOR OF COMMUNITY AIR PROGRAMS/HEALTH EFFECTS OFFICER

Conceptualizes research models by synthesizing or modifying concepts and approaches from the mathematical, statistical and physical sciences.

Provides assistance in the coordination of investigative projects concerned with measurement and analysis of air quality development of emission inventories, and determination of emission reduction and source performance standards with engineering, sources test and other technical personnel.

Reviews and reports on research papers and technical literature pertinent to air quality planning, emissions, control, and rule development.

Speaks as representative of the South Coast AQMD District before scientific, professional, public and community groups.

Reviews legislation and provides technical assistance and expertise in preparation of briefs and testimony for legal proceedings affecting the basic programs of the South Coast AQMD District.

MINIMUM REQUIREMENTS:

EDUCATION: Graduation with a bachelor's degree from an accredited college or university, preferably with a major in an academic discipline related to the assigned area of specialization.

DESIRABLE QUALIFICATIONS: An M.D. or Ph.D. degree with extensive training and research in medicine, health or a closely related field and/or advanced research in the health effects of air pollution and/or extensive knowledge of air pollution research (ozone, P.M. 10. ambient acids, etc.).

EXPERIENCE: Four years of technical and scientific air quality or professional analytical experience which would demonstrate the requisite knowledge, skills and abilities defined in the job announcement for the position.

KNOWLEDGE OF: A specific discipline such as chemistry, economics, environmental planning or related field with emphasis on its relationship to air quality planning and rule development; the principles, methods and procedures of environmental review, planning and rule development; principles and practices of program management; the provisions of the Clean Air Act; federal and State regulations regarding air quality and air pollution control; research methods and techniques; knowledge of principles and practices of supervision.

ABILITY TO: Compile and analyze technical data; direct and evaluate comprehensive planning and research studies; plan, organize, and coordinate programs and project activities; understand and interpret applicable laws and regulations; prepare and present concise, logical reports of a technical nature; establish and maintain cooperative relations with South Coast AQMD District staff and others contacted in the course of work; supervise, prioritize and coordinate the work of subordinate staff; make public presentations.

FY 2019-20 South Coast AQMD Budget, Goals and Priority Objectives and Regulation III

Governing Board Meeting
May 3, 2019



FY 2019-20 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 (9)

Goal II

Enhance public
education and
equitable treatment
for all communities

Priority
Objectives (5)

Goal III

Operate
efficiently and
transparently

Priority
Objectives (6)

FY 2019-20 General Fund Budget Summary

	FY 2018-19			FY 2019-20
	<u>Budget</u>	<u>Amended*</u>	<u>Estimate**</u>	<u>Proposed***</u>
Revenue***	\$162.6	\$167.5	\$165.5	\$170.9
Program Cost	<u>\$162.6</u>	<u>\$175.9</u>	<u>\$170.6</u>	<u>\$170.9</u>
Change to Fund Balance	<u>\$0.0</u>	<u>-\$8.4</u>	<u>-\$5.1</u>	<u>\$0.0</u>

* Board approved changes through March 2019.

** FY 2018-19 estimate includes potential April Board actions for Health Effects transfer and elevator replacement.

*** FY 2019-20 Proposed Revenue Budget includes a projected CPI fee increase of 3.5% with the third and final year of an additional 10.66% increase for Title V annual operating permit renewal and permit processing fees.

FY 2019-20 Proposed Staffing Changes

Add:

- 1 Administrative Secretary - Legislative & Public Affairs/Media Office
- 1 Deputy Executive Officer - Finance
- 1 Deputy Executive Officer - Administrative & Human Resources
- 1 Deputy Executive Officer - Information Management
- 1 Program Supervisor – Legislative & Public Affairs/Media Office
- 2 Supervising Office Assistant – Engineering & Permitting and Information Management

■ Delete:

- 1 Chief Administrative Officer - Finance
- 1 Assistant Deputy Executive Officer - Finance
- 1 Assistant Deputy Executive Officer - Administrative & Human Resources
- 1 Assistant Deputy Executive Officer - Information Management
- 2 Principal Office Assistant – Engineering & Permitting and Information Management

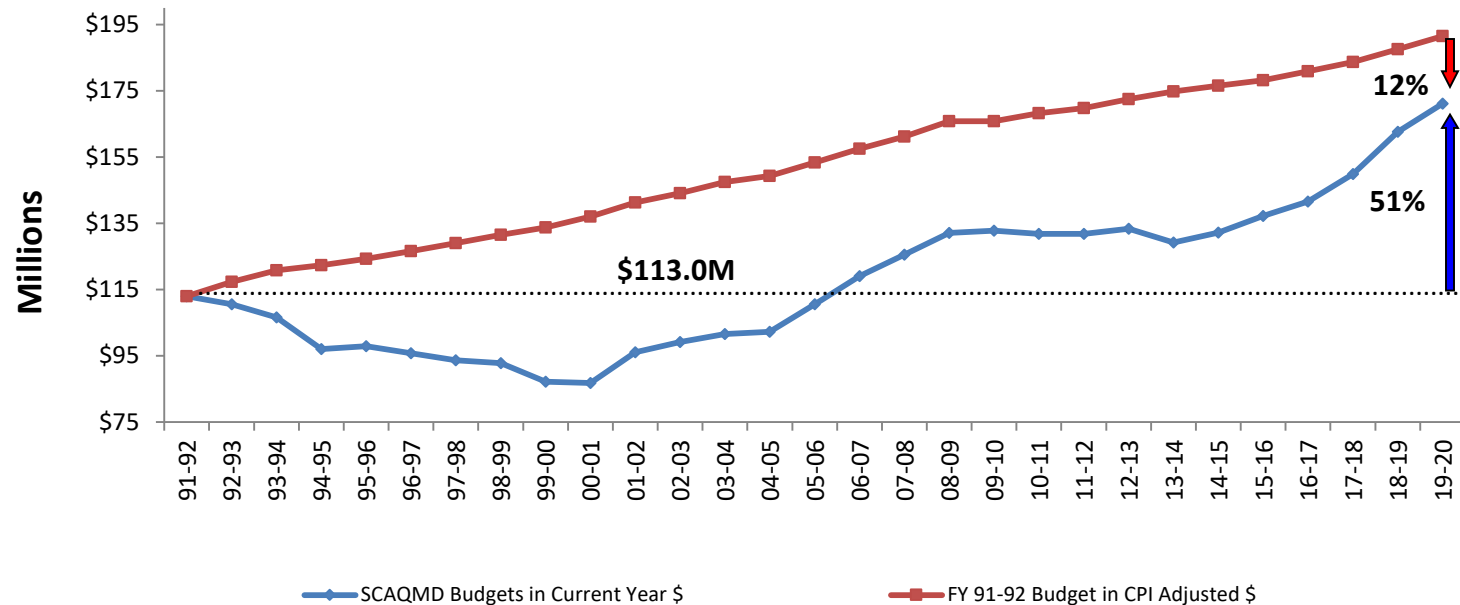
■ Title Change:

- From Health Effects Officer to Director of Community Air Programs/Health Effects Officer

■ Executive Salary Change:

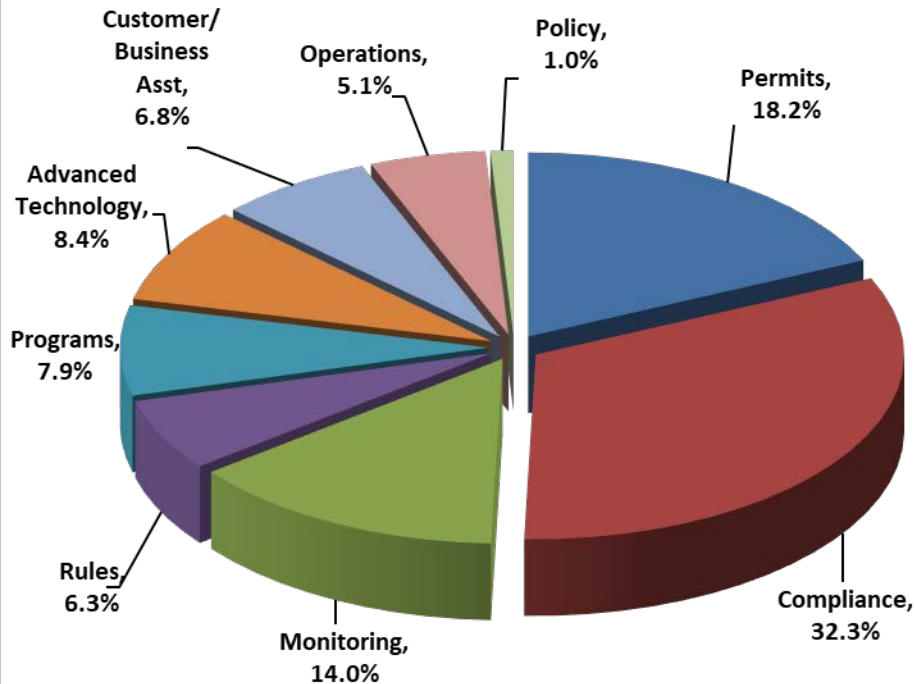
- Increase the Chief Operating Officer's salary by \$12,816

Inflation Impact on SCAQMD Budgets FY 1991-92 through FY 2019-20



Expenditures by Activity

FY 2019-20 Proposed Budget *



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 2019-20 General Fund Budget Five Year Projection

(\$ in millions)	FY 18-19 Estimated	FY 19-20 Projected	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected
STAFFING		939	939	939	939	939
Revenues *	\$165.5	\$170.9	\$175.1	\$175.0	\$176.1	\$178.4
Program Costs	\$170.6	\$170.9	\$180.7	\$184.0	\$185.0	\$179.2
Change in Fund Balance	-\$5.1	\$0.0	-\$5.6	-\$9.0	-\$8.9	-\$0.8
UNRESERVED FUND BALANCE (at Year-End)	\$49.7	\$49.7	\$44.1	\$35.1	\$26.2	\$25.4
% of REVENUE	30%	29%	25%	20%	15%	14%
<ul style="list-style-type: none"> Includes projected CPI fee increase of 3.5% for FY 2019-20 with the third and final year of an additional fee increase approved by the Governing Board in June 2017, (10.66% for Title V annual operating permit renewal and permit processing fees). FY 20-21, FY 21-22, FY 22-23 and FY 23-24 have CPI fee increases of 3.7%, 3.2%, 2.9% and 2.8% respectively. 						

Proposed Amended Regulation (PAR) III - Fees

- Annual CPI-based fee increase: 3.5% across the board
- 5 proposals with new fees or fee increases
 - Toxics Emissions Fees (next slides)
 - Four minor fee adjustments
- 6 proposals for fee reduction or relief
- 4 proposals with no fee impact and/or administrative changes
 - One additional proposal to Rule 209 to clarify change of owner/operator

Toxics Emissions Fees

Two key issues

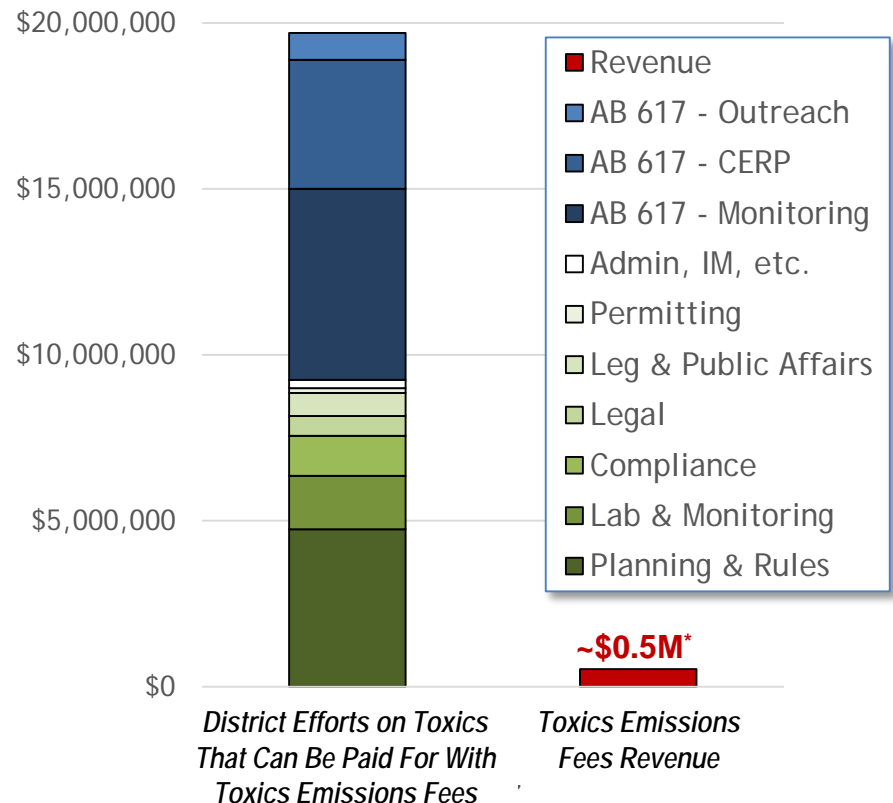
1. Significant recent and anticipated upcoming District efforts on toxics emissions from stationary sources

- Examples: toxic metals, fugitive hydrocarbons, new state health risk assessment guidance, AB 617

2. Structure of toxic emissions fees does not correlate with recent and anticipated upcoming workload




- Workload most closely correlated to:
 - Toxicity of emissions from a facility
 - Complexity of emissions sources at a facility (e.g., # of devices)

Subset of District Effort on Toxics vs. Toxics Emissions Fees



*~\$20M collected for criteria pollutant emissions

Proposed Toxics Emissions Fees

- 1) Introduce a new Base Toxics Fee to recover costs for basic functioning of toxics reporting program (software + minimal staffing)
 - \$78.03/facility if toxics reported **\$0.1M**
- 2) Introduce a new Flat Rate Device Fee to recover costs for staff toxics inventory work
 - \$341.89 per permitted device with toxics emissions
 - Inventory workload highly correlated with number of devices **\$1.4M**
- 3) Introduce a new Cancer Potency-Weighted Fee to recover costs for staff enforcement and related efforts for higher toxicity facilities (AB 617, monitoring, source testing, rulemaking)
 - \$10 per cancer potency-weighted pound of toxics emissions
 - Add Diesel PM to the list of 21 common toxics that require fees
 - Fees for ammonia and ozone depleters would not change **\$3.4M**

\$4.9M*

**~\$4.4M higher than current fees*

Toxic Emissions Fees - Proposed Schedule

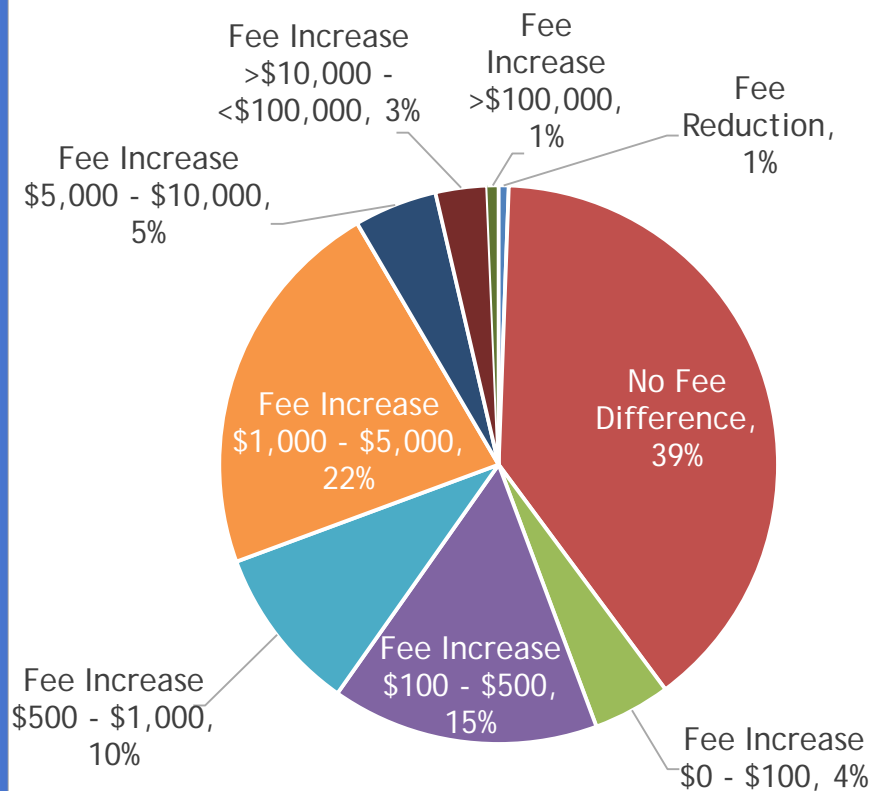
- Increase in proposed fees phased in over next three years
 - Proposal would increase emissions fees revenue ~22%
 - Including both toxics and criteria pollutants

- Proposed phase in:

	January 1, 2020	January 1, 2021	January 1, 2022
Flat fee	No change other than typical CPI increase	\$78.03	\$78.03
Per device fee		\$170.95	\$341.89
Cancer potency-weighted fee (per lb.)		\$5.00	\$10.00

- Due to fluctuating nature of toxics work, staff will revisit fee level in future and propose rebalancing up or down as necessary

Toxic Emissions Fee Impact



Industry Sector	# of Facilities	Average Difference	Max Difference
<i>Refineries</i>	8	\$146,690	\$427,369
<i>Utilities</i>	126	\$5,667	\$182,228
<i>Waste Management</i>	61	\$5,214	\$160,368
<i>Transp. & Warehousing</i>	46	\$4,553	\$46,325
<i>Education</i>	22	\$4,474	\$28,239
<i>Arts, Entertainment, & Recreation</i>	8	\$3,278	\$13,440
<i>Health Care</i>	52	\$3,278	\$15,433
<i>Information Technology</i>	11	\$2,838	\$9,012
<i>Manufacturing</i>	653	\$1,828	\$211,092
<i>Mining and Oil/Gas Extraction</i>	89	\$1,754	\$15,481
<i>Wholesale Trade</i>	67	\$1,595	\$18,800
<i>Professional & Technical Services</i>	24	\$1,490	\$13,805
<i>Public Administration</i>	29	\$1,444	\$8,167
<i>Construction</i>	24	\$883	\$5,695
<i>Retail Trade</i>	106	\$853	\$7,580
<i>Hotels & Restaurants</i>	4	\$332	\$625
<i>Agriculture & Forestry</i>	34	\$319	\$9,030
<i>Other</i>	176	\$76	\$4,111

Stakeholder Feedback

- Review/approval of source tests used for emissions reporting should be streamlined so facilities don't have to use default emission factors
 - Board resolution directs staff to review and update emission factors as appropriate, in consultation with a Working Group
 - Resources provided by proposed amendments can be used to improve source testing reviews/approvals
- Many facilities may pay higher fees due to CARB's proposed new Criteria and Toxics Reporting (CTR) Regulation
 - Proposed amendment will not require more facilities to report
 - If CARB requires more reporting, more District resources will be needed
 - Any new facilities reporting due to CTR are expected to have lower emissions, and fees
- South Coast AQMD's legal authority regarding fees is overstated
 - Statute and case law provides clear legal authority for these fees
 - Fees meet all legal requirements

Stakeholder Feedback – cont'd

- Questions about justification for increased fees
 - Proposed amendments are necessary to recover reasonable costs of regulatory work performed by South Coast AQMD and proposed fee structure is equitable
 - Current fees fall short of the costs associated with work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program
- Requesting extension of three-year phase in to four years
 - Proposed amendments include a one year delay before phase in begins to allow facilities time to adjust
 - Board resolution directs staff to revisit fees after phase in to determine if they need to be adjusted
- Additional time needed for more industry outreach before Board consideration
 - Outreach has already included two public consultation meetings, a meeting of the budget advisory committee, a webinar, and multiple targeted emails to affected facilities

Recommended Actions:

- Determine that Proposed Amendments to Regulation III and Rule 209 are exempt from CEQA;
- Adopt the Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives;
- Adopt the FY 2019-20 Draft Budget;
- Amend the Salary Resolution; &
- Approve the Amendments to Regulation III and Rule 209

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 29

PROPOSAL: Certify Revised Final Environmental Assessment, Amend Rule 1106 – Marine Coating Operations, as set forth in Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings, and Rescission of Rule 1106.1 – Pleasure Craft Coating Operations

SYNOPSIS: The proposed amendments would revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit for products that may be marketed for both marine and pleasure craft coatings use. The proposed amendments would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendments would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings.

COMMITTEE: Stationary Source, March 15, 2019, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached resolution:

1. Certifying the Revised Final Environmental Assessment for Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and Rescission of Rule 1106.1 – Pleasure Craft Coating Operations;
2. Amending Rule 1106 - Marine Coating Operations; and
3. Rescinding Rule 1106.1 - Pleasure Craft Coating Operations.

Wayne Natri
Executive Officer

PF:SR:DD:DH:CN

Background

Rule 1106 - Marine Coating Operations and Rule 1106.1 - Pleasure Craft Coating Operations are both source specific rules that were adopted to reduce emissions of volatile organic compounds (VOC) from marine coatings formulated for use in the marine environment. Marine coatings are coatings applied to boats, ships, and vessels,

their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the marine environment, and for pleasure craft.

Rule 1106 was adopted on November 4, 1988 and has been subsequently amended seven times. The most recent amendment was on January 13, 1995. Rule 1106.1 was adopted on May 1, 1992 and has been subsequently amended three times. The most recent amendment was on February 12, 1999.

Rulemaking to amend Rule 1106 and rescind Rule 1106.1 began in 2015. During the 2015 rulemaking process, a working group meeting, a public workshop and a Stationary Source Committee meeting were held to gather public input. Proposed Amended Rule 1106 was considered by the Board on October 2, 2015. However, the Board asked that staff reconsider the additional recordkeeping requirements in the proposal, and the proposed amendments to Rules 1106 and 1106.1 was not adopted at that time.

Proposal

The proposed amendments would revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines and other air districts, add new categories for coatings and sealants, require the most restrictive VOC content limit for products that may be marketed for both marine and pleasure craft coatings use, and provide new exemptions for certain coating technologies. The proposed amendments would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendments would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings.

Public Process

Two working group meetings were held: January 16, 2019 and March 12, 2019. A public workshop was held on February 12, 2019.

Issues Addressed and Staff Responses

ISSUES ADDRESSED:	STAFF RESPONSES:
Exemption should be offered to ultraviolet/electron beam/light-emitting diode (UV/EB/LED) curable materials from rule requirements.	Staff proposes to provide an exemption for marine or pleasure craft coatings that have a VOC content of 50 grams per liter (g/L) or less, or its equivalent, less water and exempt compounds, as applied, from the requirements of Proposed Amended Rule 1106. For energy curable coatings, the manufacturer must provide formulation data and ASTM D7767-11 test results showing that the coating is 50 g/L VOC or less to the Executive Officer, in order to qualify for this exemption.

<p>The UV/EB/LED industry requests inclusion of ASTM D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them” as a test method for determination of VOC content.</p>	<p>For energy curable coatings, Staff will allow ASTM D7767-11 test results to be used in conjunction with formulation data to determine VOC content for the purposes of qualifying for the proposed exemption for coatings that have a VOC content of 50 g/L or less. Meanwhile, Staff will work with manufacturers to develop or enhance a test method that can be used to directly measure the VOC of thin-film coatings.</p>
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California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD’s Certified Regulatory Program (Rule 110), the South Coast AQMD, as lead agency for the proposed project, prepared a Draft Environmental Assessment (EA) for Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and the proposed rescission of Rule 1106.1 - Pleasure Craft Coating Operations. The environmental analysis in the Draft EA concluded that the proposed project would not generate any significant adverse impacts. The Draft EA was released for a 30-day public review and comment period from August 19, 2015 to September 18, 2015, and no comment letters were received relative to the analysis in the Draft EA. Subsequent to the release for public review, Proposed Amended Rule 1106 was modified to add two exemptions. The first exemption was for high viscosity/high solids coatings for metal parts and products and the second exemption was for certain pre-treatment wash primers and special marking coatings. A new definition was added for ultraviolet/electron beam (UV/EB) curable thin film marine and pleasure craft coatings.

Staff reviewed the modifications to Proposed Amended Rule 1106 and concluded that none of the revisions constituted: 1) significant new information; 2) a substantial increase in the severity of an environmental impact, or 3) provided new information of substantial importance relative to the draft document. Further, revisions to the proposed project, in response to verbal or written comments, did not create new, avoidable significant effects. Pursuant to CEQA Guidelines Sections 15073.5 and 15088.5, Staff determined that these revisions did not require recirculation of the Draft EA.

Consequently, staff incorporated the aforementioned changes into the Final EA and it was released as part of the Board package for the October 2, 2015 public hearing. The project, however, was not adopted and moreover, the Final EA was not certified at that time.

Since the release of the Final EA, additional changes have been made to Proposed Amended Rule 1106 that would remove the previously proposed reporting, recordkeeping, and labeling requirements, and add an exemption for coatings that have a VOC content of 50 g/L or less. Staff has reviewed these additional modifications to Proposed Amended Rule 1106 and concluded that none of these additional revisions

constitute: 1) significant new information; 2) a substantial increase in the severity of an environmental impact; or 3) provide new information of substantial importance relative to the draft document. Additionally, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a results, these revisions do not require recirculation of the Draft EA pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, the Final EA has been revised to reflect the aforementioned modifications such that it is now the Revised Final EA and is included as Attachment H in the Board Package.

Socioeconomic Analysis

The proposed amendments clarify existing requirements for Marine and Pleasure Craft Coatings found in current Rules 1106 and 1106.1 and propose requirements that align with existing requirements found in current South Coast AQMD Regulation XI rules, U.S. EPA Control Techniques Guidelines, and similar rules of other air districts. Since there are available coating products that are already being used and meet the VOC requirements in this proposal with similar costs, the proposed amendments are not expected to result in increased compliance costs to affected facilities beyond what is currently required. As such, there will be no additional costs or other socioeconomic impacts anticipated.

Implementation and Resource Impact

Existing South Coast AQMD resources will be sufficient to implement the proposed amendments with minimal impact on the budget.

Attachments

- A. Summary of Proposal
- B. Rule Development Process
- C. Key Contacts List
- D. Resolution
- E. Proposed Amended Rule 1106
- F. Proposed Rescinded Rule 1106.1
- G. Final Staff Report
- H. Revised Final Environmental Assessment
- I. Board Meeting Presentation

ATTACHMENT A SUMMARY OF PROPOSAL

Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings

Revise VOC content limits of certain coating categories to align limits with U.S. EPA Control Techniques Guidelines (CTGs) and other air districts

- Inorganic Zinc Coating - Align with U.S. EPA CTGs
- Pretreatment Wash Primer - Align with other California air districts
- Antenna Coating - Align with other California air districts
- Repair and Maintenance Thermoplastic Coating - Align with other California air districts
- Specialty Marking Coating - Align with other California air districts

Add new categories for coatings and sealants consistent with U.S. EPA Control Techniques Guidelines (CTGs) and other local air districts

- Antifoulant Coatings: Aluminum Substrates
- Mist Coating
- Nonskid Coating
- Organic Zinc Coating
- Marine Deck Primer Sealant

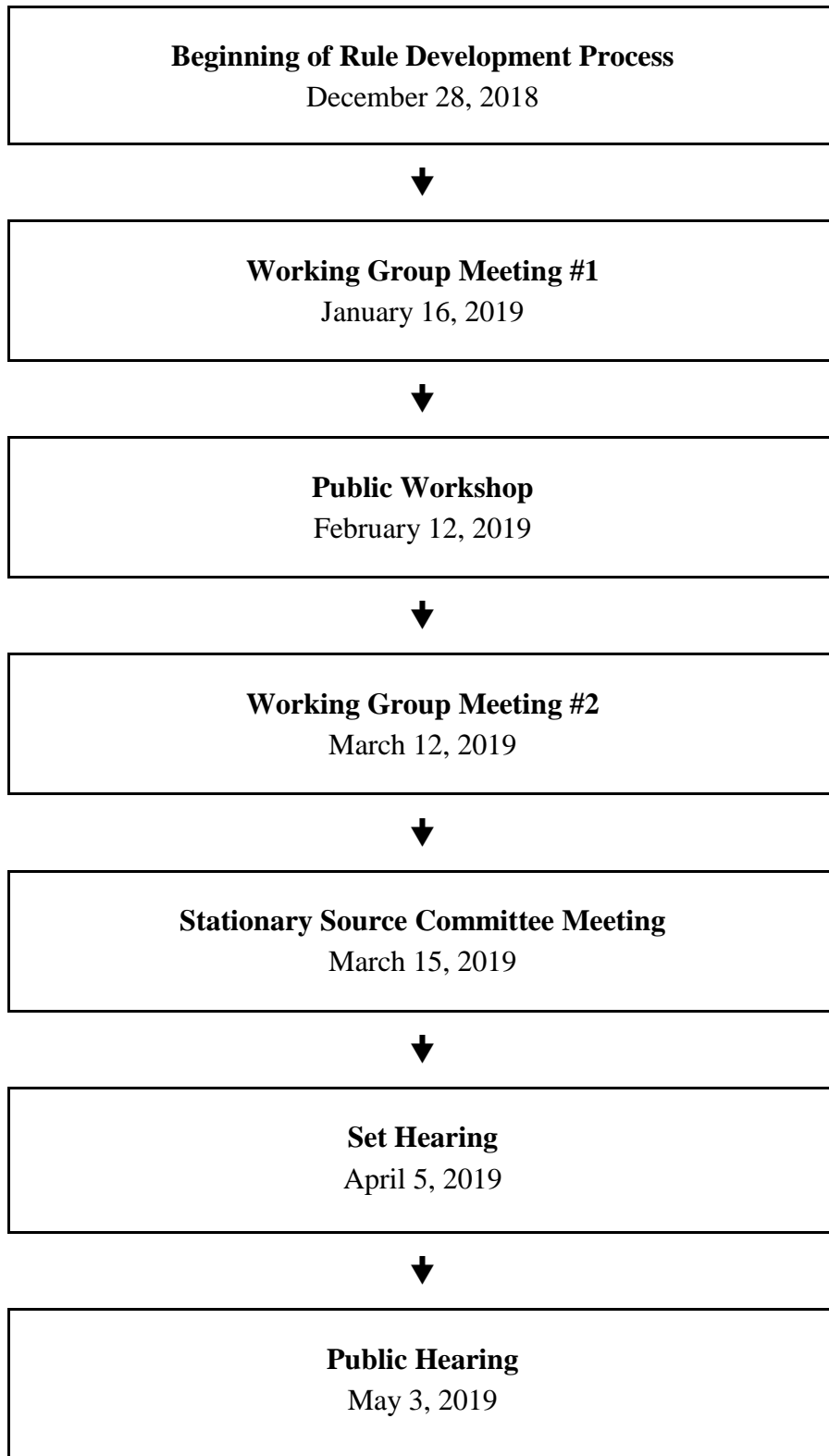
Clarify and enhance enforceability of rule requirements

- Require the most restrictive VOC content limit
- Prohibit possession and sale of non-compliant coatings
- Establish requirements for application equipment transfer efficiency
- Provide exemption for coatings that have 50 g/L or less VOC content

Subsume the requirements of Rule 1106.1 into Rule 1106 to make a single rule covering both marine and pleasure craft coatings

- Combine the requirements of Rule 1106.1 into Rule 1106
- Rescission of Rule 1106.1

ATTACHMENT B
RULE DEVELOPMENT PROCESS
Proposed Amended Rule 1106 -
Marine and Pleasure Craft Coatings



Five (5) months spent in rule development

ATTACHMENT C
KEY CONTACTS LIST
Proposed Amended Rule 1106 -
Marine and Pleasure Craft Coatings

Marine Coating Manufacturers

- Akzo Nobel
- Pettit Marine Paints
- Sea Hawk Paints

Pleasure Craft Category: Boatyards, Marinas and Shipyards

- Al Larson Boat Shop
- Balboa Boatyard
- Basin Marine
- Dana Point Shipyard
- Gambol Industries
- King Harbor Marine Center
- Larson's Shipyard
- Marina Shipyard
- Newport Harbor Shipyard
- Seamark Marine
- South Coast Shipyard
- Sunset Aquatic Shipyard
- The Boatyard
- Windward Yacht & Repair Center

Marine Category: Ships

- Queen Mary
- Pacific Battleship Center, U.S.S. Iowa
- S.S. Lane Victory

Government Agencies

- Los Angeles Regional Water Quality Control Board

Other Interested Parties

- American Coatings Association (ACA)
- Boeing
- DDU Enterprises, Inc.
- Disneyland Resort
- E4 Strategic Solutions, Inc.
- EPMAR Corporation
- Heraeus Noble Light America, LLC
- Llewellyn Supply
- Metropolitan Water District of Southern California
- Port of Los Angeles
- RADTECH International
- UV Specialties, LLC
- VACCO Industries
- Wave Front Technology
- West Coast Marine

ATTACHMENT D
RESOLUTION NO. 19-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) certifying the Revised Final Environmental Assessment (EA) for Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and Rescission of Rule 1106.1 – Pleasure Craft Coating Operations.

A Resolution of the South Coast AQMD Governing Board amending Rule 1106 – Marine and Pleasure Craft Coatings, and rescinding Rule 1106.1 – Pleasure Craft Coating Operations.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 are 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 South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l), and has conducted a CEQA review and analysis of Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD staff had prepared a Draft EA pursuant to its certified regulatory program and CEQA Guidelines Sections 15251 and 15252 setting forth the potential environmental consequences of Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 and determined that the proposed project would not have the potential to generate significant adverse environmental impacts; and

WHEREAS, the Draft EA was circulated for a 30-day public review and comment period, from August 19, 2015 to September 18, 2015, no comment letters were received, and the Draft EA was revised so that it was a Final EA; and

WHEREAS, the Final EA was originally released as part of the Governing Board package for the Public Hearing on October 2, 2015 but the Governing Board did not certify the Final EA or approve the project. Additional modifications have been made to the project since the October 2, 2015 proposal which are reflected in the Revised Final EA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that all changes made in the Revised Final EA after the public notice of availability of the Draft EA and the Final EA, as provided in the October 2, 2015 Governing Board package, were not substantial revisions and do not constitute significant new information within the meaning of CEQA Guidelines Sections 15073.5 and 15088.5, because no new significant effects were identified, and no new project conditions or mitigation measures were added, and all changes merely clarify, amplify, or make insignificant modifications to the Draft EA and Final EA, and recirculation is therefore not required; and

WHEREAS, it is necessary that the South Coast AQMD Governing Board review the Revised Final EA prior to its certification, to determine that it provides adequate information on the potential adverse environmental impacts that may occur as a result of adopting Proposed Amended Rule 1106 and rescinding Proposed Rescinded Rule 1106.1; and

WHEREAS, pursuant to CEQA Guidelines Section 15252 (a)(2)(B), since no significant adverse impacts were identified, no alternatives or mitigation measures are required and thus, a Mitigation, Monitoring, and Reporting Plan pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097, has not been prepared; and

WHEREAS, Findings pursuant to Public Resources Code Section 21081.6 and CEQA Guidelines Section 15091 and Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15093 were not prepared because the analysis shows that Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 would not have a significant adverse effect on the environment, and thus, are not required; and

WHEREAS, the Board package includes the Revised Final EA and other supporting documentation, and this information was presented to the South Coast AQMD Governing Board and that the Board has reviewed and considered this information before approving the staff recommendations; and

WHEREAS, the Revised Final EA reflects the independent judgment of the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to amend Rule 1106 and rescind Rule 1106.1 to ensure consistency with U.S. EPA Control Techniques Guidelines and other air districts as directed by Control Measure CTS-02 from the Final 2012 Air Quality Management Plan and CTS-01 from the Final 2016 Air Quality Management Plan; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD 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 South Coast AQMD Governing Board has determined that a need exists to amend Rule 1106 and rescind Rule 1106.1 to align VOC limits with reasonable available control technology, enhance readability and provide clarity of the rule language; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to rescind Rule 1106.1 and amend Rule 1106 from sections 39002, 40000, 40001, 40440, 40702, 40725 – 40728, 41508, and 41700 of the Health and Safety Code; and

WHEREAS, the South Coast AQMD Governing Board has determined that Rule 1106 as proposed to be amended, and Rule 1106.1 as proposed to be rescinded, are written or displayed so that its meaning can be easily understood by the persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Rule 1106 as proposed to be amended, and Rule 1106.1 as proposed to be rescinded, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decision, or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Rule 1106 as proposed to be amended, and Rule 1106.1 as proposed to be rescinded, do not impose the same requirements as any existing state or federal regulations, and the proposed amendments to Rule 1106 and proposed rescission of Rule 1106.1 are necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board has determined that amending Rule 1106 and rescinding Rule 1106.1 reference the following statutes which the South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code sections 40001 (a) and (b) (air quality standards and air pollution episodes); 40702 (adoption of rules and regulations); and, 40440 (rules and regulations to carry out the air quality management plan and to require best available retrofit control technology); and Clean Air Act Section 172(c)(1) (reasonably available control technology); and

WHEREAS, the South Coast AQMD 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 Rule 1106 and Proposed Rescinded Rule 1106.1 since the notice of public hearing was published add clarity that meets the same air quality objective and are not so substantial as to significantly affect the meaning of Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 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, except creating a minor exemption for coatings with 50 grams per liter (g/L) VOC or less, (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 the effects of Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 do not cause significant impacts and therefore, alternatives are not required; and

WHEREAS, the South Coast AQMD Governing Board finds that Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 do not significantly affect air quality or emissions limitations, and can be met with existing coatings, and therefore a socioeconomic analysis pursuant to California Health and Safety Code Sections 40440.8, 40728.5, or 40920.6 is not required; and

WHEREAS, the South Coast AQMD staff conducted a public workshop regarding Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 on February 12, 2019; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of Health and Safety Code section 40725; and

WHEREAS, the South Coast AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the South Coast AQMD Governing Board specifies the Manager overseeing the rule development for Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 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 South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

WHEREAS, the South Coast AQMD staff recognizes that there is no current test method that can be used to independently verify the compliance of thin-film energy curable products without formulation data; and

WHEREAS, the South Coast AQMD Governing Board has directed staff, consistent with current practices, to consider uncertainties associated with an approved test method prior to taking any compliance action; and

WHEREAS ASTM D7767-11, in conjunction with formulation data, is an additional tool manufacturers can use to verify the VOC content of their products; and

WHEREAS, Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 will be brought to the South Coast AQMD Governing Board again at the June 2019 Governing Board meeting for the limited purpose of consideration of staff's request that Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1 be submitted to the U.S. Environmental Protection Agency for inclusion into and removal from the State Implementation Plan, respectively, which inadvertently was not noticed for consideration at the May 2019 Governing Board meeting; and

NOW, THEREFORE, BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby certify the Revised Final EA for Proposed Amended Rule 1106 and Rescission of Rule 1106.1 was completed in compliance with CEQA and South Coast AQMD Rule 110 provisions and finds that the Revised Final EA was presented to the South Coast AQMD Governing Board, whose members reviewed, considered, and approved the information therein prior to acting on Proposed Amended Rule 1106 and Proposed Rescinded Rule 1106.1; and

BE IT FURTHER RESOLVED, that because no significant adverse environmental impacts were identified as a result of amending Rule 1106 and rescinding Rule 1106.1, Findings, a Statement of Overriding Considerations, and a Mitigation, Monitoring, and Reporting Plan are not required and were not prepared; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Amended Rule 1106 and withdraw Rule 1106.1 as set forth in the attached, and incorporated herein by reference.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT E

(Adopted November 4, 1988)(Amended May 5, 1989)(Amended June 2, 1989)
(Amended March 2, 1990)(Amended November 2, 1990)(Amended December 7, 1990)
(Amended August 2, 1991)(Amended January 13, 1995)
(Proposed Amended Rule 1106 May 3, 2019)

PROPOSED AMENDED RULE 1106.

MARINE AND PLEASURE CRAFT— COATING OPERATIONS

(a) Purpose

The purpose of this rule is to reduce emissions of Volatile Organic Compounds (VOC) from Marine and Pleasure Craft Coatings.

(ab) Applicability

This rule is applicable to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses or distributes any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating for use within the SCAQMD South Coast AQMD Jurisdiction, as well as any person who applies, stores at a worksite, or solicits the application of any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating within the SCAQMD South Coast AQMD Jurisdiction. applies to coating operations of boats, ships, and their appurtenances, and to buoys and oil drilling rigs intended for the marine environment. Coating operations of vessels which are manufactured or operated primarily for recreational purposes are subject to the requirements of Rule 1106.1—Pleasure Craft Coating Operations.

(bc) Definitions

For the purpose of this rule the following definitions shall apply:

- (1) AEROSOL COATING PRODUCT ~~is—means~~ a pressurized coating product containing pigments, ~~or~~ resins, and/or other coating solids that ~~is dispensed~~ dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container ~~can~~ for hand-held application.
- (2) AIR DRIED COATING is any coating that is formulated by the manufacturer to be cured at a temperature below 90 °C (194 °F).
- (3) ANTENNA COATING is any coating applied to equipment and associated structural appurtenances ~~which that~~ are used to receive or transmit electromagnetic signals.
- (4) ~~ANTIFOULING—ANTIFOULANT~~ COATING is any coating applied to the underwater portion of ~~a boats, ships, vessels, vessel or pleasure craft~~ to prevent or reduce the attachment of biological organisms. ~~An antifouling coating and~~ shall be

registered with the ~~Environmental Protection Agency (EPA)~~ as a ~~pesticide~~ United States Environmental Protection Agency (“U.S. EPA”) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).

- (5) BAKED COATING is any coating that is formulated by the manufacturer to be cured at a temperature at or above 90 °C (194 °F).
- (6) CLEAR WOOD COATINGS are clear and semi-transparent topcoats applied to wood substrates to provide a transparent or translucent film.
- (7) DISTRIBUTOR means any person to whom a product is sold or supplied for the purposes of resale or distribution in commerce, except that manufacturers, retailers, and consumers are not distributors.
- (68) ELASTOMERIC ADHESIVE is any adhesive containing natural or synthetic rubber.
- (9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible -light, ultra-violet light or to an electron beam. The VOC content of thin film Energy Curable Marine and Pleasure Craft Coatings may be determined by manufacturers using ASTM Test Method 7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.
- (710) EXEMPT COMPOUNDS are any of the following compounds:(See Rule 102 - Definition of Terms.)

(A) Group I (General)

- trifluoromethane (HFC-23)
- pentafluoroethane (HFC-125)
- 1,1,2,2-tetrafluoroethane (HFC-134)
- tetrafluoroethane (HFC-134a)
- 1,1,1-trifluoroethane (HFC-143a)
- 1,1-difluoroethane (HFC-152a)
- chlorodifluoromethane (HCFC-22)
- dichlorotrifluoroethane (HCFC-123)
- 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)
- dichlorofluoroethane (HCFC-141b)
- chlorodifluoroethane (HCFC-142b)
- 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~~

(B) ~~_____~~ Group II

~~_____ methylene chloride~~

~~_____ 1,1,1 trichloroethane (methyl chloroform)~~

~~_____ trichlorotrifluoroethane (CFC 113)~~

~~_____ dichlorodifluoromethane (CFC 12)~~

~~_____ trichlorofluoromethane (CFC 11)~~

~~_____ dichlorotetrafluoroethane (CFC 114)~~

~~_____ chloropentafluoroethane (CFC 115)~~

~~The use of Group II compounds and/or carbon tetrachloride may be restricted in the future because they are toxic, potentially toxic, upper-atmosphere ozone depleters, or cause other environmental impacts. By January 1, 1996, production of chlorofluorocarbons (CFC), 1,1,1, trichloroethane (methyl chloroform), and carbon tetrachloride will be phased out in accordance with the Code of Federal Regulation Title 40, Part 82 (December 10, 1993).~~

(811) EXTREME HIGH GLOSS COATING is any coating ~~which~~that achieves at least 95 percent reflectance on a 60° meter when tested by ASTM Test Method D-523-14 “Standard Test Method for Specular Gloss”.

(12) FINISH PRIMER/SURFACER is any coating applied with a wet film thickness of less than 10 mils (one mil = 0.001 of an inch) and is applied prior to the application of a Marine or Pleasure Craft Coating for the purpose of providing corrosion resistance, adhesion for subsequent coatings, a moisture barrier, or promotes a uniform surface necessary for filling in surface imperfections.

(913) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS (REGULATORY VOC) is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating, Less

$$\text{Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

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

- (14) GRAMS OF VOC PER LITER OF MATERIAL (ACTUAL VOC) is the weight of VOC per volume of material and shall 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 material in liters

- ~~(1015)~~ HEAT RESISTANT COATING is any coating ~~which that~~ during normal use must withstand temperatures of at least 204 °C (400 °F).

- ~~(1116)~~ HIGH GLOSS COATING is any coating ~~which that~~ achieves at least 85 percent reflectance on a 60° meter when tested by ASTM Method D-523-14 “Standard Test Method for Specular Gloss”.

- ~~(1217)~~ HIGH TEMPERATURE COATING is any coating that during normal use ~~which~~ must withstand temperatures of at least 426 °C (800 °F).

- (18) HIGH BUILD PRIMER/SURFACER is any coating applied with a wet film thickness of 10 mils or more (one mil = 0.001 of an inch) prior to the application of a topcoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.

- (19) HIGH-VOLUME, LOW-PRESSURE (HVLP) means spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns.

- (20) INORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an inorganic silicate binder that is applied to steel to provide galvanic corrosion resistance.

- ~~(1321)~~ LOW ACTIVATION INTERIOR COATING is any coating used on interior surfaces aboard ~~ships boats, ships, and vessels~~ to minimize the activation of pigments on painted surfaces within a radiation environment.

- (22) LOW-SOLIDS COATINGS are coatings containing one pound or less of solids per gallon of material.

- (4423) MARINE COATING is any coating, except unsaturated polyester resin (fiberglass) coatings, containing volatile organic materials and applied by any means to ~~ships, boats, ships, and vessels, and their appurtenances, and structures such as piers, and docks, to~~ buoys and oil drilling rigs; intended for the exposure to either a marine or fresh water environment.
- (24) MARINE DECK SEALANT PRIMER is any sealant primer intended by the manufacturer to be applied to wooden marine decks. A sealant primer is any product intended by the manufacturer to be applied to a substrate, prior to the application of a sealant, to enhance the bonding surface.
- (4525) METALLIC HEAT RESISTANT COATING is any coating ~~which~~ that contains more than 5 grams of metal particles per liter of coating as applied and ~~which~~ must withstand temperatures over 80 °C (~~475~~ 176 °F).
- (26) MIST COATING is any low viscosity thin film epoxy coating applied to an inorganic zinc primer that penetrates the porous zinc primer and allows the occluded air to escape through the film prior to curing.
- (4627) NAVIGATIONAL AIDS COATING is any coating that is applied to ~~are~~ buoys or other Coast Guard waterway markers that are recoated at their usage site aboard ship and immediately returned to the water.
- (28) NONSKID COATING means any coating applied to the horizontal surface of a marine vessel for the specific purpose of providing slip resistance for personnel.
- (29) ORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an organic silicate binder that is applied to steel to provide galvanic corrosion resistance.
- (17) ~~PRETREATMENT WASH PRIMER is any coating which contains at least 1/2-percent acids, by weight, to provide surface etching and is applied directly to metal surfaces to provide corrosion resistance, adhesion, and ease of stripping.~~
- (30) PLEASURE CRAFT are marine or fresh water vessels that are less than 20 meters in length and are manufactured or operated primarily for recreational purposes, or are leased, rented, or chartered to a person or business for recreational purposes. Vessels operated in amusement theme parks in a fresh water environment solely for the purpose of an amusement park attraction shall be considered pleasure craft vessels regardless of their length. The owner or operator of a pleasure craft vessel shall be responsible for certifying that the intended use is for recreational purposes.
- (31) PLEASURE CRAFT COATING is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.

- (32) PRETREATMENT WASH PRIMER is a coating that contains a minimum of 1/2 percent acid, by weight, applied directly to bare metal surfaces to provide necessary surface etching.
- (1833) REPAIR AND MAINTENANCE THERMOPLASTIC COATING is any resin-bearing coating, such as vinyl, chlorinated rubber, or bituminous coatings, where in which the resin becomes pliable with the application of heat, and is used to recoat portions of a previously coated substrate which that has sustained damage to the coating following normal the initial coating operations.
- (1934) SEALANT FOR WIRE-SPRAYED ALUMINUM is any coating of up to one mil (one mil = 0.001 of an inch) in thickness of an epoxy material which that is reduced for application with an equal part of an appropriate solvent (e.g. naphtha, or ethylene glycol monoethyl ether).
- (35) SEALER is a coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.
- (2036) SOLVENT CLEANING OPERATION is the removal of loosely held uncured adhesives, uncured inks, uncured coatings, and contaminants from parts, products, tools, machinery, equipment, and general work areas. Contaminants include, but are not limited to, dirt, soil, and grease. In a cleaning process which consists of a series of cleaning methods, each distinct method shall constitute a separate solvent cleaning operation as defined in Rule 1171 - Solvent Cleaning Operations.
- (2137) SPECIAL MARKING COATING is any coating used for items such as flight decks, ships' vessel identification numbers, and other demarcations for safety/ or identification applications.
- (2238) TACK COAT is an epoxy coating of up to two mils (0.002 inch) (one mil = 0.001 of an inch) thick applied to an existing epoxy coating. The existing epoxy coating must have that has aged beyond the time limit specified by the manufacturer for application of the next coat.
- (39) TEAK PRIMER is a coating applied to teak wood or previously oiled teak wood decks in order to improve the adhesion of a seam sealer.
- (40) TOPCOAT is any final coating applied to the interior or exterior of a marine or pleasure craft.
- (2341) TOUCH-UP COATING is any coating applied incidental to the main coating process but necessary used to cover minor imperfections prior to shipment appearing after the main coating operation or minor mechanical damage incurred prior to use.

- (42) TRANSFER EFFICIENCY means the amount of coating solids adhering to the object being coated divided by the total amount of coating solids sprayed expressed as a percentage.
- (2443) UNDERSEA WEAPONS SYSTEM COATING is any coating applied to any or all components of a weapons system intended for exposure to a marine environment that is intended to be launched or fired underwater-undersea.
- (44) VARNISHES are clear or pigmented wood topcoats formulated with various resins to dry by chemical reaction.
- (2545) VOLATILE ORGANIC COMPOUND (VOC) is any volatile compound of carbon, excluding methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds as defined in Rule 102 - Definition of Terms.
- (2646) WIRE-SPRAYED ALUMINUM is any molten multi-aluminum coating applied to a steel substrate using oxygen fueled combustion spray methods equipment.

(ed) Requirements

(1) VOC Content of Marine Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating within the SCAQMD South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards I that are expressed as grams of VOC per liter of coating, as applied, less water and less-exempt solvents:

<u>COATING</u>	<u>VOC LIMIT</u>	
	Baked	Air Dried
Specialty Coating		
Heat Resistant	360	420
Metallic Heat Resistant		530
High Temperature		500
Pre-Treatment Wash Primer	780	780
Underwater		
Weapons Systems	275	340
Elastomeric Adhesives with		
15%, by Weight, Natural or		
Synthetic Rubber		730
Solvent-Based Inorganic Zinc		650
Navigational Aids		340

Sealant for Wire-Sprayed		
Aluminum		610
Special Marking		490
Tack Coat		610
Low Activation Interior Coating		420
Repair and Maintenance Thermoplastic		550
Extreme High-Gloss Coating	420	490
Antenna Coating		530
Antifoulant		400
High Gloss	275	340

TABLE OF STANDARDS I

<u>MARINE COATING CATEGORY</u>	<u>VOC LIMITS</u> <u>Less water and exempt compounds</u> <u>Grams per Liter (g/L)</u>	
	<u>BAKED</u>	<u>AIR DRIED</u>
	<u>CURRENT LIMIT</u>	<u>CURRENT LIMIT</u>
<u>Antenna Coating</u>		<u>340</u>
<u>Antifoulant Coatings:</u>		
<u>Aluminum Substrates</u>		<u>560</u>
<u>Other Substrates</u>		<u>400</u>
<u>Elastomeric Adhesives (with 15%, by Weight, Natural or Synthetic Rubber)</u>		<u>730</u>
<u>Inorganic Zinc Coating</u>		<u>340</u>
<u>Low Activation Interior Coating</u>		<u>420</u>
<u>Mist Coating</u>		<u>610</u>
<u>Navigational Aids Coating</u>		<u>340</u>
<u>Nonskid Coating</u>		<u>340</u>
<u>Organic Zinc Coating</u>		<u>340</u>
<u>Pre-Treatment Wash Primer</u>	<u>420</u>	<u>420</u>
<u>Repair and Maintenance Thermoplastic Coating</u>		<u>340</u>
<u>Sealant for Wire-Sprayed Aluminum</u>		<u>610</u>
<u>Special Marking Coating</u>		<u>420</u>
<u>Specialty Coatings:</u>		
<u>Heat Resistant Coating</u>	<u>360</u>	<u>420</u>
<u>Metallic Heat Resistant Coating</u>		<u>530</u>
<u>High Temperature Coating</u>		<u>500</u>
<u>Tack Coating</u>		<u>610</u>
<u>Topcoats:</u>		
<u>Extreme High-Gloss Coating</u>	<u>420</u>	<u>490</u>
<u>High Gloss Coating</u>	<u>275</u>	<u>340</u>
<u>Undersea Weapons Systems Coating</u>	<u>275</u>	<u>340</u>
<u>Any Other Coating Type</u>	<u>275</u>	<u>340</u>

(2) VOC Content of Pleasure Craft Coatings

Except as otherwise provided in this rule, a person shall not apply a pleasure craft coating within the ~~SCAQMD~~South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards II that are expressed as grams of VOC per liter of coating, as applied, less water and exempt solvents:

TABLE OF STANDARDS II

<u>VOC LIMITS</u> <u>Less water and exempt compounds</u> <u>Grams per Liter (g/L)</u>	
<u>PLEASURE CRAFT COATING CATEGORY</u>	<u>CURRENT LIMIT</u>
<u>Antifoulant Coatings:</u>	
<u>Aluminum Substrate</u>	<u>560</u>
<u>Other Substrate</u>	<u>330</u>
<u>Clear Wood Coatings:</u>	
<u>Sealers</u>	<u>550</u>
<u>Varnishes</u>	<u>490</u>
<u>Primer Coatings:</u>	
<u>Finish Primer/Surfacer</u>	<u>420</u>
<u>High Build Primer/Surfacer</u>	<u>340</u>
<u>Marine Deck Sealant Primer</u>	<u>760</u>
<u>Pretreatment Wash Primer</u>	<u>780</u>
<u>Teak Primer</u>	<u>775</u>
<u>Topcoats:</u>	
<u>Extreme High Gloss Coating</u>	<u>490</u>
<u>High Gloss Coating</u>	<u>420</u>
<u>Any Other Coating Type</u>	<u>420</u>

(3) VOC Content of Low-Solids Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating or a pleasure craft coating within the ~~SCAQMD~~South Coast AQMD jurisdiction with a VOC content in excess of the following limit shown in the Table of Standards III that is expressed as grams of VOC per material of coating, as applied:

TABLE OF STANDARDS III

<u>VOC LIMIT – MARINE & PLEASURE CRAFT COATINGS</u> <u>Grams per liter of material VOC</u>	
<u>COATING CATEGORY</u>	<u>CURRENT LIMIT</u>

(4) Most Restrictive VOC Limit

If any representation or information on the container of any coating subject to this rule, or any label or sticker affixed to the container, or in any sales, advertising, or technical literature that indicates that the coating meets the definition of, is recommended for use or is suitable for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply.

(2) Approved Emission Control System

(A) ~~Owners and/or operators may comply with the provisions of paragraph (c)(1) by using an emission control system, which has been approved in writing by the Executive Officer, for reducing VOC emissions. The control system must achieve minimum capture efficiency using USEPA, ARB, and District methods specified in subparagraph (c)(4)(A) and a destruction efficiency of at least 85 percent by weight, and,~~

(B) ~~The approved system shall reduce the VOC emissions, when using non-compliant coatings, to an equivalent or greater level that would be achieved by the provisions in paragraph (c)(1). The required efficiency of an emission control system at which an equivalent or greater level of VOC reduction will be achieved shall be calculated by the following equation:~~

$$C. E. = \left[1 - \frac{(VOC_{LWc}) \left(1 - \frac{(VOC_{LWn,Max})}{D_{n,Max}} \right)}{(VOC_{LWn,Max}) \left(1 - \frac{(VOC_{LWc})}{D_c} \right)} \right] \times 100$$

~~Where: C. E. = Control Efficiency, percent~~

~~VOC_{LWc} = VOC Limit of Rule 1106, less water and less exempt compounds, pursuant to subdivision (-).~~

~~VOC_{LWn,Max} = Maximum VOC content of non-compliant coating used in conjunction with a control device, less water and less exempt compounds.~~

~~D_{n,Max} = Density of solvent, reducer, or thinner contained in the non-compliant coating, containing the maximum VOC content of the multi~~
~~D_c = Density of~~

~~corresponding solvent, reducer, or thinner used in the compliant coating system = 880 g/L.~~

—(35) Alternative Emission Control Plan

~~Owners and/or operators may achieve compliance with the requirements~~A person may comply with the provisions of paragraphs (d)(1), (d)(2) and (d)(3) paragraph (e)(1) by means of an Alternative Emission Control Plan, pursuant to Rule 108 - Alternative Emissions Control Plans.

(6) Exempt Compounds

A person shall not manufacture, sell, offer for sale, distribute for use in the SCAQMD South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains any Group II Exempt Compounds listed in Rule 102 - Definition of Terms, in quantities greater than 0.1 percent by weight. Cyclic, branched, or linear, completely methylated siloxanes (VMS) are not subject to this provision.

(7) Carcinogenic Materials

A person shall not manufacture, sell, offer for sale, distribute for use in the SCAQMD South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains cadmium, nickel, lead or hexavalent chromium that was introduced as a pigment or as an agent to impart any property or characteristic to the marine or pleasure craft coatings during manufacturing, distribution, or use of applicable marine or pleasure craft coatings.

(8) Application Equipment Transfer Efficiency

(A) A person shall not apply any marine coating or pleasure craft coating unless one of the following methods of coating transfer is used:

(i) Electrostatic application; or

(ii) High-volume, low-pressure (HVLP) spray; or

(iii) Brush, dip, or roller; or

(iv) Spray gun application, provided the owner or operator demonstrates that the spray gun meets the HVLP definition in paragraph (c)(19) in design and use. A satisfactory demonstration must be based on the manufacturer's published technical material on the design of the spray gun and by a demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun; or

- (v) Any such other marine coating or pleasure craft coating application methods as demonstrated, in accordance with the provisions of paragraph (g)(6), to be capable of achieving equivalent or better transfer efficiency than the marine coating or pleasure craft coating application method listed in clause (d)(8)(A)(ii), provided written approval is obtained from the Executive Officer prior to use.
- (B) A person shall not apply any marine coating or pleasure craft coating by any of the methods listed in subparagraph (d)(8)(A) unless such coating is applied with properly operating equipment, operated according to procedures recommended by the manufacturer and in compliance with applicable permit conditions, if any.
- (49) ~~Solvent Cleaning, Operations;~~ Storage and Disposal of VOC-containing Materials
~~All solvent~~Solvent cleaning operations of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC-containing materials used in solvent cleaning operations activities shall be carried out pursuant to SCAQMD~~South Coast AQMD~~ Rule 1171 - Solvent Cleaning Operations.
- ~~———— (5) ——— Recordkeeping~~
- ~~———— Notwithstanding the provisions of subdivision (g), records shall be maintained pursuant to Rule 109.~~
- ~~(d) ——— Prohibition of Specification~~
- ~~———— (1) ——— A person shall not solicit or require any other person to use, in the district, any coating or combination of coatings to be applied to any marine vessel or marine component subject to the provisions of this rule that does not meet the limits requirements of this rule or of an Alternative Emission Control Plan approved pursuant to the provisions of paragraph (c)(3) of this rule.~~
- ~~———— (2) ——— The requirements of paragraph (d)(1) shall apply to all written or oral agreements executed or entered into after November 4, 1988.~~
- (e) Prohibition of Possession, Specification and Sale
- (1) For the purpose of this rule, no person shall store at a worksite any marine coating or pleasure craft coating subject to this rule within the SCAQMD~~South Coast AQMD~~ jurisdiction that is not in compliance with the requirements shown in the Tables of Standards of paragraphs (d)(1), (d)(2), and (d)(3) unless the following condition applies:

- (A) The marine or pleasure craft coating is for use at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
- (2) For the purpose of this rule, no person shall solicit from, specify, or require any other person to use in the ~~SCAQMD~~South Coast AQMD jurisdiction any marine or pleasure craft coating that does not meet the following:
- (A) Applicable VOC limits required by paragraph (d)(1), (d)(2) or (d)(3) for the specific application unless:
- (i) The marine or pleasure craft coating is located at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (3) For the purpose of this rule, no person shall supply, sell, offer for sale, market, blend, package, repack or distribute any marine or pleasure craft coating for use within the ~~SCAQMD~~South Coast AQMD jurisdiction subject to the provisions in this rule that does not meet the:
- (A) Applicable VOC limits required by paragraphs (d)(1), (d)(2) and (d)(3) for the specific application, unless:
- (i) The marine or pleasure craft coating is for use at a facility that operates in accordance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(6), and the marine or pleasure craft coating is specified in the plan; and,
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (4) For the purpose of this rule, no person shall solicit from, specify, require, offer for sale, sell, or distribute to any other person for use in the ~~SCAQMD~~South Coast AQMD jurisdiction any marine or pleasure craft coating application equipment that does not meet the requirements of subparagraph (d)(8)(A).
- (5) For the purpose of this rule, no person shall offer for sale, sell, supply, market, offer for sale or distribute an HVLP spray gun for use within the ~~SCAQMD~~South Coast AQMD unless said person provides accurate information to the spray gun recipient. Such accurate information shall include the maximum inlet air pressure to the spray gun that would result in a maximum air pressure of 10 pounds per square inch gauge (psig) air pressure, measured dynamically at the center of the

air cap and at the air horns, based on the manufacturer's published technical material on the design of the spray application equipment, and by a demonstration of the operation of the spray application equipment using an air pressure tip gauge from the manufacturer of the gun. The information shall either be permanently marked on the gun, or provided on the company's letterhead or in the form of technical literature that clearly identifies the spray gun manufacturer, the seller, or the distributor.

- (6) Paragraphs (d)(1), (d)(2) and (d)(3) shall not apply to marine coatings or pleasure craft coatings that are sold, offered for sale, or solicited, for shipment or use outside of the ~~SCAQMD~~South Coast AQMD jurisdiction, or for shipment to other manufacturers for repackaging provided such coatings are sold, offered for sale, or solicited, for shipment or use outside the ~~SCAQMD~~South Coast AQMD jurisdiction.

(f) Recordkeeping Requirements

(1) Recordkeeping for VOC Emissions

Notwithstanding the provisions of subdivision (i), records of marine coating usage and pleasure craft coating usage, as applicable, shall be maintained pursuant to ~~SCAQMD~~South Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions, and shall be made available to the Executive Officer upon request.

(eg) Test Methods

(1) Determination of VOC Content:

The VOC content of coatings, subject to the provisions of this rule shall be determined by the following methods:

- (A) ~~United States Environmental Protection Agency (U.S. EPA)~~ Reference Test Method 24 (Determination of Volatile Matter Content, Water Content, Volume Solids and Weight Solids of Surface Coatings, Code of Federal Regulations, Title 40, Part 60, Appendix A-7). The exempt compounds' content shall be determined by ~~SC~~South Coast AQMD Laboratory Test Method 303 (Determination of Exempt Compounds) contained in the ~~SC~~South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,
- (B) ~~SC~~South Coast AQMD Method 304 [Determination of Volatile Organic Compounds (VOCs) in Various Materials] contained in the ~~SC~~South Coast

AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,

(C) ~~SCAQMD~~ South Coast AQMD Method 313 [Determination of Volatile Organic Compounds VOC by Gas Chromatography-Mass Spectrometry] in the ~~SCAQMD~~ South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.

(2) VOC content determined to exceed the limits established by this rule through the use of any of the above-referenced test methods shall constitute a violation of this rule.

(~~E~~3) Exempt Perfluorocarbon Compounds

The following classes of compounds:

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; and

Ssulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine,

~~will~~ shall be analyzed as exempt compounds for compliance with subdivision (ed), only ~~when~~ at such time as manufacturers specify which individual compounds are used in the ~~coating~~ formulation of the coatings subject to this rule. In addition, prior to any such analysis, the manufacturers shall also identify the test methods approved by the U.S. EPA, California Air Resources Board (CARB), and the SCS South Coast AQMD ~~approved test methods that will be~~ used to quantify the amount of each exempt compound.

(~~24~~) Determination of ~~Metal Content~~ Iridescent Particles in Metallic/Iridescent Coatings

The metal and silicon content in metallic/iridescent coatings subject to the provisions of this rule shall be determined by the ~~SC~~ South Coast AQMD Method 311 (Determination Analysis—of Percent Metal in Metallic Coatings by Spectrographic Method) contained in the ~~SC~~ South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual.

(~~35~~) Determination of Acid Content in Marine and Pleasure Craft Coatings

The acid content of any coating subject to the provisions of this rule shall be determined by ASTM D-1613-85-06 (2012) (Standard Test Method for Acidity in Volatile Solvents and Chemical Intermediates Used in Paint-, Varnish, Lacquer, and Related Products) ~~contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples" manual.~~

(6) Determination of Transfer Efficiency of Application Equipment

The transfer efficiency of alternative marine coating and pleasure craft coating application methods, as defined by clause (d)(9)(A)(v), shall be determined in accordance with the SCAQMD South Coast AQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989," and SCAQMD South Coast AQMD "Guidelines for Demonstrating Equivalency With SCAQMD South Coast AQMD Approved Transfer Efficiency Spray Gun September 26, 2002."

~~———— (4) ———— Determination of Efficiency of Emission Control System~~

~~———— (A) ———— The efficiency of the collection device of the emission control system as specified in paragraph (c)(2) shall be determined by the USEPA method cited in 55 Federal Register 26865 (June 29, 1990), or any other method approved by the USEPA, the California Air Resources Board, and the SCAQMD.~~

~~———— (B) ———— The efficiency of the control device of the emission control system as specified in paragraph (c)(2) and the VOC content in the control device exhaust gases, measured and calculated as carbon, shall be determined by USEPA Test Methods 25, 25A, or SCAQMD Method 25.1 (Determination of Total Gaseous Non-Methane Organic Emissions as Carbon) as applicable. USEPA Test Method 18, or ARB Method 422 shall be used to determine emissions of exempt compounds.~~

(57) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

(68) All test methods referenced in this section shall be the most recently approved version.

(f) Rule 442 Applicability

~~Any marine coating operation~~ Marine Coating or Pleasure Craft Coating or any facility ~~which~~ that is exempt pursuant to subdivision (i) from all or a portion of the VOC limits of subdivision (d) ~~this rule~~ shall comply with the provisions of Rule 442 - Usage of Solvents.

(g) Exemptions

With the exception of paragraphs (d)(6) and (d)(7), ~~The~~ provisions of this rule shall not apply to:

- (1) Marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, provided that for energy curable coatings, product formulation data and test results, determined by ASTM D7767-11, shall first be submitted to the Executive Officer by the manufacturer.
- (2) marine ~~marine~~ Marine coatings applied to interior surfaces of potable water containers.
- (3) touch ~~touch~~ Touch-up coatings, as defined by paragraph (c)(41) of this rule.
- ~~(3) — marine coatings purchased before January 1, 1992, in containers of one quart or less and applied to pleasure craft.~~
- ~~(4) — antifoulant coatings applied to aluminum hulls.~~
- (5) Any aerosol coating products.
- (5) The provisions of paragraph (d)(8) shall not apply to marine or pleasure craft coatings with a viscosity of 650 centipoise or greater, as applied.
- (6) The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings does not exceed 12 gallons per calendar year and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

ATTACHMENT F

(Adopted May 1, 1992)(Amended March 8, 1996)
(Amended June 13, 1997)(Amended February 12, 1999)
(Proposed Rescinded Rule 1106.1 May 3, 2019)

Proposed Rescinded Rule 1106.1. PLEASURE CRAFT COATING OPERATIONS

Rescinded by the South Coast Air Quality Management District Board on May 3, 2019.

(a) — Applicability

~~This rule is applicable to all coating operations of pleasure craft, as defined in paragraph (b)(10) of this rule, or their parts and components, for the purpose of refinishing, repairing, modification, or manufacturing such craft. This rule shall also apply to establishments engaged in activities described in the United States Office of Management and Budget's 1987 Standard Industrial Classification Manual, under Standard Industrial Classification (SIC) codes 3732—Boat Building and Repairing and 4493—Marinas. Pleasure craft coating operations which are subject to the requirements of this rule shall not be subject to the requirements of Rule 1106—Marine Coating Operations.~~

(b) — Definitions

~~For purposes of this rule, the following definitions shall apply:~~

- ~~(1) — AEROSOL COATING PRODUCT is a pressurized coating product containing pigments or resins that dispenses product ingredients by means of a propellant, and is packaged in a disposable can for hand-held application, or for use in specialized equipment for ground traffic/marketing applications.~~
- ~~(2) — ANTIFOULANT COATING is any coating applied to the underwater portion of a pleasure craft to prevent or reduce the attachment of biological organisms, and registered with the United States Environmental Protection Agency (EPA) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).~~
- ~~(3) — CLEAR WOOD FINISHES are clear and semi-transparent topecoats applied to wood substrates to provide a transparent or translucent film.~~
- ~~(4) — EXEMPT COMPOUNDS (See Rule 102 Definition of Terms).~~
- ~~(5) — EXTREME HIGH GLOSS COATING is any coating which achieves at least 95 percent reflectance on a 60o meter when tested by ASTM Method D-523-89.~~

Rule 1106.1 (Cont.) (Amended February 12, Proposed Rescinded Rule 1106.1 May 3, 2019)

- (6) ~~FINISH PRIMER/SURFACER is a coating applied with a wet film thickness of less than 10 mils prior to the application of a topecoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promotion of a uniform surface necessary for filling in surface imperfections.~~
- (7) ~~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 which is calculated by the following equation:~~

~~Grams of VOC per Liter of Coating, Less Water~~

$$\text{and Less Exempt Compounds} = \frac{Ws - Ww - Wes}{Vm - Vw - Ves}$$

~~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~~

- (8) ~~HIGH BUILD PRIMER/SURFACER is a coating applied with a wet film thickness of 10 mils or more prior to the application of a topecoat for purposes of providing corrosion resistance, adhesion of subsequent coatings, or a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.~~
- (9) ~~HIGH GLOSS COATING is any coating which achieves at least 85 percent reflectance on a 60o meter when tested by ASTM D 523-89.~~
- (10) ~~PLEASURE CRAFT are vessels which are manufactured or operated primarily for recreational purposes, or leased, rented, or chartered to a person or business for recreational purposes. The owner or operator of such vessels shall be responsible for certifying that the intended use is for recreational purposes.~~
- (11) ~~PLEASURE CRAFT COATING is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.~~

Rule 1106.1 (Cont.) (Amended February 12, Proposed Rescinded Rule 1106.1 May 3, 2019)

- (12) — ~~PRETREATMENT WASH PRIMER is a coating which contains no more than 12 percent solids, by weight, and at least 1/2 percent acids, by weight; is used to provide surface etching; and is applied directly to fiberglass and metal surfaces to provide corrosion resistance and adhesion of subsequent coatings.~~
- (13) — ~~SEALER is a low viscosity coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.~~
- (14) — ~~TEAK PRIMER is a coating applied to teak or previously oiled decks in order to improve the adhesion of a seam sealer to wood.~~
- (15) — ~~TOPCOAT is any final coating applied to the interior or exterior of a pleasure craft.~~
- (16) — ~~VARNISHES are clear wood topcoats formulated with various resins to dry by chemical reaction on exposure to air.~~
- (17) — ~~VOLATILE ORGANIC COMPOUND (VOC) is any volatile compound which contains the element carbon, excluding methane, carbon dioxide, carbon monoxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds.~~

(e) — Requirements

(1) — VOC Content

- (A) — ~~Within the District, a person shall not sell, offer for sale, solicit, apply, or require any other person to use in the District any pleasure craft coating with a VOC content in excess of the following limits, expressed as grams of VOC per liter of coating applied, less water and exempt solvents:~~

<u>COATING</u>	<u>VOC LIMIT</u>		
	On or After 7/1/94	On or After 2/12/99	On or After 1/1/2001
Topcoats			
Extreme High Gloss	490	650	490
High Gloss	420	420	420
Pretreatment Wash Primers	780	780	780
Finish Primer/Surfacer	420	600	420
High Build Primer Surfacer	340	340	340
Teak Primer	775	775	775

Rule 1106.1 (Cont.) (Amended February 12, Proposed Rescinded Rule 1106.1 May 3, 2019)

<u>COATING</u>	<u>VOC LIMIT</u>		
	On or After 7/1/94	On or After 2/12/99	On or After 1/1/2001
Antifoulant Coatings			
Aluminum Substrate	560	560	560
Other Substrates	150	400	330
Clear Wood Finishes			
Sealers	550	550	550
Varnishes	490	490	490
Others	420	420	420

~~In the case of any coating sold, offered for sale, or solicited for use, this prohibition shall only apply where it is designated anywhere on the container by any sticker or label affixed thereto, or where it is indicated in any sales or advertising literature, that the coating may be used as, or is suitable for use as, a pleasure craft coating.~~

~~(B) This section shall not apply to pleasure craft coatings sold, offered for sale, or solicited, for shipment or use outside of this District or for shipment to other manufacturers for repackaging.~~

~~(2) Solvent cleaning of coating application equipment, parts, products, tools, machinery, equipment, and general work areas, and the storage and disposal of VOC containing materials used in solvent cleaning operations, shall be carried out in accordance with Rule 1171 (Solvent Cleaning Operations).~~

~~(3) A person shall not apply pleasure craft coatings subject to the requirements of this rule with a coating containing carbon tetrachloride or any of the Group II exempt compounds as defined in paragraph (b)(4) except for: methylene chloride; perchloroethylene; cyclic, branched, or linear, completely methylated siloxanes (VMS); or parachlorobenzotrifluoride (PCBTF).~~

~~(d) Recordkeeping Requirement~~

~~Records shall be maintained in accordance with Rule 109.~~

~~(e) Compliance Test Methods~~

~~For purposes of this rule, the following test methods shall be used:~~

~~(1) VOC Content~~

~~(A) The VOC content of coatings shall be determined by:~~

Rule 1106.1 (Cont.) (Amended February 12, Proposed Rescinded Rule 1106.1 May 3, 2019)

- (i) ~~EPA Reference Method 24, (40 Code of Federal Regulations, Part 60, Appendix A). The exempt solvent content shall be determined by SCAQMD Method 302 and 303 (SCAQMD "Laboratory Method of Analysis for Enforcement Samples" manual); or~~
- (ii) ~~SCAQMD Methods 304 Determination of Volatile Organic Compounds (VOC) in Various Materials, 303 Determination of Exempt Compounds, and 302 Distillation of Solvents from Paints, Coatings and Inks (SCAQMD "Laboratory Method of Analysis for Enforcement Samples" manual).~~

(B) ~~VOC content determined to exceed the limits established by this rule through the use of any of the above referenced test methods shall constitute a violation of this rule.~~

~~(2) Acid Content in Coatings~~

~~The percent acid by weight of pretreatment wash primers shall be determined by ASTM D 1613-85 Acidity in Volatile Solvents and Chemical Intermediates Used in Paints, Varnishes, Lacquers, and Related Products.~~

- ~~(3) The following classes of compounds: 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; and sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine, will be analyzed as exempt compounds for compliance with subdivision (c), only at such time as manufacturers specify which individual compounds are used in the coating formulations and identify the test methods, which prior to such analysis, have been approved by the USEPA and the SCAQMD, that can be used to quantify the amounts of each exempt compound.~~

~~(f) Exemptions~~

~~The provisions of this rule shall not apply to aerosol coating products.~~

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FINAL STAFF REPORT

Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and

Rescission of Rule 1106.1 - Pleasure Craft Coating Operations

May 2019

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Rule 1106 - Marine Coating Operations and Rule 1106.1 - Pleasure Craft Coating Operations are source specific rules that were adopted to reduce emissions of volatile organic compounds (VOC) from marine coatings. Marine coatings are coatings applied to boats, ships, and vessels, their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the marine environment, and for pleasure craft.

This proposal is to amend Rule 1106 and rescind Rule 1106.1. Proposed Amended Rule (PAR) 1106 – Marine and Pleasure Craft Coatings will continue to regulate the marine coating industry but will now also apply to pleasure craft marine coatings by incorporating the requirements of Rule 1106.1. The air quality objective of these proposed actions is to combine the requirements for marine and pleasure craft coating operations into one rule, align Volatile Organic Compounds (VOC) content limits with United States Environmental Protection Agency (U.S. EPA) Control Techniques Guidelines (CTGs) and the requirements of other California air districts, and promote consistency with other ~~SCAQMD~~South Coast AQMD Regulation XI VOC rules. PAR 1106/1106.1 would reduce the VOC content limits for certain categories of coatings, add VOC content limits for new categories of coatings, and require the use of the most restrictive VOC content limit for a particular use. The proposed amendment would also prohibit the possession and sale of non-compliant coatings and establish requirements for transfer efficiency.

The proposed amendment is administrative in nature, meaning that current requirements in Rule 1106/1106.1 are being clarified, existing requirements of ~~SCAQMD~~South Coast AQMD Regulation XI rules, U.S. EPA CTGs and other California air district rules are being incorporated, and the proposed amendments do not impact VOC emissions. Furthermore, staff analysis concludes that the VOC content adjustment to the coating categories noted above will not adversely affect coating manufacturers by way of reformulation or affect current work practices currently used in the industry. Since the VOC content adjustments will be to coating categories that are top side and niche coatings that are already being used or are readily available for purchase at the prescribed lower VOC limits, the proposed amendments are not expected to affect VOC emissions from the application of marine and pleasure craft coatings.

RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS

CHAPTER 1: BACKGROUND ON PROPOSED AMENDED RULE 1106

- o Introduction
- o Regulatory History
- o Affected Facilities
- o Process Description
- o Coating Applications at Marinas

INTRODUCTION

Rule 1106 - Marine Coating Operations and Rule 1106.1 - Pleasure Craft Coating Operations are source specific rules that were adopted to reduce emissions of volatile organic compounds (VOC) from marine coatings. Marine coatings are coatings applied to boats, ships, and vessels, their appurtenances, and structures such as piers, docks, buoys and oil drilling rigs intended for the marine environment, and for pleasure craft. The proposed amendment seeks to revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA Control Techniques Guidelines (CTGs) and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit for a particular use. The proposed amendment would also prohibit possession and sale of non-compliant coatings and establish requirements for transfer efficiency. Finally, the proposed amendment would move the requirements of Rule 1106.1 to Rule 1106 so that there would be a single rule covering both marine and pleasure craft coatings.

REGULATORY HISTORY

Rule 1106 was adopted on November 4, 1988 and has been subsequently amended seven times. The most recent amendment was on January 13, 1995 which incorporated corrective action items in efforts to resolve deficiencies as determined by U.S. EPA. The corrective action items in that amendment included language and an equation for control device equivalency, an applicability statement, test methods that were required to be specified, language regarding multiple test methods with the addition of the most recent test method, an updated definition for aerosol coatings and exempt compounds, and a permanent exemption for aerosol containers.

Rule 1106.1 was adopted on May 1, 1992 and has been subsequently amended three times. The most recent amendment was on February 12, 1999. The May 1, 1992 adoption removed Pleasure Craft Coating Operations from existing Rule 1106 - Marine Coating Operations. Many of the existing coating categories in Rule 1106 at that time were not representative of the pleasure craft coating industry. Consequently, the ~~SCAQMD~~South Coast AQMD adopted Rule 1106.1 with the intent of identifying the special categories of coatings applied on pleasure craft.

The rulemaking for PAR 1106/1106.1 began in 2015. During the 2015 rulemaking process, staff held a working group meeting, a public workshop and a Stationary Source Committee meeting to gather public input and comment. PAR 1106 was heard by the Governing Board on October 2, 2015. However, the Governing Board asked that staff reconsider additional recordkeeping requirements in the proposal, and the proposed amendment to Rule 1106/1106.1 was not adopted at that time.

AFFECTED INDUSTRIES

Rule 1106 is applicable to any person who applies a marine coating to boats, ships, and their appurtenances, and to buoys and oil drilling rigs intended for the marine environment. It also applies to any person who solicits or requires any other person to use a marine coating. Rule 1106.1 similarly is applicable to any person who applies a marine coating to pleasure craft. As a result, entities covered by Rules 1106/1106.1 are shipyards, docks, boatyards, marinas as well as the persons purchasing, selling or supplying marine coatings.

PROCESS DESCRIPTION

Coatings for Ships, Yachts, and Boats:

Water-going vessels, commonly referred to as ships, yachts, and boats, have coatings specifically designed for the two main portions of a boat: topside and bottom side. With the boat at rest, anything above the waterline is considered top side and anything below the waterline is considered bottom side.

Top Side:

The top side of the ship, yacht or boat is the visual portion of the boat from the waterline up. These coatings not only protect the substrate in a marine environment but also have aesthetic purposes.

The substrates can include wood of various types, fiberglass and composites, steel, stainless steel, aluminum, brass and bronze. These coatings can be applied by hand, usually with a paint brush or roller, or by atomized spray equipment. There are several top side coating categories which are included in Rules 1106 and 1106.1 such as clear wood finishes, primers, and topcoats.

Bottom Side:

A boat that is docked or moored in both freshwater and seawater is susceptible to marine fouling, which is the growth of biological organisms on water-immersed surfaces. Marine fouling is typically broken down into hard growth such as barnacles, mussels, shipworms and soft growth such as algae and grass. If unabated, this growth would continue and cause excessive drag on the boat during operation. It could also cause severe damage to the hull substrate via corrosion to steel and aluminum hulls and shipworms boring into wooden hulls. Finally, fouling also poses a potential threat to the environment through transporting harmful marine organisms to other waterways. The solution to fouling is an antifoulant coating, which is used to inhibit the growth of foulant and/or prevent foulant from adhering to the bottom of the boat. There are two different categories for antifoulant coatings, a hard bottom paint and an ablative bottom paint.

Hard Bottom Paint:

Hard Bottom Paint is an epoxy type paint formulated with copper, organotin compounds (an organic compound with one or more tin atoms in its molecules) and other biocides and pesticides. The copper is used to deter hard growth such as mussels and barnacles, and biocides and pesticides are used to control soft growth such as algae and other marine organisms like ship worms. Most hard bottom paints control marine growth by releasing substances slowly from the pores of the paint while in water. Other types of hard bottom paint include Teflon® and silicone which make the coating surface too slick for marine growth to adhere to. This type of coating is typically used for boats that spend long periods of time at rest in the water.

Ablative Bottom Paint:

Ablative bottom paint is specially formulated to be a somewhat sacrificial coating designed to be slowly worn away during boat operation. The coating continuously wears off at a slow rate during operation, thus exposing a new layer with fresh antifoulant compounds. An analogy of this would be washing your hands with a bar of soap where the soap continues to erode during each washing operation yet remains effective in subsequent washings.

Transfer Efficiency Requirements:

Spray Coating:

Transfer efficiency is the ratio of the amount of paint that is actually applied to a substrate to the total amount of paint that was used. In the case of spray coating, the transfer efficiency is the ratio of the amount of paint that was actually applied to the substrate to the total amount of paint that was sprayed from the spray gun. Transfer efficiency is especially important in spray coating applications because the excess spray from the paint that is atomized by the spray gun that does not adhere to the intended substrate are the paint particulate emissions that enter the atmosphere.

Several ~~SCAQMD~~South Coast AQMD Regulation XI coating rules such as ~~SCAQMD~~South Coast AQMD Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating

Operations incorporate transfer efficiency requirements. Staff proposes to include the definition for HVLP in this rulemaking to be consistent with other ~~SCAQMD~~South Coast AQMD Regulation XI rules. The HVLP definition will state the operating parameters HVLP spray equipment will be operated by and be defined as “spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns”. HVLP spray guns have a transfer efficiency of 65%, meaning 65% of the paint that is spray will adhere to the intended substrate. Standard non-HVLP spray guns are typically high pressure and due to the excessive spraying pressure result in paint bounce-back, a condition where the paint hits the target and a small percent of it bounces back off the target and into the atmosphere. These types of spray guns can have a transfer efficiency as low as 25%.

Other Application Methods:

Brush and roller coatings are applied directly from the paint brush bristles or the roller to the substrate and have a very high coating-to-substrate transfer efficiency. Dip coatings are simply a container filled with paint where an object is dipped into the coating and provides a very high coating-to-substrate transfer efficiency. Brush, roller and dip coating processes can have transfer efficiencies of up to 100%, not allowing for spillage. Brush, roller and dip coatings are proposed to be included as optional compliant transfer efficiency processes.

COATING APPLICATIONS AT MARINAS

Staff visited numerous facilities such as shipyards, dockyards, boatyards and marinas (hereinafter all to be collectively referred to as marinas) to gather information on what type of work the facilities were doing and what type of coatings they were using. Table 1-1 below shows the marinas that were visited by ~~SCAQMD~~South Coast AQMD staff and Table 1-2 shows the large scale ships that were visited. The majority of the operators in the marine coating and pleasure craft coating industry are non-permitted facilities and are not typically inspected by ~~SCAQMD~~South Coast AQMD inspectors. Staff visited several facilities and found many cases of non-compliance with both Rules 1106 and 1106.1 VOC limit standards. Staff also found that the most common maintenance operation at the marinas was the application of antifoulant coatings.

TABLE 1-1: MARINAS VISITED BY ~~SCAQMD~~SOUTH COAST AQMD STAFF

MARINA	CITY	COUNTY
Al Larson Boat Shop	Terminal Island	Los Angeles
Cabrillo Boat Shop (O/B)	Long Beach	Los Angeles
Colonial Yacht Anchorage (O/B)	Wilmington	Los Angeles
Gambol Industries	Long Beach	Los Angeles
King Harbor Marine Center	Redondo Beach	Los Angeles
Marina Shipyard	Long Beach	Los Angeles
Seamark Marine	Marina del Rey	Los Angeles
The Boatyard	Marina del Rey	Los Angeles
Wilmington Marine Service Boatyard (O/B)	Wilmington	Los Angeles
Windward Yacht & Repair Center	Marina del Rey	Los Angeles
Balboa Boat Yard of California	Newport Beach	Orange
Basin Marine	Newport Beach	Orange
Newport Harbor Shipyard	Newport Beach	Orange
Dana Point Shipyard	Dana Point	Orange
Larson's Shipyard	Newport Beach	Orange
South Coast Shipyard	Newport Beach	Orange
Sunset Aquatic Shipyard	Huntington Beach	Orange

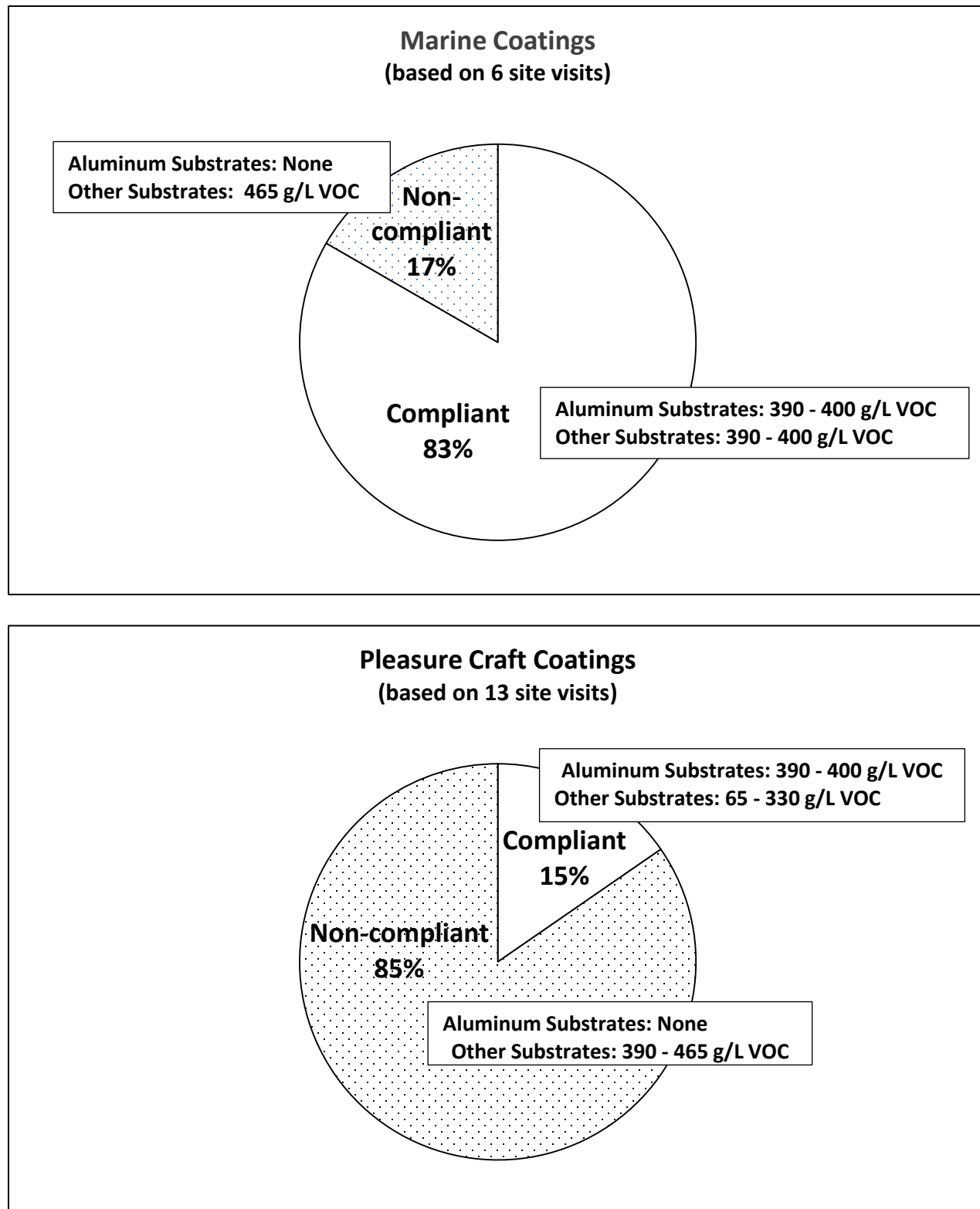
(O/B) Out of Business

TABLE 1-2: LARGE SCALE SHIPS VISITED BY ~~SCAQMD~~SOUTH COAST AQMD STAFF

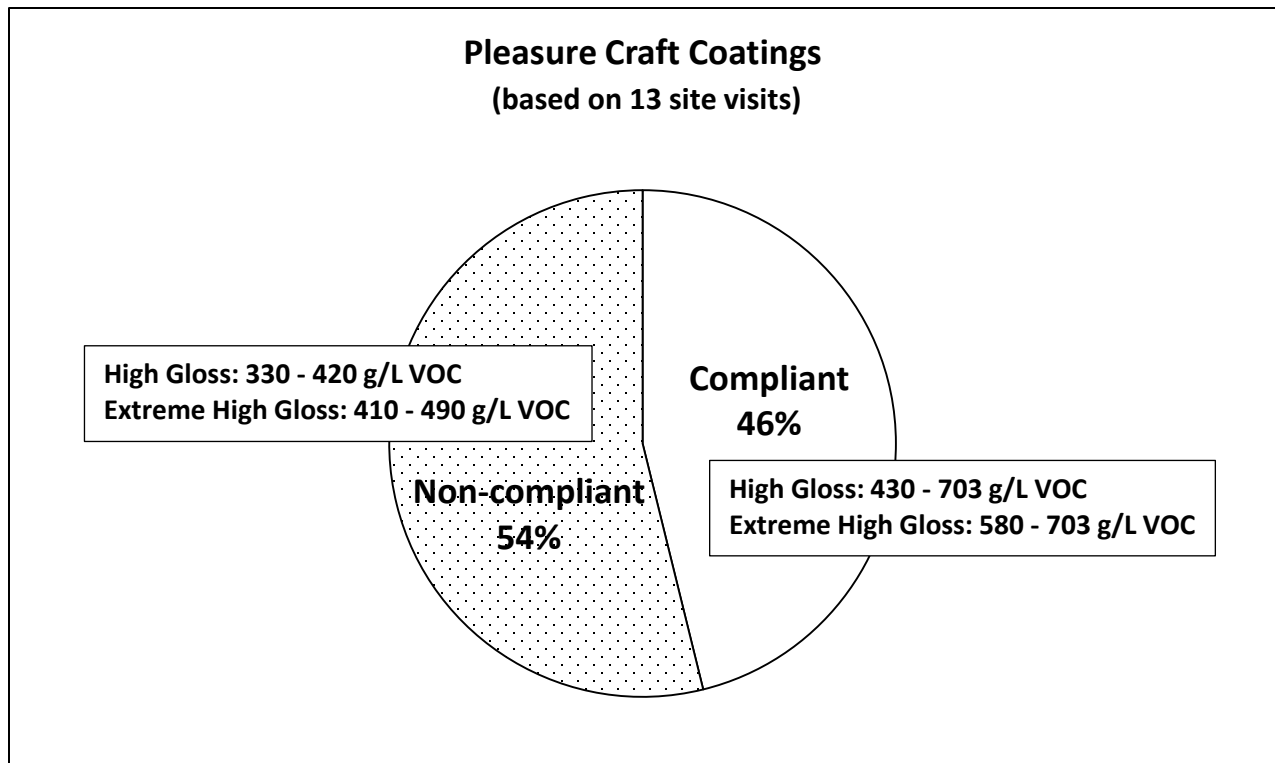
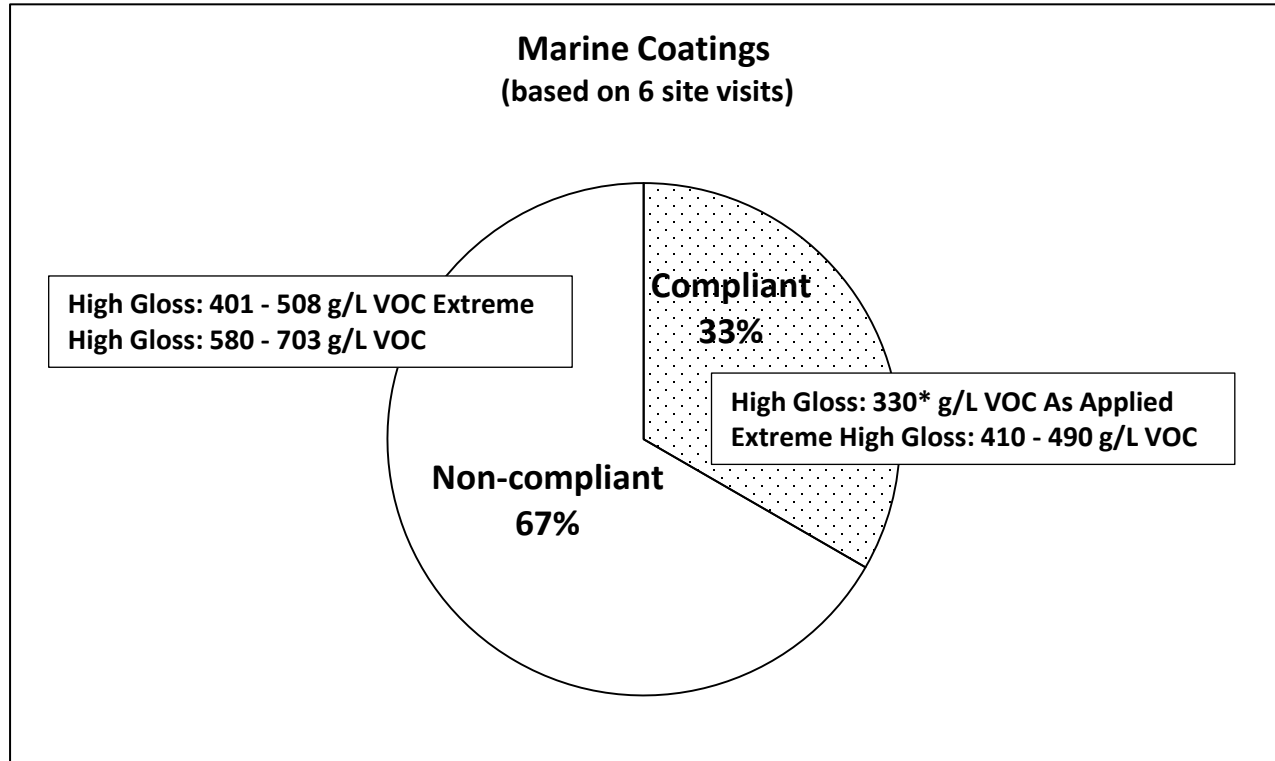
SHIP	CITY	COUNTY
Queen Mary	Long Beach	Los Angeles
U.S.S. Iowa	San Pedro	Los Angeles
S.S. Lane Victory	San Pedro	Los Angeles

During the visits to the marinas, staff observed that both mechanical repair and refinishing services were offered. The mechanical repair services typically included engine work, drive unit work and any other type of work that did not include the application of coatings. The refinishing services included preparation of substrates to be coated and the application of coatings to marine and pleasure craft vessels. The coatings that are applied by the marinas are formulated for application to both top side and bottom side of marine and pleasure craft vessels. Staff found that only a small number of marinas offer top side coating services. The marinas that do not offer top side coating services contract this type of work to contractors who perform the coating services at the site. The majority of the marinas do offer bottom side coating services, which is the application or reapplication of antifoulant coatings. The average recoat operation for antifoulant coatings is typically every two years, and it takes two coats of antifoulant, rolled on, plus a third coat applied at just the waterline level. ~~SCAQMD~~South Coast AQMD staff found the application of antifoulant coatings to be the main operation for many of the marinas. As shown in Figures 1-1, 1-2 and 1-3, many marinas that ~~SCAQMD~~South Coast AQMD staff visited were using antifoulant coatings and a lesser number were using top side and other categories of coatings (e.g. primers) in excess of the

VOC limit standards and were not aware they were exceeding rule VOC limits due to their unfamiliarity with the rule requirements. At several of these facilities, staff also observed that high VOC content reducers and thinners were being added to compliant antifoulant and top side coatings, which would result in these coatings to be applied in excess of the VOC limit standards. Finally, staff also found that several suppliers to the marinas and to consumers were selling non-compliant coating products.

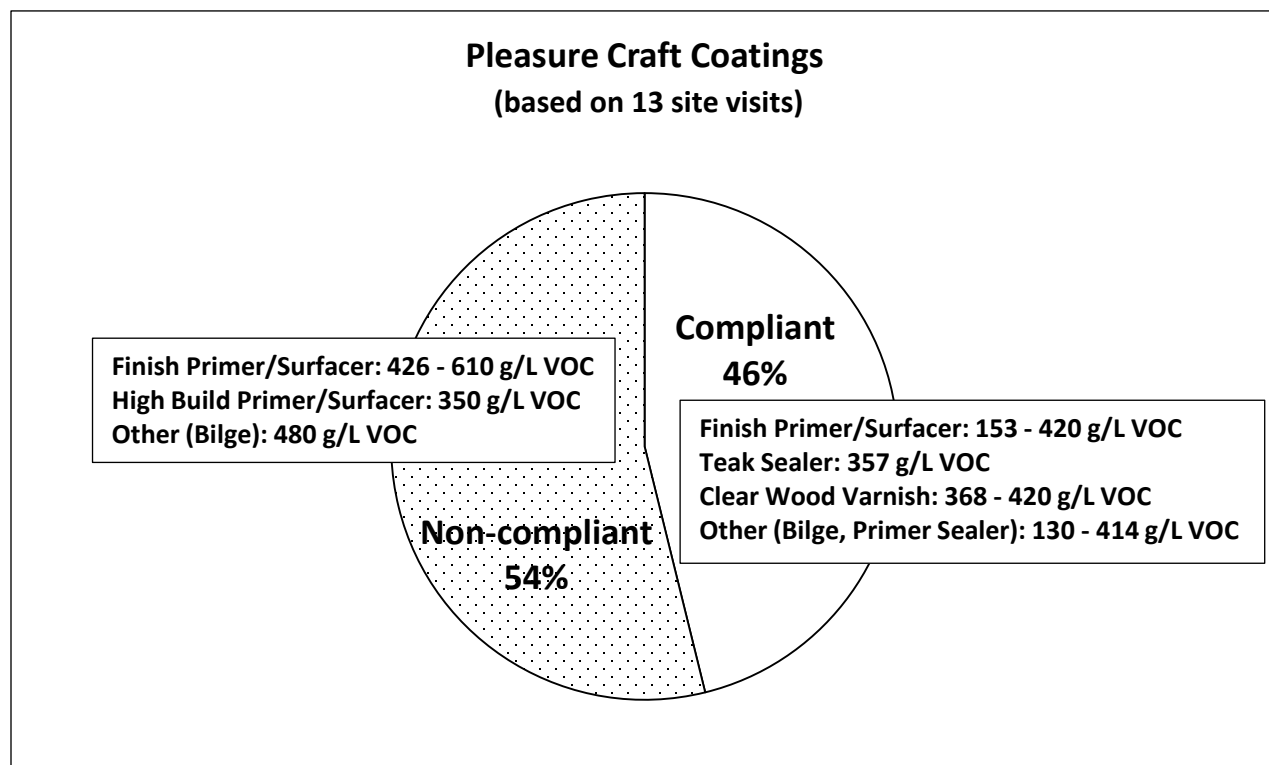
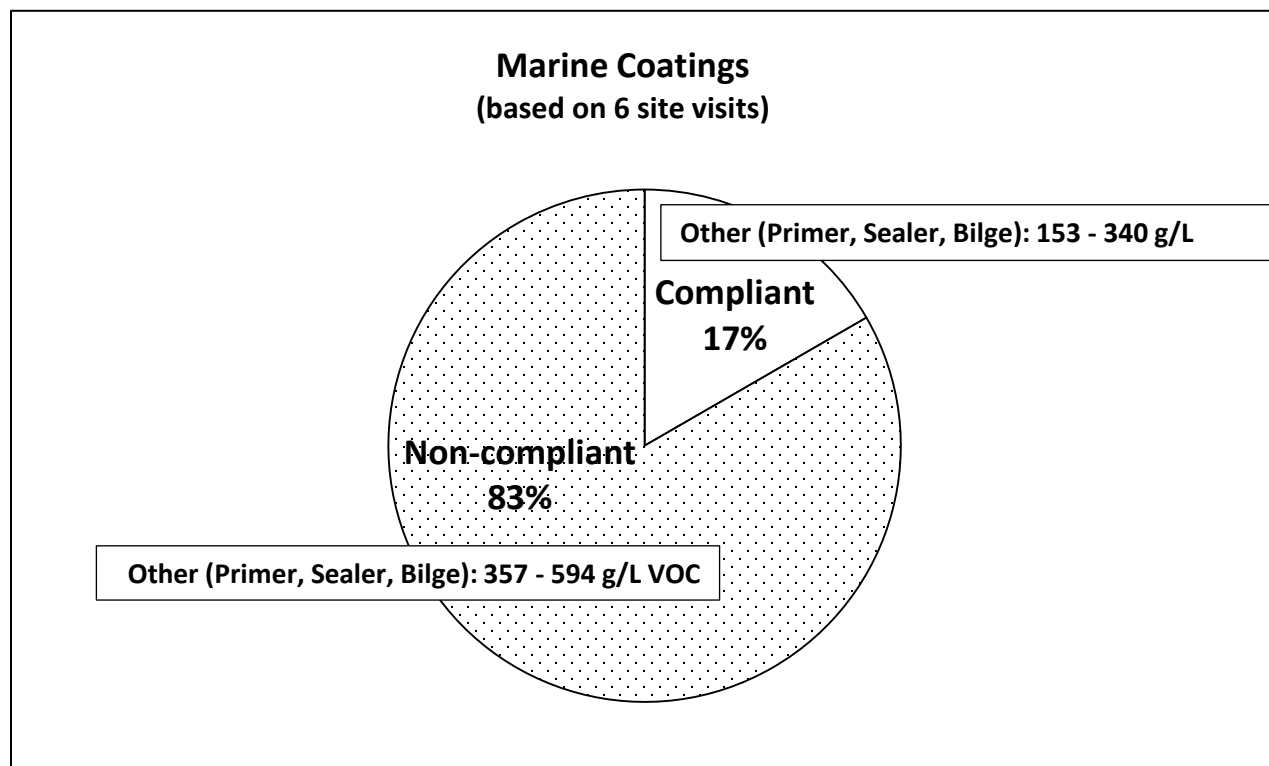
FIGURE 1-1: ANTIFOULANT COATINGS* SUBJECT TO EXISTING RULES 1106 AND 1106.1 VOC LIMITS USED AT MARINAS

* VOC contents in Figure 1-1 are as applied.

**FIGURE 1-2: TOP SIDE COATINGS* SUBJECT TO EXISTING RULES 1106 AND 1106.1
VOC LIMITS USED AT MARINAS**

* VOC contents in Figure 1-2 are as applied.

**FIGURE 1-3: OTHER COATINGS* SUBJECT TO EXISTING RULES 1106 AND 1106.1
VOC LIMITS USED AT MARINAS**



* VOC contents in Figure 1-3 are as applied.

CONCLUSION

The majority of the operators in the marine and pleasure craft coating industry are non-permitted facilities, and are not typically inspected by ~~SCAQMD~~South Coast AQMD inspectors. Staff visited several facilities and found many instances of non-compliance with the coatings VOC limits of both Rules 1106 and 1106.1. Staff also found that the most common maintenance operation at the marinas is the application of antifoulant coatings. Many marinas were observed to be using antifoulant coatings in excess of the VOC limit standards contrary to ~~SCAQMD~~South Coast AQMD Rule 1106/1106.1 VOC limit requirements. The marina personnel informed ~~SCAQMD~~South Coast AQMD staff during their site visits that they were not aware of the VOC limit restrictions or that they were using non-compliant coatings. In addition, staff also found that several product suppliers to both marinas and consumers were selling these non-compliant coating products. Staff proposes to eliminate confusion among marina personnel by providing clarification that the higher VOC content limits typically associated with antifoulants labeled for use on aluminum hulls cannot be used on non-aluminum hulls by clearly showing in Table of Standards I and II in PAR 1106 that antifoulant coatings have two types of substrate applications: Aluminum Substrates and Other Substrates.

RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS

CHAPTER 2: SUMMARY OF PROPOSED AMENDED RULE 1106

- OVERVIEW: RESCIND RULE 1106.1 AND SUBSUME THE REQUIREMENTS OF RULE 1106.1 INTO PROPOSED AMENDED RULE 1106
- PROPOSED RESCISSION OF RULE 1106.1
- PROPOSED AMENDMENT TO RULE 1106
- PROPOSED REVISIONS TO RULE LANGUAGE

OVERVIEW: SUBSUME THE REQUIREMENTS OF RULE 1106.1 INTO PROPOSED AMENDED RULE 1106 AND RESCIND RULE 1106.1

Currently, the requirements for users of coatings for marine and pleasure craft vessels are covered in two separate ~~SCAQMD~~South Coast AQMD rules. However, during staff's site visits, many marina personnel informed staff that they didn't know which rule applied to their coating applications. In fact, some marina personnel informed staff that they just picked the rule that had the higher VOC limits. Staff believes that Rule 1106 and Rule 1106.1 can be combined into one rule rather than two separate rules, thus alleviating this confusion. Combining these two rules into one rule would also be consistent with other air districts in California. Staff further believes that combining these two rules will provide the regulated community a better understanding of which category, marine or pleasure craft, their operation will fall under and which VOC content would be appropriate for their particular coating application. Staff is therefore proposing to subsume the requirements of Rule 1106.1 into Proposed Amended Rule 1106 – Marine and Pleasure Craft Coatings and rescind Rule 1106.1 - Pleasure Craft Coating Operations.

PROPOSED RESCISSION OF RULE 1106.1

On May 1, 1992, ~~SCAQMD~~South Coast AQMD Rule 1106.1 was adopted as a separate rule independent from ~~SCAQMD~~South Coast AQMD Rule 1106 (adopted November 4, 1988). The current version of Rule 1106.1 is applicable to all coating operations of pleasure craft (see Footnote 1 on page 1-2 of the Draft Staff Report for the definition of "Pleasure Craft"), or their parts and components, for the purpose of refinishing, repairing, modification, or manufacturing such craft. Staff proposes to move the contents of Rule 1106.1 into Proposed Amended Rule 1106 (PAR 1106) and rescind Rule 1106.1.

PROPOSED AMENDMENT TO RULE 1106

Proposed Amended Rule 1106 will revise VOC content limits for marine and pleasure craft coatings to align limits with U.S. EPA CTGs and other air districts, add new categories for coatings and sealants, and require the most restrictive VOC content limit. The coating categories suggested for addition to the proposed rule are included in the U.S. EPA CTGs for Shipbuilding and Ship Repair (Surface Coating), and are being added in order to comply with the federal guidelines to ensure coverage of these coating categories if any person were to potentially use them within the ~~SCAQMD~~South Coast AQMD. The proposed amendment would also prohibit possession and sale of non-compliant coatings in order to increase compliance with rule requirements and to be consistent with other Regulation XI rules. The proposal also establishes coating application equipment transfer efficiency requirements, which are included in the U.S. EPA CTGs and in other Regulation XI rules.

PROPOSED REVISIONS TO RULE LANGUAGE

Staff proposes to add a provision stating the purpose of PAR 1106 to provide additional clarity on the purpose of the rule and to be consistent with other Regulation XI coatings rules, make

minor revisions to the applicability subdivision, make revisions and add new definitions to the definitions subdivision, add two tables of standards that will contain VOC limits, and include clarifications and editorial corrections to the entire rule as necessary.

Subdivision (a) Purpose

Staff proposes to add a “Purpose” subdivision in PAR 1106 to provide clarity to the purpose of the rule and make the rule consistent with other VOC Regulation XI rules that already include a purpose subdivision as follows:

“The purpose of this rule is to reduce emissions of Volatile Organic Compounds (VOC) from Marine and Pleasure Craft Coatings.”

Subdivision (b) Applicability

Staff proposes to subsume Rule 1106.1 into Rule 1106. Staff proposes to amend the applicability subdivision to clarify who the proposed amended rule will apply to. Since staff proposes to subsume Rule 1106.1 into Rule 1106, the proposed rule language for the applicability subdivision will address persons applicable to marine and pleasure craft coatings. The proposed rule language is as follows:

“This rule is applicable to any person who supplies, sells, offers for sale, markets, manufactures, blends, packages, repackages, possesses or distributes any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating for use within the SCAQMD South Coast AQMD Jurisdiction, as well as any person who applies, stores at a worksite, or solicits the application of any Marine or Pleasure Craft Coating and any associated solvent used with a Marine or Pleasure Craft Coating within the SCAQMD South Coast AQMD Jurisdiction. ~~applies to coating boats, ships, and their appurtenances, and to buoys and oil drilling rigs, intended for the marine environment. Coating operations of vessels which are manufactured or operated primarily for recreational purposes are subject to the requirements of Rule 1106.1—Pleasure Craft Coating Operations.~~

Subdivision (c) Definitions

Proposed New Definitions to Be Added to PAR 1106:

The Definition subdivision in current Rule 1106 is shown as (b); however, due to the new rule language for a Purpose subdivision, the Definition subdivision will be renumbered as subdivision (c). The following new definitions are proposed to address pleasure craft coatings and transfer efficiency provisions, and to make reference to ~~SCAQMD~~ South Coast AQMD Rule 1171 – Solvent Cleaning Operations to be consistent with other ~~SCAQMD~~ South Coast AQMD rules. Staff added Mist Coatings, Nonskid Coatings and Solvent-Based Organic Zinc Coatings categories to be consistent with the U.S. EPA Control Techniques Guidelines (~~CTG~~ CTGs) for Shipbuilding and Ship Repair Operations (Surface Coating). Staff also added a definition for Solvent-Based

Inorganic Zinc Coatings since it was missing from the current version of Rule 1106 even though it is a listed coating under Paragraph (c)(1) “VOC Content of Marine Coatings” in current Rule 1106, and to make it consistent with the U.S. EPA ~~CTG~~CTGs. Staff also proposes to add another definition for Marine Deck Sealant Primer to be consistent with other local air district definitions. Finally, staff proposes to add a new definition to the rule to define “Energy Curable Coatings” to provide clarity to energy curable marine and pleasure craft coating materials.

Staff proposes to add the following new definitions to PAR1106:

“(6) CLEAR WOOD COATINGS are clear and semi-transparent topcoats applied to wood substrates to provide a transparent or translucent film.”

“(7) DISTRIBUTOR means any person to whom a product is sold or supplied for the purposes of resale or distribution in commerce, except that manufacturers, retailers, and consumers are not distributors.”

“(9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible-light, ultra-violet light or to an electron beam. The VOC content of thin film energy curable marine and pleasure craft coatings may be determined by manufacturers using ASTM test method 7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.”

“(12) FINISH PRIMER/SURFACER is any coating applied with a wet film thickness of less than 10 mils (one mil = 0.001 of an inch) and is applied prior to the application of a Marine or Pleasure Craft Coating for the purpose of providing corrosion resistance, adhesion for subsequent coatings, a moisture barrier, or promotes a uniform surface necessary for filling in surface imperfections.”

“(14) GRAMS OF VOC PER LITER OF MATERIAL (ACTUAL VOC) is the weight of VOC per volume of material and shall 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 material in liters”

“(18) HIGH BUILD PRIMER/SURFACER is any coating applied with a wet film thickness of 10 mils or more (one mil = 0.001 of an inch) prior to the application of a topcoat for

purposes of providing corrosion resistance, adhesion of subsequent coatings, a moisture barrier, or promoting a uniform surface necessary for filling in surface imperfections.”

“(19) HIGH-VOLUME, LOW-PRESSURE (HVLP) means spray application equipment designed to atomize 100 percent by air pressure only and is operated between 0.1 and 10 pounds per square inch gauge (psig), air atomizing pressure measured dynamically at the center of the air cap and at the air horns.”

“(20) INORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an inorganic silicate binder that is applied to steel to provide galvanic corrosion resistance.”

“(22) LOW-SOLIDS COATINGS are coatings containing one pound or less of solids per gallon of material.”

“(24) MARINE DECK SEALANT PRIMER is any sealant primer intended by the manufacturer to be applied to wooden marine decks. A sealant primer is any product intended by the manufacturer to be applied to a substrate, prior to the application of a sealant, to enhance the bonding surface.”

“(26) MIST COATING is any low viscosity thin film epoxy coating applied to an inorganic zinc primer that penetrates the porous zinc primer and allows the occluded air to escape through the film prior to curing.”

“(28) NONSKID COATING means any coating applied to the horizontal surface of a marine vessel for the specific purpose of providing slip resistance for personnel.”

“(29) ORGANIC ZINC COATING is a coating that contains 960 grams per liter or more elemental zinc incorporated into an organic silicate binder that is applied to steel to provide galvanic corrosion resistance.”

“(30) PLEASURE CRAFT are marine or fresh water vessels that are less than 20 meters in length and are manufactured or operated primarily for recreational purposes, or are leased, rented, or chartered to a person or business for recreational purposes. Vessels operated in amusement theme parks in a fresh water environment solely for the purpose of an amusement park attraction shall be considered pleasure craft vessels regardless of their length. The owner or operator of a pleasure craft vessel shall be responsible for certifying that the intended use is for recreational purposes.”

- “(31) PLEASURE CRAFT COATING is any marine coating, except unsaturated polyester resin (fiberglass) coatings, applied by brush, spray, roller, or other means to a pleasure craft.”
- “(32) PRETREATMENT WASH PRIMER is a coating that contains a minimum of 1/2 percent acid, by weight; applied directly to bare metal surfaces to provide necessary surface etching.”
- “(35) SEALER is a coating applied to bare wood to seal surface pores to prevent subsequent coatings from being absorbed into the wood.”
- “(39) TEAK PRIMER is a coating applied to teak wood or previously oiled teak wood decks in order to improve the adhesion of a seam sealer.”
- “(40) TOPCOAT is any final coating applied to the interior or exterior of a marine or pleasure craft.”
- “(42) TRANSFER EFFICIENCY means the amount of coating solids adhering to the object being coated divided by the total amount of coating solids sprayed; expressed as a percentage.”
- “(44) VARNISHES are clear or pigmented wood topcoats formulated with various resins to dry by chemical reaction.”

Staff proposes to make the following revisions to the existing definitions in Rule 1106 to clarify the intent of the definition and to make the definitions consistent with other Regulation XI coating rules.

- “(1) AEROSOL COATING PRODUCT ~~is-means~~ a pressurized coating product containing pigments, ~~or~~ resins, and/or other coating solids that ~~is-dispensed~~ dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container ~~can~~ for hand-held application.”
- “(2) AIR DRIED COATING is any coating that is formulated by the manufacturer to be cured at a temperature below 90 °~~C~~ (194 °~~F~~).”
- “(3) ANTENNA COATING is any coating applied to equipment and associated structural appurtenances ~~which~~ that are used to receive or transmit electromagnetic signals.
- “(4) ~~ANTIFOULING~~ ANTIFOULANT COATING is any coating applied to the underwater portion of ~~a~~ boats, ships, and vessels ~~vessel~~ or pleasure craft to prevent or

- reduce the attachment of biological organisms. ~~An antifoulant coating~~ and shall be registered with the ~~Environmental Protection Agency as a pesticide~~ United States Environmental Protection Agency (“U.S. EPA”) as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act (7 United States Code Section 136).”
- “(5) BAKED COATING is any coating that is formulated by the manufacturer to be cured at a temperature at or above 90 °C (194 °F).”
- “(68) ELASTOMERIC ADHESIVE is any adhesive containing natural or synthetic rubber.” *(This definition is simply renumbered)*
- “(710) EXEMPT COMPOUNDS ~~are any of the following compounds:~~ (See Rule 102 - Definition of Terms).
- (A)—Group I (General)
- ~~trifluoromethane (HFC-23)~~
 - ~~pentafluoroethane (HFC-125)~~
 - ~~1,1,2,2-tetrafluoroethane (HFC-134)~~
 - ~~tetrafluoroethane (HFC-134a)~~
 - ~~1,1,1-trifluoroethane (HFC-143a)~~
 - ~~1,1-difluoroethane (HFC-152a)~~
 - ~~chlorodifluoromethane (HCFC-22)~~
 - ~~dichlorotrifluoroethane (HCFC-123)~~
 - ~~2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)~~
 - ~~dichlorofluoroethane (HCFC-141b)~~
 - ~~chlorodifluoroethane (HCFC-142b)~~
 - ~~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~~
- (B)—Group II
- ~~Methylene chloride~~
 - ~~1,1,1-trichloroethane (methyl chloroform)~~
 - ~~trichlorotrifluoroethane (CFC-113)~~
 - ~~dichlorodifluoromethane (CFC-12)~~
 - ~~trichlorofluoromethane (CFC-11)~~
 - ~~dichlorotetrafluoroethane (CFC-114)~~

chloropentafluoroethane (CFC-115)

~~The use of Group II compounds and/or carbon tetrachloride may be restricted in the future because they are toxic, potentially toxic, upper-atmosphere ozone depleters, or cause other environmental impacts. By January 1, 1996, production of chlorofluorocarbons (CFC), 1,1,1-trichloroethane (methyl chloroform), and carbon tetrachloride will be phased out in accordance with the Code of Federal Regulation Title 40, Part 82 (December 10, 1993)."~~

“(811) EXTREME HIGH GLOSS COATING is any coating ~~which~~that achieves at least 95 percent reflectance on a 60°~~θ~~ meter when tested by ASTM Test Method D-523-14 - “Standard Test Method for Specular Gloss”.

“(913) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS (REGULATORY VOC) is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating,

$$\text{Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

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”

“(1015) HEAT RESISTANT COATING is any coating ~~which~~that during normal use must withstand temperatures of at least 204 °~~θ~~C (400 °~~θ~~F).”

“(1116) HIGH GLOSS COATING is any coating ~~which~~that achieves at least 85 percent reflectance on a 60°~~θ~~ meter when tested by ASTM Method D-523-14 ~~–~~“Standard Test Method for Specular Gloss”.

“(1217) HIGH TEMPERATURE COATING is any coating that during normal use ~~which~~ must withstand temperatures of at least 426 °~~θ~~C (800 °~~θ~~F).”

“(1321) LOW ACTIVATION INTERIOR COATING is any coating used on interior surfaces aboard ~~ships, boats, ships, and vessels~~, to minimize the activation of pigments on painted surfaces within a radiation environment.”

- “(1423) MARINE COATING is any coating, except unsaturated polyester resin (fiberglass) coatings, containing volatile organic materials and applied by any means to ~~ships;~~ boats, ships, and vessels, ~~and~~ their appurtenances, and structures such as piers, and docks, to buoys and oil drilling rigs; intended for the exposure to either a marine or fresh water environment.”
- “(1525) METALLIC HEAT RESISTANT COATING is any coating ~~which~~that contains more than 5 grams of metal particles per liter of coating as applied and which must withstand temperatures over 80 °C (~~175~~176 °F).”
- “(1627) NAVIGATIONAL AIDS COATING is any coating that is applied to ~~are~~ buoys or other Coast Guard waterway markers that are recoated at their usage site aboard ship and immediately returned to the water.”
- “(1833) REPAIR AND MAINTENANCE THERMOPLASTIC COATING is any resin-bearing coating, such as vinyl, chlorinated rubber, or bituminous coatings; where in ~~which~~ the resin becomes pliable with the application of heat, and is used to recoat portions of a previously coated substrate ~~which~~that has sustained damage to ~~the coating~~ following ~~normal~~the initial coating ~~operations.~~”
- “(1934) SEALANT FOR WIRE-SPRAYED ALUMINUM is any coating of up to one mil (one mil = 0.001 of an inch) in thickness of an epoxy material ~~which~~that is reduced for application with an equal part of an appropriate solvent (e.g. naphtha; or ethylene glycol monoethyl ether).”
- “(2036) SOLVENT CLEANING ~~OPERATION~~ is ~~the removal of loosely held uncured adhesives, uncured inks, uncured coatings, and contaminants from parts, products, tools, machinery, equipment, and general work areas. Contaminants include, but are not limited to, dirt, soil, and grease. In a cleaning process which consists of a series of cleaning methods, each distinct method shall constitute a separate solvent cleaning operation~~ as defined in Rule 1171 - Solvent Cleaning Operations.”
- “(2137) SPECIAL MARKING COATING is any coating used for items such as flight decks, ~~ships’~~ vessel identification numbers and other demarcations for safety ~~or~~ identification ~~applications.~~”
- “(2238) TACK COAT is an epoxy coating of up to two mils (~~0.002-inch~~) (one mil = 0.001 of an inch) thick applied to an existing epoxy coating that has aged beyond the time limit specified by the manufacturer ~~for application of the next coat.~~”

- “(2341) TOUCH-UP COATING is any coating ~~operation~~ applied incidental to the main coating process but necessary ~~used~~ to cover minor imperfections ~~prior to shipment appearing after the main coating operation or minor mechanical damage incurred prior to intended use.~~”
- “(2443) UNDERSEA WEAPONS SYSTEM COATING is any coating applied to any ~~or all~~ components of a weapons system intended for exposure to a marine environment that is intended to be launched or fired ~~underwater~~ undersea.”
- “(2545) VOLATILE ORGANIC COMPOUND (VOC) is ~~any volatile compound which contains the element carbon, excluding methane, carbon dioxide, carbon monoxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and exempt compounds~~ as defined in Rule 102 - Definition of Terms.”
- “(2646) WIRE-SPRAYED ALUMINUM is any molten multi-aluminum coating applied to a steel substrate using oxygen fueled combustion spray ~~methods~~ equipment.”

Subdivision (d) Requirements

Paragraph (d)(1)

The current Rule 1106 shows the Requirements subdivision as (c). PAR 1106 will show the Requirements subdivision as (d) due to the added subdivision for the Purpose subdivision. Staff proposes to renumber Paragraph (c)(1) of the current Rule 1106 to Paragraph (d)(1) for PAR 1106 to distinguish the Paragraph as introducing a Table of Standards I for Marine Coatings. The revisions are as follows:

“Except as otherwise provided in this rule, a person shall not apply a marine coating within the SCAQMD South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards I that are expressed as grams of VOC per liter of coating, as applied, less water and ~~less~~ exempt solvents:”

Table of Standards I

The current version of Rule 1106 - Marine Coating Operations, contains a list of coating categories and their corresponding VOC content limits. This list is spread over two pages and because there are no line separations between the coating categories, determining the VOC limits for each of the coating categories may be difficult as one traces their finger from the coating category on the left side of the page to the VOC limits on the right side of the page. Staff proposes to create a Table of Standards I that will contain this list of coating categories and their corresponding VOC content limits in a much easier-to-read tabular format. Table of Standards I will contain just the coating categories and VOC limits for Marine Coatings (Pleasure Craft Coating VOC limits will be in a proposed subsequent table, Table of Standards II).

In the Table of Standards I, there are currently four coating categories that have VOC content limits in excess of other California APCDs/AQMDs air districts and one coating category that has a VOC content limit in excess of both the U.S. EPA CTGCTGs and other California APCDs/AQMDs air districts. Staff proposes to make these VOC content limits consistent with the other local APCDs/AQMDs air districts and the U.S. EPA CTGCTGs as shown in Table 2-1:

TABLE 2-1: FIVE COATING CATEGORIES IN RULE 1106 THAT NEED TO BE ADJUSTED FOR CONSISTENCY WITH THE U.S. EPA CTGCTGs AND LOCAL APCDs/AQMDs AIR DISTRICTS VOC LIMITS

COATING CATEGORY	<u>SCAQMD</u> <u>South Coast AQMD</u> <u>RULE 1106</u>		<u>U.S. EPA</u> <u>CTGCTGs</u>	<u>BAAQMD</u>	<u>SDAPCD</u>	<u>VCAPCD</u>
	Current Limit (g/L)	Proposed Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)
Antenna Coating	530	340	530	--	340	340
Pre-Treatment Wash Primer	780	420	780	420	420	780
Repair & Maintenance Thermoplastic Coating	550	340	550	340	550	340
Inorganic Zinc Coating	650	340	340	340	340	340
Special Marking Coating	490	420	490	490	420	420

The current version of Rule 1106 has an exemption for antifoulant coatings that are applied on aluminum substrates, but the current version of Rule 1106.1 does not have this exemption. Instead, the current Rule 1106.1 has a 560 g/L VOC content limit for antifoulant coatings that are applied to aluminum substrates. The Ventura County APCD has a 560 g/L VOC content limit for antifoulant coatings and does not provide for any exemption for aluminum substrates. Staff found several antifoulant coatings suitable for use on aluminum substrates that can also be used on commercial vessels and the U.S. Coast Guard fleet and still meet the 560 g/L VOC content limit. In fact, some of these antifoulant coatings were being used in some marinas on aluminum substrates. Furthermore, staff found that the retail prices of fourteen aluminum substrate-suitable antifoulant coating products that are currently available on the market average around \$143 per gallon container (range from \$65 to \$340 per gallon container), and are comparable to the retail prices of antifoulant coating products suitable for use on non-aluminum substrates. Therefore, staff is proposing to eliminate the aluminum substrate exemption and incorporate a 560 g/L VOC content limit for antifoulant coatings that are applied to aluminum substrates in Table of Standards I.

Staff proposes to add three new additional coating categories to Table of Standards I that are already included in the U.S. EPA ~~CTGCTGs~~ (Table 2-2):

TABLE 2-2: THREE COATING CATEGORIES TO BE ADDED TO PROPOSED AMENDED RULE 1106 FOR CONSISTENCY WITH THE U.S. EPA ~~CTGCTGs~~ AND LOCAL ~~APCDs/AQMDs~~ AIR DISTRICTS VOC LIMITS

	SCAQMD South Coast AQMD RULE 1106		U.S. EPA CTGCTGs	BAAQMD	SDAPCD	VCAPCD
COATING CATEGORY	Current Limit (g/L)	Proposed Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)	Current Limit (g/L)
Mist Coating	--	610	610	--	610	--
Nonskid Coating	--	340	340	--	--	--
Organic Zinc Coating	--	340	360	--	340	--

Table 2-3 shows the Table of Standards I for PAR 1106 with the revised VOC limits for the five categories discussed above and three new additional coating categories added. The “General Coating” category in the current Rule 1106 is proposed to be renamed as “Any Other Coating Type” to be consistent with other Regulation XI rules and will include coating categories that are not listed in Table of Standards I such as bilge coatings and propeller coatings.

TABLE 2-3: PROPOSED TABLE OF STANDARDS FOR MARINE COATINGS:
TABLE OF STANDARDS I

<u>MARINE COATING CATEGORIES</u>	<u>VOC LIMITS</u> <u>Less water and exempt compounds</u> <u>Grams per Liter (g/L)</u>	
	<u>BAKED</u>	<u>AIR DRIED</u>
	<u>CURRENT LIMIT</u>	<u>CURRENT LIMIT</u>
<u>Antenna Coating</u>		<u>340</u>
<u>Antifoulant Coatings:</u>		
<u>Aluminum Substrate</u>		<u>560</u>
<u>Other Substrate</u>		<u>400</u>
<u>Elastomeric Adhesives (with 15%, by Weight, Natural or Synthetic Rubber)</u>		<u>730</u>
<u>Inorganic Zinc Coating</u>		<u>340</u>
<u>Low Activation Interior Coating</u>		<u>420</u>
<u>Mist Coating</u>		<u>610</u>
<u>Navigational Aids Coating</u>		<u>340</u>
<u>Nonskid Coating</u>		<u>340</u>
<u>Organic Zinc Coating</u>		<u>340</u>
<u>Pre-Treatment Wash Primer</u>	<u>420</u>	<u>420</u>

Repair and Maintenance Thermoplastic Coating		340
Sealant for Wire-Sprayed Aluminum		610
Special Marking Coating		420
Specialty Coatings:		420
Heat Resistant Coating	360	420
Metallic Heat Resistant Coating		530
High Temperature Coating		500
Tack Coating		610
Topcoats:		
Extreme High Gloss Coatings	420	490
High Gloss Coatings	275	340
Undersea Weapons Systems Coating	275	340
Any Other Coating Type	275	340

Paragraph (d)(2)

Staff proposes to add a new paragraph to PAR 1106 to include the pleasure craft coating categories and VOC limits. The current version of Rule 1106.1 contains a list of coating categories and their corresponding VOC content limits. Similar to the VOC categories and VOC limits in the current version of Rule 1106, there are no line separations between the coating categories and determining the VOC limits for each of the coating categories may be difficult as one traces their finger from the coating category on the left side of the page to the VOC limits on the right side of the page. Staff proposes to create a Table of Standards II that will contain this list of coating categories and the corresponding VOC content limits in a much easier-to-read tabular format. Table of Standards II will contain just the coating categories and VOC limits for Pleasure Craft Coatings. Table of Standards II contains all the original coating categories and VOC content limits that are currently shown in Rule 1106.1 but the list will be arranged in alphabetical order. There is only one addition to Table of Standards II and that is the inclusion of the Marine Deck Sealant Primer along with the corresponding 760 g/L VOC content limit. This coating category has been added to be consistent with another local ~~APCD~~air district that also has a pleasure craft coating rule. Finally, the “Others” category in the current Rule 1106.1 is proposed to be renamed as “Any Other Coating Type” to be consistent with other Regulation XI rules and will include coating categories that are not listed in Table of Standards I such as bilge coatings and propeller coatings.

“(2) VOC Content of Pleasure Craft Coatings

Except as otherwise provided in this rule, a person shall not apply a pleasure craft coating within the ~~SCAQMD~~South Coast AQMD jurisdiction with a VOC content in excess of the following limits shown in the Table of Standards II that are expressed as grams of VOC per liter of coating, as applied, less water and exempt solvents:”

TABLE 2-4 - PROPOSED TABLE OF STANDARDS FOR PLEASURE CRAFT COATINGS:TABLE OF STANDARDS II

<u>VOC LIMITS</u> <u>Less water and exempt compounds</u> <u>Grams per Liter (g/L)</u>	
<u>PLEASURE CRAFT COATING CATEGORIES</u>	<u>Current Limit</u>
<u>Antifoulant Coatings:</u>	
<u>Aluminum Substrate</u>	<u>560</u>
<u>Other Substrates</u>	<u>330</u>
<u>Clear Wood Finishes:</u>	
<u>Sealers</u>	<u>550</u>
<u>Varnishes</u>	<u>490</u>
<u>Primer Coatings:</u>	
<u>Finish Primer/Surfacer</u>	<u>420</u>
<u>High Build Primer Surfacer</u>	<u>340</u>
<u>Marine Deck Sealant Primer</u>	<u>760</u>
<u>Pretreatment Wash Primer</u>	<u>780</u>
<u>Teak Primer</u>	<u>775</u>
<u>Topcoats:</u>	
<u>Extreme High Gloss Coating</u>	<u>490</u>
<u>High Gloss Coating</u>	<u>420</u>
<u>Any Other Coating Type</u>	<u>420</u>

Staff will also add a low-solids coating category for both marine and pleasure craft coatings. Low-solids marine and pleasure craft coatings will be limited to 120 grams per liter of VOC and will be classified as a low-solids coating if they have no more than one pound of solids per gallon. Staff will add the following table to the proposed amended rule:

“(3) VOC Content of Low-Solids Coatings

Except as otherwise provided in this rule, a person shall not apply a marine coating or a pleasure craft coating within the SCAQMD South Coast AQMD jurisdiction with a VOC content in excess of the following limit shown in the Table of Standards III that is expressed as grams of VOC per material of coating, as applied:”

TABLE 2-5: PROPOSED TABLE FOR LOW-SOLIDS COATINGS:TABLE OF STANDARDS III

<u>VOC LIMIT – MARINE & PLEASURE CRAFT COATINGS</u> <u>Grams per liter of material VOC</u>	
<u>COATING CATEGORY</u>	<u>CURRENT LIMIT</u>
<u>Low-Solids Coating</u>	<u>120</u>

Paragraph (d)(4) - Most Restrictive VOC Limit

Staff proposes to include a new provision in PAR 1106 to address the need to apply the most restrictive VOC limit for a specific coatings use. This provision is included in other Regulation XI VOC rules and is now being proposed to be included in PAR 1106 for consistency and to enhance enforceability of VOC limits. When implementing Regulation XI rules with maximum allowable VOC limits for specific categories, staff has encountered instances of products that meet the definition of or are recommended for use for one category, but are sold or used in applications matching a different coating category that has a VOC limit in excess of the limit prescribed for the category that the product is subject to. For example, at many of the marinas staff has encountered uses of antifoulant coatings intended for marine vessels on pleasure craft because it has a higher VOC limit per Rule 1106 than the VOC limit for antifoulant coatings per Rule 1106.1. The most restrictive VOC limit will eliminate this ambiguity among multiple marine and pleasure craft coating categories as it pertains to VOC limits, and will ensure that end-users use compliant marine and pleasure craft coatings.

“(4) Most Restrictive VOC Limit

If any representation or information on the container of any coating subject to this rule, or any label or sticker affixed to the container, or in any sales, advertising, or technical literature that indicates that the coating meets the definition of, is recommended for use or is suitable for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply.”

Paragraph (c)(2) - Approved Emission Control System

Staff proposes to strike-out the rule language due to none of the facilities use emission collection and destruction equipment that collectively makes up an approved emission control system.

~~“(2) — Approved Emission Control System~~~~(A) — Approved Emission Control System~~

~~Owners and/or operators may comply with the provisions of paragraphs (c)(1) by using an emission control system, which has been approved in writing by the Executive Officer, for reducing VOC emissions. The control system must achieve a minimum capture efficiency using USEPA, ARB, and District methods specified in subparagraph (c)(4)(A) and a destruction efficiency of at least 85 percent by weight, and,~~

~~(B) — The approved system shall reduce the VOC emissions, when using non-compliant coatings, to an equivalent or greater level that would be achieved by the provisions in paragraph (c)(1). The required efficiency of an emission control system at which~~

~~an equivalent or greater level of VOC reduction will be achieved shall be calculated by the following equation:~~

$$C.E. = \left[1 - \frac{(\text{VOC}_{LW_e}) - 1 - (\text{VOC}_{LWn,Max} / D_{n,Max})}{(\text{VOC}_{LWn,Max}) - 1 - (\text{VOC}_{LW_e} / D_e)} \right] \times 100\%$$

~~Where: C.E. = Control Efficiency, expressed as a percentage~~

~~VOC_{LW_e} = VOC Limit of Rule 1106, less water and less exempt compounds, pursuant to subdivision (d).~~

~~VOC_{LWn,Max} = Maximum VOC content of non-compliant coating used in conjunction with a control device, less water and less exempt compounds.~~

~~D_{n,Max} = Density of solvent, reducer, or thinner contained in the non-compliant coating, containing the maximum VOC content of the multi-component coating.~~

~~D_e = Density of corresponding solvent, reducer, or thinner used in the compliant coating system = 880 g/L."~~

Paragraph (c)(3) - Alternative Emission Control Plan

Staff proposes the following updates to the existing rule language to enhance clarity and then renumber the paragraph to (d)(5).

“(3) Alternative Emission Control Plan

~~Owners and/or operators may achieve compliance with the requirements~~ A person may comply with the provisions of paragraphs (d)(1), (d)(2) and (d)(3) paragraph (e)(1) by means of an Alternative Emission Control Plan, pursuant to Rule 108 - Alternative Emissions Control Plans.”

Paragraph (d)(6) - Exempt Compounds

Staff proposes to add new rule language for exempt compounds to maintain consistency with other Regulation XI coating rules and then renumber the paragraph (d)(6).

“(6) Exempt Compounds

A person shall not manufacture, sell, offer for sale, distribute for use in the SCAQMD South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains any Group II Exempt Compounds listed in Rule 102 - Definition of Terms, in quantities

greater than 0.1 percent by weight. Cyclic, branched, or linear, completely methylated siloxanes (VMS) are not subject to this provision.”

Paragraph (d)(7) - Carcinogenic Materials

Staff proposes to add new rule language for carcinogenic materials to maintain consistency with other Regulation XI coating rules and then renumber the paragraph (d)(7).

“(7) Carcinogenic Materials

A person shall not manufacture, sell, offer for sale, distribute for use in the ~~SCAQMD~~South Coast AQMD jurisdiction, or apply any marine or pleasure craft coating which contains cadmium, nickel, lead or hexavalent chromium that was introduced as a pigment or as an agent to impart any property or characteristic to the marine or pleasure craft coatings during manufacturing, distribution, or use of applicable marine or pleasure craft coatings.”

Paragraph (d)(8) - Application Equipment Transfer Efficiency

Staff proposes to add the new language for transfer efficiency, align transfer efficiency requirements of this rule with other Regulation IX coating rules, and then renumber the paragraph (d)(8).

“(8) Application Equipment Transfer Efficiency

- (A) A person shall not apply any marine coating or pleasure craft coating unless one of the following methods of coating transfer is used:
- (i) Electrostatic application;
 - (ii) High-volume, low-pressure (HVLP) spray;
 - (iii) Brush, dip, or roller;
 - (iv) Spray gun application, provided the owner or operator demonstrates that the spray gun meets the HVLP definition in paragraph (c)(19) in design and use. A satisfactory demonstration must be based on the manufacturer’s published technical material on the design of the spray gun and by a demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun; or
 - (v) Any such other marine or pleasure craft coating application methods as demonstrated, in accordance with the provisions of paragraph (g)(6), to be capable of achieving equivalent or better transfer efficiency than the marine or pleasure craft coating application method listed in clause (d)(8)(A)(ii), provided written approval is obtained from the Executive Officer prior to use.

(B) A person shall not apply any marine coating or pleasure craft coating by any of the methods listed in subparagraph (d)(8)(A) unless such coating is applied with properly operating equipment, operated according to procedures recommended by the manufacturer and in compliance with applicable permit conditions, if any.”

Paragraph (d)(9) - Solvent Cleaning, Storage and Disposal of VOC-containing Materials

The current Rule 1106 shows the solvent cleaning subdivision as (c). PAR 1106 now shows the solvent cleaning subdivision as (d) due to the added subdivision for Purpose. Staff proposes the following updates to the existing rule language in efforts to make this rule consistent with other Regulation XI coating rules and then renumber the paragraph (d)(9).

(49) Solvent Cleaning ~~Operations~~, Storage and Disposal of VOC-containing Materials
~~All solvent~~Solvent cleaning ~~operations~~of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC-containing materials used in solvent cleaning ~~operations~~ activities shall be carried out pursuant to ~~SCAQMD~~South Coast AQMD Rule 1171 - Solvent Cleaning Operations.

(c)(5) Recordkeeping

The current Rule 1106 contains a paragraph for recordkeeping. Staff believes this is already covered by ~~SCAQMD~~South Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions. Staff proposes to delete this rule language. (See subdivision (f) for additional discussion for recordkeeping).

~~(5) — Recordkeeping~~

~~Notwithstanding the provisions of subdivision (g), records shall be maintained pursuant to Rule 109.”~~

Subdivision (e) - Prohibition of Possession, Specification and Sale

The current Rule 1106 shows the Prohibition of Specification subdivision as (d). Staff proposes to renumber subdivision (d) as subdivision (e). For subdivision (e), staff proposes to include a Prohibition of Possession and Sale of non-compliant coatings in the existing provision in addition to the existing Prohibition of Specification to be consistent with ~~SCAQMD~~South Coast AQMD Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations. Staff found non-compliant marine and pleasure craft coatings stored in the marinas that were visited. In addition, staff found multiple non-compliant marine and pleasure craft coatings offered for sale at many marine stores in the ~~SCAQMD~~South Coast AQMD jurisdiction. Staff proposes to replace the current rule language with the following rule language to prohibit

possession and sales of non-compliant marine and pleasure craft coating products subject to Rule 1106.

~~“(d) — Prohibition of Specification~~

~~(1) — A person shall not solicit or require any other person to use, in the district, any coating or combination of coatings to be applied to any marine vessel or marine component subject to the provisions of this rule that does not meet the limits requirements of this rule or of an Alternate Emission Control Plan approved pursuant to the provisions of paragraph (e)(3) of this rule.~~

~~(2) — The requirements of paragraph (d)(1) shall apply to all written or oral agreements executed or entered into after November 4, 1988.”~~

“(e) Prohibition of Possession, Specification and Sale

(1) For the purpose of this rule, no person shall store at a worksite any marine coating or pleasure craft coating subject to this rule within the ~~SCAQMD~~South Coast AQMD jurisdiction that is not in compliance with the requirements shown in the Tables of Standards of paragraphs (d)(1), (d)(2), and (d)(3) unless the following condition applies:

(A) The marine or pleasure craft coating is for use at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.

(2) For the purpose of this rule, no person shall solicit from, specify, or require any other person to use in the ~~SCAQMD~~South Coast AQMD jurisdiction any marine or pleasure craft coating that does not meet the:

(A) Applicable VOC limits required by paragraph (d)(1), (d)(2) or (d)(3) for the specific application unless:

(i) The marine or pleasure craft coating is located at a facility that operates in compliance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan.

(B) The requirements of paragraphs (d)(6) and (d)(7).

(3) For the purpose of this rule, no person shall supply, sell, offer for sale, market, blend, package, repackage or distribute any marine or pleasure craft coating for use within the ~~SCAQMD~~South Coast AQMD jurisdiction subject to the provisions in this rule that does not meet the:

- (A) Applicable VOC limits required by paragraphs (d)(1), (d)(2) and (d)(3) for the specific application, unless:
- (i) The marine or pleasure craft coating is for use at a facility that operates in accordance with an approved Alternative Emissions Control Plan pursuant to paragraph (d)(5), and the marine or pleasure craft coating is specified in the plan; and,
- (B) The requirements of paragraphs (d)(6) and (d)(7).
- (4) For the purpose of this rule, no person shall solicit from, specify, require, offer for sale, sell, or distribute to any other person for use in the District any marine or pleasure craft coating application equipment that does not meet the requirements of subparagraph (d)(8)(A).
- (5) For the purpose of this rule, no person shall offer for sale, sell, supply, market, offer for sale or distribute an HVLP spray gun for use within the ~~SCAQMD~~South Coast AQMD unless said person provides accurate information to the spray gun recipient. Such accurate information shall include the maximum inlet air pressure to the spray gun that would result in a maximum air pressure of 10 pounds per square inch gauge (psig) air pressure measured dynamically at the center of the air cap and at the air horns based on the manufacturer's published technical material on the design of the spray application equipment and by a demonstration of the operation of the spray application equipment using an air pressure tip gauge from the manufacturer of the gun. The information shall either be permanently marked on the gun, or provided on the company's letterhead or in the form of technical literature that clearly identifies the spray gun manufacturer, the seller, or the distributor.
- (6) Paragraphs (d)(1), (d)(2) and (d)(3) shall not apply to marine coatings or pleasure craft coatings that are sold, offered for sale, or solicited, for shipment or use outside of the ~~SCAQMD~~South Coast AQMD jurisdiction, or for shipment to other manufacturers for repackaging provided such coatings are sold, offered for sale, or solicited, for shipment or use outside the ~~SCAQMD~~South Coast AQMD jurisdiction.

Subdivision (f) - Recordkeeping Requirements for Marine and Pleasure Craft Coatings

The current Rule 1106 shows the Recordkeeping under paragraph (d)(5) whereas PAR 1106 will show Recordkeeping in subdivision (f). Staff proposes to revise the recordkeeping rule language in the current version of Rule 1106 to make it consistent with other Regulation IX coating rules.

~~(5) Recordkeeping~~
~~Notwithstanding the provisions of subdivision (g), records shall be maintained pursuant to Rule 109.”~~

“(f) Recordkeeping Requirements

(1) Recordkeeping for VOC Emissions

Notwithstanding the provisions of subdivision (i), records of marine coating usage and pleasure craft coating usage, as applicable, shall be maintained pursuant to SCAQMD South Coast AQMD Rule 109 - Recordkeeping for Volatile Organic Compound Emissions, and shall be made available to the Executive Officer upon request.

Paragraph (g)(1), (g)(2) and (g)(3) - Test Methods

The current version of Rule 1106 shows the test methods under subdivision (e), whereas PAR 1106 will show the test methods under subdivision (g). Staff proposes the following updates to the existing rule language and renumber the subdivision to (g). The following test methods are used to determine the VOC content of marine and pleasure craft coatings. ASTM Test Method D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable acrylate Monomers, Oligimers, and Blends and Thin Coatings Made from Them” may be used to estimate the VOC content of thin-film Energy Curable Coatings. Staff proposes to add a new exemption for marine and pleasure craft coatings that contain 50 g/L of VOC or less from PAR 1106 requirements. For Energy Curable Coatings, test results from the ASTM D7767-11 method will be allowed, in conjunction with product formulation data, to be used to verify if these coatings qualify for this new exemption. 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 manufacturer to create the product (note that Safety Data Sheets (SDS) are not considered formulation data).

In September 2012, ~~SCAQMD~~ South Coast AQMD Laboratory staff met with a developer of ASTM D7767-11 that was part of a larger committee formed by RADTECH, a non-profit association serving the UV & EB Industry and Market. During that visit they performed ASTM D7767-11 at 3M (Minneapolis, MN). ~~SCAQMD~~ South Coast AQMD Laboratory staff observed the following limitations of ASTM D7767-11 with regard to it being a potential test method for VOC compliance determination:

- 1) The method provides only an estimation of the VOC content, a distinction that was confirmed in-person by the creator of the method during the 3M visit;
- 2) The volatiles estimate is based on the measurement of the reactive components (i.e. acrylate monomers, oligomers, and blends), not of the fully-formulated product which

also includes the pigments and additives that are excluded so that the product can be tested at a thick enough film in order to accurately measure the weight loss for VOC quantification;

- 3) Supplier-specified cure condition, end-use film thickness, and specific photo-initiator are required to accurately perform the method; and
- 4) It is not a direct method for measuring volatiles from thin coatings, as the method was developed to help formulators identify and select lower VOC constituents during coating production.

For enforcement purposes, which relies on the fully formulated product to be tested, a third party laboratory, such as the ~~SCAQMD~~ South Coast AQMD Laboratory, cannot independently perform ASTM D7767-11 and have the confidence that the results accurately reflect the composition of the sample. If ~~SCAQMD~~ South Coast AQMD compliance staff collected a sample of a thin-film energy curable product, the manufacturer would need to supply the raw materials and a photo-initiator in order to accurately perform the method. ASTM D7767-11 offers no ability to confirm that the ingredients are actual constituents of the commercial product being tested. For these reasons, ASTM D7767-11 cannot be added as a test method to paragraph (h)(1) - Determination of VOC Content in the proposed amended rule language. Staff will work with manufacturers to develop or enhance a test method that can be used to directly measure the VOC of thin-film coatings. However, staff has proposed a new exemption for coatings containing 50 g/L VOC or less, which will require product formulation data and ASTM D7767-11 test results to be provided by the manufacturer for energy curable coatings.

“(eg) Test Methods

(1) Determination of VOC Content:

The VOC content of coatings, subject to the provisions of this rule shall be determined by the following methods:

- (A) ~~United States Environmental Protection Agency (U.S. EPA)~~ Reference Test Method 24 (Determination of Volatile Matter Content, Water Content, Volume Solids and Weight Solids of Surface Coatings, Code of Federal Regulations, Title 40, Part 60, Appendix A₇). The exempt compounds' content shall be determined by ~~SC~~ South Coast AQMD Laboratory Test Method 303 (Determination of Exempt Compounds) contained in the ~~SC~~ South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,

- (B) ~~SC~~South Coast AQMD Method 304 [Determination of Volatile Organic Compounds (VOC~~s~~) in Various Materials] contained in the ~~SC~~South Coast AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual~~;~~ or,
- (C) ~~SCAQMD~~South Coast AQMD Method 313 [Determination of Volatile Organic Compounds VOC by Gas Chromatography-Mass Spectrometry] in the ~~SCAQMD~~South Coast AQMD's "Laboratory Methods of Analysis for Enforcement Samples" manual.
- (2) VOC content determined to exceed the limits established by this rule through the use of any of the above-referenced test methods shall constitute a violation of this rule.
- (~~E~~3) Exempt Perfluorocarbon Compounds
The following classes of compounds:
- 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; and
 - Ssulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine,
- ~~will~~shall be analyzed as exempt compounds for compliance with subdivision (~~e~~d), only ~~when at such time~~ as manufacturers specify which individual compounds are used in the ~~coating~~ formulation of the coatings subject to this rule. In addition, prior to any such analysis, the manufacturers shall also identify the test methods approved by the U.S. EPA, California Air Resources Board (CARB), and the ~~SC~~South Coast AQMD ~~approved test methods that will be~~ used to quantify the amount of each exempt compound."

Paragraph (g)(4) - Determination of Metal Content

Staff proposes the following updates to the existing rule language and to renumber this paragraph from (e)(2) in the current Rule 1106 to paragraph (g)(4) in PAR 1106 as follows:

“(24) Determination of ~~Metal Content~~Iridescent Particles in Metallic/Iridescent Coatings

The metal [and silicon](#) content in metallic/[iridescent](#) coatings subject to the provisions of this rule shall be determined by the ~~SE~~[South Coast](#) AQMD Method 311 (~~Determination Analysis~~ of Percent Metal in Metallic Coatings by Spectrographic Method) contained in the ~~SE~~[South Coast](#) AQMD "Laboratory Methods of Analysis for Enforcement Samples" manual."

Paragraph (g)(5) - Determination of Acid Content

Staff proposes the following updates to the existing rule language and to renumber this paragraph from (e)(3) in the current Rule 1106 to paragraph (g)(5) in PAR 1106 as follows:

“(35) Determination of Acid Content [in Marine and Pleasure Craft Coatings](#)

The acid content of [any](#) coating subject to the provisions of this rule shall be determined by ASTM D-1613-~~85-06~~ [\(2012\)](#) ([Standard Test Method for](#) Acidity in Volatile Solvents and Chemical Intermediates Used in Paint, Varnish, Lacquer, and Related Products) ~~contained in the SCAQMD “Laboratory Methods of Analysis for Enforcement Samples” manual.~~

Paragraph (g)(6) - Determination of Transfer Efficiency of Application Equipment

Staff proposes to add new language for transfer efficiency test methods to align this requirement with other Regulation IX coating rules. The proposed new rule language is as follows:

“(6) [Determination of Transfer Efficiency of Application Equipment](#)

[The transfer efficiency of alternative marine coating and pleasure craft coating application methods, as defined by clause \(d\)\(9\)\(A\)\(v\), shall be determined in accordance with the ~~SCAQMD~~\[South Coast AQMD\]\(#\) method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989," and ~~SCAQMD~~\[South Coast AQMD\]\(#\) “Guidelines for Demonstrating Equivalency With District Approved Transfer Efficiency Spray Gun September 26, 2002”.](#)

Paragraph (e)(4) - Determination of Efficiency of Emission Control System

Staff proposes to strike out the rule language since none of the facilities use emission collection and destruction equipment that collectively makes-up an approved emission control system. If a facility desires to use emission collection and destruction equipment in the future, the facility may demonstrate compliance with PAR 1106 with this system by means of an Alternative Emission Control Plan, pursuant to Rule 108 – Alternative Emissions Control Plans.

~~“(4) Determination of Efficiency of Emission Control System~~

~~—— (A) — The efficiency of the collection device of the emission control system as specified in paragraph (e)(2) shall be determined by the USEPA method cited in 55 Federal~~

~~Register 26865 (June 29, 1990), or any other method approved by the USEPA, the California Air Resources Board, and the SCAQMD.~~

~~—(B)—The efficiency of the control device of the emission control system as specified in paragraph (c)(2) and the VOC content in the control device exhaust gases, measured and calculated as carbon, shall be determined by U.S. EPA Test Methods 25, 25A, or SCAQMD Method 25.1 (Determination of Total Gaseous Non-Methane Organic Emissions as Carbon) as applicable. U.S. EPA Test Method 18, or ARB Method 422 shall be used to determine emissions of exempt compounds.”~~

Paragraph (g)(7) - Multiple Test Methods - and paragraph (g)(8)

Staff proposes to renumber the Multiple Test Methods paragraph from (e)(5) in the current Rule 1106 to paragraph (g)(7) in PAR 1106 and to renumber the following paragraph (e)(6) in the current Rule 1106 to paragraph (g)(8) in PAR 1106 as follows:

“(57) Multiple Test Methods

When more than one test method or set of test methods are specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of the rule.

(68) All test methods referenced in this section shall be the most recently approved version.”

Subdivision (h) - Rule 442 Applicability

Staff proposes to revise the rule language to include usage of solvents and make this rule consistent with other Regulation XI rules. Staff also proposes to renumber subdivision (f) in current Rule 1106 to subdivision (h) in PAR 1106. The proposed rule language is as follows:

“(fh) Rule 442 Applicability

Any ~~marine coating operation~~ Marine Coating or Pleasure Craft Coating or any facility ~~which that~~ is exempt pursuant to subdivision (j) from all or a portion of the VOC limits of subdivision (d) ~~this rule~~ shall comply with the provisions of Rule 442 - Usage of Solvents.”

Subdivision (j) - Exemptions:

Staff proposes minor corrections and three new exemptions to subdivision (j) addressing coatings with viscosities greater than 650 centipoise, coatings that have a VOC content of no more than 50 g/L or its equivalent, less water and less exempt compounds, as applied, and coatings that are intended for vessels that submerge to at least 500 feet below the surface of the water.

Subdivision (j) is numbered as subdivision (i) in the current rule. Staff proposes the following revisions to the exemptions subdivision starting with subdivision (j) followed by an explanation for all the subsequent paragraphs:

Staff proposes to update the introduction of the exemptions subdivision to clarify that the exempted coatings or products shall not contain any Group II Exempt Compounds in quantities greater than 0.1 percent by weight or Carcinogenic Materials, which are added provisions in the rule in proposed paragraphs (d)(6) and (d)(7).

“(g) Exemptions:

With the exception of paragraphs (d)(6) and (d)(7), ~~The~~ the provisions of this rule shall not apply to:

Coatings with VOC Content of 50 g/L or Less:

Low- to near-zero VOC coating technologies are increasingly being developed and are currently available for use in a multitude of industries, including graphic arts, architectural and industrial maintenance coatings, and marine coatings. To incentivize users to choose lower VOC coatings and manufacturers to formulate lower VOC products, staff proposes to provide an exemption for marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, from the requirements of Proposed Amended Rule 1106. For energy curable coatings to qualify for this exemption, staff proposes that product formulation data and test results using the ASTM D7767-11 method first be submitted to the ~~SCAQMD~~ South Coast AQMD by the manufacturer. Staff proposes the following rule language to exempt coatings that have a VOC content of 50 g/L or less:

(1) Marine or pleasure craft coatings that have a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, provided that for energy curable coatings, product formulation data and test results, determined by ASTM D7767-11, shall first be submitted to the Executive Officer by the manufacturer.

Paragraphs (j)(2), (j)(3) and (j)(4) are editorial corrections. The language in paragraph (i)(3) of the current rule can be removed as the date January 1, 1992 has long since passed. The language in paragraph (i)(4) of the current rule can also be removed since the VOC content limit for aluminum hulls is now shown in the Table of Standards I and II.

- ~~(12)~~ ~~marine~~ Marine coatings applied to interior surfaces of potable water containers.
- ~~(23)~~ ~~touch~~ Touch-up coatings, as defined by paragraph (c)(41) of this rule.
- ~~(3) — marine coatings purchased before January 1, 1992, in containers of one quart or less and applied to pleasure craft.~~
- ~~(4) — antifoulant coatings applied to aluminum hulls.~~
- ~~(34)~~ Any aerosol coating products.

Coatings that have a viscosity greater than 650 centipoise:

Staff proposes to include an exemption in the proposed amendment for certain coatings that are too thick to be sprayed by conventional spray equipment. The proposal will exempt coatings that have a viscosity greater than 650 centipoise, which have poor flow characteristics, from the proposed transfer efficiency requirements in paragraph (d)(9), Application Equipment Transfer Efficiency, including HVLP. The spraying equipment required to spray such thick fluids includes spraying equipment such as plural type application equipment or spraying equipment that must use very high pressure (greater than 1,000 psi) and heated elements to apply coatings. Without the proposed exemption, shops forced to use HVLP equipment would otherwise have to thin high solids coatings with VOC solvents to allow them to be sprayed, thus eliminating the benefit of the low-VOC high solids coatings. Staff proposes the following rule language to exempt coatings that have a viscosity of 650 centipoise or greater from the requirements in paragraph (d)(9):

(45) The provisions of paragraph (d)(9) shall not apply to Marine or Pleasure Craft coatings with a viscosity of 650 centipoise or greater, as applied.

Department of Defense Specified Coatings for Submarines:

Staff determined that Pre-treatment Wash Primers and Special Marking Coatings that are intended to be used on submerged vessel (submarine) components require the use of these coatings per military specifications (Mil-Specs) and currently meet the VOC limits in Rule 1106 - Marine Coating Operations. However, these coatings will not meet the new aligned VOC limits in Proposed Amended Rule 1106, which seeks to align these VOC limits with other air districts. Staff proposes to craft an exemption for these types of coatings but limit use to no more than 12 gallons per calendar year, of all products combined, for this type operation and will require that the products used will have to be in compliance with the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coating) as provided in Part 63 of the Code of Federal Regulations. Staff proposes the following rule language to exempt Department of Defense Specified Coatings for Submarines:

(56) The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to Marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings does not exceed one gallon per month and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

RULE 1106 – MARINE AND PLEASURE CRAFT COATINGS

CHAPTER 3: IMPACT ASSESSMENT OF PROPOSED AMENDED RULE 1106

- o Emission Impact Assessment
- o Cost Analysis
- o Incremental Cost-Effectiveness
- o California Environmental Quality Act (CEQA)
- o Socioeconomic Impact Assessment
- o Draft Findings under California Health and Safety Code 40727
- o Comparative Analysis
- o Draft Conclusions and Recommendations
- o Public Comments and Responses

EMISSION IMPACT ASSESSMENT

Staff does not anticipate any real quantifiable emission reductions or increases as a result of this proposed amendment. The coatings that are applied to marine and pleasure craft vessel are comprised of above waterline (top side) coatings and below waterline (bottom side) coatings. The coating categories that are not in compliance with the U.S. EPA CTGs and NESHAP for Shipbuilding and Ship Repair (Surface Coating) are the top side coatings. The top side coatings affected are the mist, nonskid and solvent-based organic zinc coatings. Staff has found these products on shelves and determined that the VOC content offered for sale is within the VOC limitations prescribed by the VOC limits in the U.S. EPA CTGs/NESHAP and have been in place since 1995. Staff does not believe that there will be any VOC reductions because the end-users are already using readily available compliant coatings. There are also niche categories for antenna coatings, pre-treatment primers, repair and maintenance thermal coatings and special marking coatings where other air districts have lower VOC limits than the current version of Rule 1106. However, because they are niche products, they are infrequently used. Staff proposes to align these coating categories in Rule 1106 with these coating categories to be consistent with other air districts. Staff found these coatings to already meet the VOC limits already prescribed by other air districts and therefore an emission reduction is not quantifiable. These proposed amendments will not lead to any need for manufacturers to reformulate their products or affect the cost of these products to the end-user, substantiating PAR 1106 as administrative in nature. However, it is expected that compliance will be improved with increased clarity of rule requirements.

There would be, at best, a miniscule reduction in VOCs for the top side coating categories that were reduced to the U.S. EPA ~~CTG/NESHAP~~CTGs/NESHAP and other air district VOC limits. However, even after staff learned that the top side coatings are within the VOC limits set forth by the U.S. EPA CTGs/NESHAP, it was the bottom side antifoulants that are predominately used at the harbors. This is logical because antifoulants must be applied every two years and top side coatings can last up to ten years. Top side coatings is a small market compared to other VOC-containing materials regulated by the ~~SCAQMD~~South Coast AQMD, such as architectural coatings. PAR 1106 retains the VOC limits for antifoulant coatings from the current Rule 1106, and prescribes a VOC limit for aluminum substrate-specific antifoulant coatings that aligns with another air district that currently has this VOC limit for this type of antifoulant coating. Furthermore, staff found several antifoulant coatings suitable for use on aluminum substrates that already meet the prescribed VOC limit. Therefore, for the top side and bottom side coatings, staff believes there is no VOC reduction benefits that can be calculated.

COST ANALYSIS

The proposed amendment to Rule 1106 is not expected to have a net cost impact, since industry will be able to continue business as usual and operate their equipment subject to PAR 1106 in a similar manner to the current rules. The cost of bottom side coating products (e.g. antifoulant coatings) for aluminum and non-aluminum substrates currently available in the market is similar. Furthermore, the top side coatings to be affected by the proposed VOC limit adjustments (e.g. mist, nonskid, organic zinc, antenna, repair and maintenance thermal, special marking, and pre-treatment primer) are niche categories and are applied less frequently than other top side and bottom side coatings. There are readily available products in these categories that meet the VOC limits prescribed by the U.S. EPA

CTGs and other air districts, and the cost of these products are not expected to change. For those who are currently not complying with the existing rule requirements, the cost range of readily available products that already comply with the prescribed VOC limits is comparable to the cost range of products that do not comply with the prescribed VOC limits.

INCREMENTAL COST-EFFECTIVENESS

Under Health and Safety Code § 40920.6, the ~~SCAQMD~~ South Coast AQMD is required to perform an incremental cost analysis when adopting a Best Available Retrofit Control Technology (BARCT) rule or feasible measure required by the California Clean Air Act. To perform this analysis, the ~~SCAQMD~~ South Coast AQMD must (1) identify one or more control options achieving the emission reduction objectives for the proposed rule, (2) determine the cost-effectiveness for each option, and (3) calculate the incremental cost-effectiveness for each option. To determine incremental costs, the ~~SCAQMD~~ South Coast AQMD must “calculate the difference in the dollar costs divided by the difference in the emission reduction potentials between each progressively more stringent potential control option as compared to the next less expensive control option.” Staff reviewed the current standards throughout the state and determined that PAR 1106 represents BARCT for Marine and Pleasure Craft Coatings because there are no other more stringent limits available. PAR 1106 will not result in emission reductions and therefore no incremental cost analysis is required under Health and Safety Code § 40920.6.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and ~~SCAQMD~~ South Coast AQMD’s Certified Regulatory Program (Rule 110), the ~~SCAQMD~~ South Coast AQMD, as lead agency for the proposed project, prepared a Draft Environmental Assessment (EA) for Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings and the proposed rescission of Rule 1106.1 - Pleasure Craft Coating Operations. The environmental analysis in the Draft EA concluded that the proposed project would not generate any significant adverse impacts. The Draft EA was released for a 30-day public review and comment period from August 19, 2015 to September 18, 2015, and no comment letters were received relative to the analysis in the Draft EA. Subsequent to the release for public review, Proposed Amended Rule 1106 was modified to add two exemptions. The first exemption was for high viscosity/high solids coatings for metal parts and products and the second exemption was for certain pre-treatment wash primers and special marking coatings. A new definition was added for ultraviolet/electron beam (UV/EB) curable thin film marine and pleasure craft coatings.

Staff reviewed the modifications to Proposed Amended Rule 1106 and concluded that none of the revisions constituted: 1) significant new information; 2) a substantial increase in the severity of an environmental impact, or 3) provided new information of substantial importance relative to the draft document. Further, revisions to the proposed project, in response to verbal or written comments, did not create new, avoidable significant effects. Pursuant to CEQA Guidelines Sections 15073.5 and 15088.5, Staff determined that these revisions did not require recirculation of the Draft EA. Consequently, Staff incorporated the aforementioned changes into the Final EA and it was released as part of the Governing Board package for the October 2, 2015 public hearing. The project, however, was not adopted and moreover, the Final EA was not certified at that time.

Since the release of the Final EA, additional changes have been made to Proposed Amended Rule 1106 that would remove the previously proposed reporting, recordkeeping, and labeling requirements, and add an exemption for coatings that have a VOC content of 50 g/L or less. Staff has reviewed these additional modifications to Proposed Amended Rule 1106 and concluded that none of these additional revisions constitute: 1) significant new information; 2) a substantial increase in the severity of an environmental impact; or 3) provide new information of substantial importance relative to the draft document. Additionally, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. These revisions do not require recirculation of the Draft EA pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, ~~staff is preparing~~ Staff has prepared a Revised Final EA which ~~will be~~ is included in the Governing Board package for the May 3, 2019 public hearing (date subject to change). ~~which will include exemptions for coatings containing 50 g/L of VOC or less, coatings that have a viscosity greater than 650 centipoise, and coatings that are not used for vessels that are intended to submerge to at least 500 feet below the surface of the water).~~

SOCIOECONOMIC IMPACT ASSESSMENT

Proposed Amended Rule 1106 clarifies existing requirements for Marine and Pleasure Craft Coatings found in current Rules 1106 and 1106.1, and proposes requirements that align with existing requirements found in current ~~SCAQMD~~ South Coast AQMD Regulation XI rules, U.S. EPA CTGs, and similar rules of other California air districts. Since there are already available marine and pleasure craft coating products that are already being used and meet the VOC requirements in this proposal and the cost of products in the affected coating categories are to remain the same, the proposed amendments are not expected to result in increased compliance costs to affected facilities beyond what is currently required. Additionally, the proposed amendments are administrative in nature and will not significantly affect air quality or emission limitations. As such, no socioeconomic impact assessment was performed for the proposed amendments.

DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE 40727

The draft findings include necessity, authority, clarity, consistency, non-duplication and reference, as defined in Health and Safety Code Section 40727. The draft findings are as follows:

Necessity - The ~~SCAQMD~~ South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106, Marine and Pleasure Craft Coatings, is necessary to enhance readability and provide clarity of rule language, and ensure consistency with U.S. EPA Control Techniques Guidelines and other air district rules.

Authority - The ~~SCAQMD~~ South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40702, 40725 – 40728, 41508 and 41700.

Clarity - The ~~SCAQMD~~ South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106 is written and displayed so that the meaning can be easily understood by persons directly affected by it.

Consistency - The ~~SCAQMD~~South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 1106 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or federal or state regulations.

Non-Duplication - The ~~SCAQMD~~South Coast AQMD Governing Board has determined that Proposed Amended Rule 1106 does not impose the same requirement as any existing state or federal regulation, and the proposed amendment is necessary and proper to execute the powers and duties granted to, and imposed upon, the ~~SCAQMD~~South Coast AQMD.

Reference - In adopting this Proposed Amended Rule 1106, the ~~SCAQMD~~South Coast AQMD Governing Board references the following statutes which ~~SCAQMD~~South Coast AQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001, 40440, and 40702, and Clean Air Act Section 172 (c)(1) (Reasonably Available Control Technology).

COMPARATIVE ANALYSIS

California Health and Safety Code Section 40727.2 requires the comparative analysis with any federal or other ~~SCAQMD~~South Coast AQMD rules that apply to the same equipment or source type as the proposed amendment. The existing VOC limits in current Rule 1106 and Rule 1106.1 as well as the proposed VOC limits in Proposed Amended Rule 1106 are not in conflict with the current National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair Operations (Surface Coating), 40 CFR Part 63, dated June 18, 1996. The existing VOC limits in current Rule 1106 and Rule 1106.1 as well as the proposed VOC limits in Rule 1106 are not in conflict with the current U.S. EPA ~~CTG~~CTGs, dated August 27, 1996. Proposed Amended Rule 1106 seeks to align the VOC limit for Inorganic Zinc Coating in current Rule 1106 from 650 g/L to 340 g/L to be consistent with the U.S. EPA VOC limit of 340 g/L.

The NESHAP for Shipbuilding and Ship Repair Operations (Surface Coating) sets forth Hazardous Air Pollutants (“HAP”) emission limits for major source facilities that apply coatings used in volumes of 200 liters (52.8 gallons) or more. Affected sources under this NESHAP are Shipbuilding and Ship Repair Operations (Surface Coating) that are major sources under federal law, or are coating operations located within the confines of a federal major source.

The U.S. EPA ~~CTG~~CTGs is intended to provide state and local air pollution authorities’ information to assist them in determining RACT for VOCs for Shipbuilding and Ship Repair Operations (Surface Coating).

The proposed amendments to Rule 1106 are not expected to reduce or increase VOC emissions. Current Rules 1106 and 1106.1 and Proposed Amended Rule 1106 does not regulate Hazardous Air Pollutants (HAP) emissions directly. Therefore, the existing as well as the proposed VOC limits of Rule 1106 are not in conflict with federal regulations.

Table 3-1 has been prepared to show comparisons between ~~SCAQMD~~South Coast AQMD Proposed Amended Rule 1106, the U.S. EPA ~~CTG~~CTGs, and the NESHAP regulation.

TABLE 3-1: COMPARATIVE ANALYSIS

CATEGORY	SCAQMD South Coast AQMD PAR1106 – Marine and Pleasure Craft Coatings	U.S. EPA CTGCTGs Control Techniques Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating)	USEPA NESHAP 40 CFR Part 63 – NESHAP for HAP for Shipbuilding and Ship Repair Operations (Surface Coating)
Purpose	Reduces emissions of VOC and stratospheric ozone depleting and global warming compounds from Marine & Pleasure Craft Coatings.	Provides state and local air pollution authorities' information to assist them in determining RACT, to control VOCs from surface coating operations in the shipbuilding and ship repair industry.	Establishes National Emission Standards for Hazardous Air Pollutants for shipbuilding and ship repair (surface coating) facilities.
Applicability	Applies to local Marine and Pleasure Craft Coatings.	Applies to facilities that perform surface coating operations in the shipbuilding and ship repair industry. Does not include pleasure craft coating operations.	Applies to shipbuilding and ship repair (surface coating) operations at any facility that is a major source. Does not include pleasure craft coating operations.
Averaging Provisions	None.	None.	None.
Units	Mass/Volume: Grams/Liter (less water and exempt compounds) or Pounds/Gallon.	Mass/Volume: Grams/Liter (minus water and exempt compounds).	Mass/Volume: Grams/Liter (minus water and exempt compounds).
Requirements	VOC Limits For Marine Coatings: Antenna Coating: 340 Antifoulant Coatings: Aluminum Substrates: 560 Other Substrates: 400 Elastomeric Adhesives: 730 Inorganic Zinc Coating: 340 Low Activation Interior Coating: 420 Mist Coating: 610 Navigational Aids Coating: 340 Nonskid Coating: 340 Organic Zinc Coating: 340 Pre-Treatment Wash Primer: 420 Repair and Maint. Thermoplastic Coating: 340 Sealant for Wire-Sprayed Aluminum: 610 Special Marking Coating: 420 Specialty Coatings:	VOC Limits For Marine Coatings: General use: 340 Specialty Air flask: 340 Antenna: 530 Antifoulant: 400 Heat resistant: 420 High-gloss: 420 High-temperature: 500 Inorganic zinc high-build: 340 Military exterior: 340 Mist: 610 Navigational aids: 550 Nonskid: 340 Nuclear: 420 Organic zinc: 360 Pretreatment wash primer: 780 Repair and maint. of thermoplastics: 550 Rubber camouflage: 340 Sealant for thermal spray aluminum: 610 Special marking: 490 Specialty interior: 340 Tack coat: 610 Undersea weapons systems: 340 Weld-through precon. primer: 650	VOC Limits For Marine Coatings: General use: 340 Specialty Air flask: 340 Antenna: 530 Antifoulant: 400 Heat resistant: 420 High-gloss: 420 High-temperature: 500 Inorganic zinc high-build: 340 Military exterior: 340 Mist: 610 Navigational aids: 550 Nonskid: 340 Nuclear: 420 Organic zinc: 360 Pretreatment wash primer: 780 Repair and maint. of thermoplastics: 550 Rubber camouflage: 340 Sealant for thermal spray aluminum: 610 Special marking: 490 Specialty interior: 340 Tack coat: 610 Undersea weapons systems: 340 Weld-through precon. primer: 650

	Heat Resistant Coating: 360 (baked), 420 (air dried) Metallic Heat Resistant Coating: 530 High Temperature Coating: 500 Tack Coating: 610 Topcoats: Extreme High-Gloss Coating: 420 (baked), 490 (air dried) High Gloss Coating: 275 (baked), 340 (air dried) Undersea Weapons Systems Coating: 275 (baked), 340 (air dried) Any Other Coating Type: 275 (baked), 340 (air dried)		
Operating Parameters	Has HVLP type transfer efficiency requirements for coating application equipment.	No HVLP type transfer efficiency requirements for application equipment.	Does not include the use of HVLP type transfer efficiency for application equipment.
Method to Determine VOC	U.S. EPA Method 24, or SCAQMD South Coast AQMD Method 304, or SCAQMD South Coast AQMD Method 313.	Does not mention U.S. EPA Methods for determining VOC.	U.S.EPA Method 24 of 40 CFR part 60, appendix A.
Capture Efficiency	None.	Does not mention U.S. EPA Methods for capture efficiency.	Does not mention U.S.EPA Methods for capture efficiency.
Control Device Efficiency	None.	Does not mention U.S. EPA Methods for control device efficiency.	Does not mention U.S. EPA Methods for control device efficiency.
Work Practices	Defers to Rule 1171 for storage and disposal of VOC containing materials.	Does not contain any work practices recommendations.	VOC containing containers to be kept closed when not in use.
			Minimize spills of VOC containing materials.
Monitoring	None	None	None
Reporting	None	No mention for reporting	No mention for reporting
Recordkeeping	Defers recordkeeping to Rule 109.	No mention for recordkeeping.	Comprehensive records required annually to support compliance.
Other Elements	Prohibition of possession, specification and sale for non-compliant marine and pleasure craft coatings.	No mention of a prohibition of sale requirement.	No mention of a prohibition of sale requirement.
	Offers five exemptions: Marine or pleasure craft coatings with 50 g/L VOC or less, marine coatings	No transfer efficiency requirements in the CTG CTGs.	Offers two exemptions: annual usage of less than 200 liters for an individual coating and aerosol containers.

	applied to interior surfaces of potable water containers, touch-up coatings, aerosol containers, marine or pleasure craft coatings that are greater than 650 centipoise viscosity from transfer efficiency requirements, and coatings used on vessels intended to be submerged at least 500 feet below the water surface.		
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DRAFT CONCLUSIONS AND RECOMMENDATIONS

Based on the foregoing, staff recommends the adoption of Proposed Amended Rule 1106 - Marine and Pleasure Craft Coatings.

PUBLIC COMMENTS AND RESPONSES

Staff has held several public meetings where the stakeholders and other interested parties were provided an opportunity to respond to the developing rulemaking for the rescission of Rule 1106.1 and the amendment to Rule 1106. Staff received several comment letters during the rulemaking and those comments along with staff's responses to those comments will be provided here after the conclusion of the commenting period from Working Group Meeting #2. All the public meetings for this rulemaking are shown below in Table 3-2.

TABLE 3-2: PUBLIC MEETINGS HELD DURING THE RULEMAKING FOR PAR1106

PUBLIC MEETING	DATE HELD
Working Group Meeting #1	1/16/19
Public Workshop	2/12/19
Working Group Meeting #2	3/12/19
Stationary Source Committee	3/15/19

Comment Letter 1



January 31, 2019

Ms. Charlene Nguyen.
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Public comments to Proposed Amended Rule 1106 (Marine and Pleasure Craft Coating Operations)

Dear Charlene:

RadTech International is pleased to comment on the proposed amendments to Rule 1106. Although UV/EB technology does not dominate the marine and pleasure craft coatings market, it is being used for this type of coating application. RadTech supports the district’s efforts to improve air quality in the Basin without sacrificing a healthy business climate and believes that the implementation of UV/EB technology can accomplish both goals.

Request for Exemption

As mentioned during the public workshop, RadTech urges the district to provide regulatory flexibility to UV/EB/LED processes. Our materials are typically well below 50 grams/liter in VOC content which is minimal compared to the proposed limits, some as high as 780 grams/liter. While it may make regulatory sense to scrutinize high VOC materials, it simply does not make sense to subject companies who are investing in clean air technology to the same level of scrutiny. In keeping with past district policies and direction from the Governing Board, we respectfully request that UV/EB/LED materials be exempted from the rule requirements Any relief from administrative burdens will amount to incentives for businesses to voluntarily choose UV/EB/LED technology.

1-1

Test Method

We very much appreciate the inclusion of a definition for energy curable materials in the rule and inclusion of ASTM D7767 (the test method for thin film UV/EB curable materials). In order to increase consistency and avoid confusion, we urge the district to include ASTM F7767-11 in Section (h) Test Methods.

1-2

Support for other Stakeholders

We support the comments made by the American Coatings Association regarding allowing the industry one year for rule implementation. We also support the Metropolitan Water District’s request to exempt high viscosity (above 650 cps) materials from the transfer efficiency requirements of the rule. Flexibility should be offered to UV/EB processes as related to the requirements for transfer efficiency in the rule. UV/EB materials not only meet but far exceed any proposed rule requirements

1-3

and any added flexibility to companies that choose these pollution preventive processes will encourage voluntary emission reductions thereby furthering the district's mission.

} 1-3

We appreciate your attention to this matter and look forward to a productive rulemaking process.

Sincerely,

Rita M. Loof

Director, Environmental Affairs

Response to Comment 1-1

Staff decided to include an exemption for marine and pleasure craft coatings containing a VOC content of 50 g/L or less, or its equivalent, less water and exempt compounds, as applied, from the requirements of Proposed Amended Rule 1106 as an incentive for users to choose lower VOC coatings and for manufacturers to formulate lower VOC marine and pleasure craft coatings. Staff believes the 50 g/L VOC content limit is an appropriate limit for exemption because this limit is approximately 10% of the weighted average of the VOC limits presented per coating type in Proposed Amended Rule 1106 and this limit is consistent with other VOC coating rules where the VOC limits are as low as 50 g/L.

Response to Comment 1-2

Staff added a new definition to Proposed Amended Rule 1106 for “Energy Curable Coatings” and included a reference to ASTM D7767-11 in this definition. Staff decided to include ASTM D7767-11 in the definition for energy curable coatings to indicate that manufacturers may use this method to help identify and select lower VOC constituents for formulation and production. However, this method is not a direct method for measuring VOC content in thin-film coatings, and therefore, it is not included in the Test Methods section of Proposed Amended Rule 1106. Staff proposes to provide an exemption for marine or pleasure craft coatings that have a VOC content of 50 g/L or less from rule requirements. For energy curable coatings, product formulation data and test results from the ASTM D7767-11 method will be allowed to be used to determine if the coating qualifies for this exemption.

Response to Comment 1-3

Staff did not include any additional recordkeeping or other administrative requirements (e.g. labeling) to Proposed Amended Rule 1106 and instead, clarified existing rule requirements. Furthermore, staff has found that there are readily available marine and pleasure craft coatings that already meet the VOC limits proposed in Proposed Amended Rule 1106 and end-users are using coatings that already meet the proposed limits. Therefore, staff does not see a need for a rule implementation period. Staff also included an exemption for coatings that have a viscosity of 650 centipoise or greater from the proposed transfer efficiency requirements. A more detailed response to this comment regarding high viscosity materials is included in Chapter 2 of the Staff Report.

Comment Letter 2



February 26, 2019

Ms. Charlene Nguyen
Planning, Rule Development & Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

RE: Proposed Amended Rule 1106; ACA Comments

Dear Ms. Nguyen:

The American Coatings Association (ACA)¹ submits the following comments regarding South Coast Air Quality Management District's (SCAQMD) Proposed Amended Rule 1106 – Marine and Pleasure Craft Coating Operations. As always, our goal is to support the District's efforts to improve air quality while ensuring that top quality marine coatings products are available for customers in the South Coast basin. ACA appreciates the opportunity to provide comments and looks forward to assisting SCAQMD throughout this rulemaking process.

1. ACA requests that SCAQMD include a one-year compliance date in Amended Rule 1106.

Once Amended Rule 1106 is finalized, all of its requirements will go into effect immediately. This is problematic because there were new provisions added to the proposed rule that industry will need time to comply with before the rule goes into effect. For example, there are new labeling requirements in paragraph (g)(1) that apply to *all* marine coating manufacturers. In the current Rule 1106.1, there are no labeling requirements for pleasure craft coating manufacturers, which means that those entities will need to adjust their supply chain processes to ensure appropriate labels are prepared and placed on their products. As a result, those affected manufacturers will need sufficient time to properly implement the new labeling requirements before the compliance date goes into effect.

Similarly, there are new provisions in section (e) regarding prohibitions on possession, specification, and sale of products that are not in compliance with certain requirements in the rule. Marine coatings manufacturers will need a reasonable amount of lead time to ensure that any non-compliant products are not in their possession nor being sold within the District's jurisdiction. Consequently, ACA requests that SCAQMD include a one-year compliance date in Amended Rule 1106 to ensure that industry has enough time to comply with new provisions in the amended rule.

2-1

2. ACA also requests that SCAQMD add a three-year sell through provision to Amended Rule 1106.

Since there are new requirements that will alter the way marine coatings manufacturers assemble and supply their products, ACA requests that SCAQMD add a three-year sell through provision to Amended Rule 1106. As mentioned, SCAQMD proposed new labeling requirements for *all* marine coating manufacturers. A sell through

2-2

¹ The American Coatings Association (ACA) is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory, and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services.

provision would allow companies to continue selling regulated, unlabeled products that were manufactured prior to the amended rule's effective date for a set period of time after the amended rule's effective date. This would give industry time to sell through their existing inventory while reducing the amount of waste that would occur if no sell through provision was included in the amended rule. The addition of a sell through provision would also be consistent with SCAQMD's longstanding practice of including sell through provisions in its rules.

2-2

3. Lastly, ACA requests that SCAQMD modify the Most Restrictive VOC Limit provision.

In paragraph (d)(4), if a coatings product "meets the definition of or is recommended for use for more than one of the marine coating categories listed in paragraph (d)(1) or the pleasure craft coating categories listed in paragraph (d)(2), or the low-solids coating category listed in paragraph (d)(3), then the lowest VOC content limit shall apply." The issue with this provision lies in the fact that the District is combining the marine coating and pleasure craft coating rules into one rule. The problem with combining the marine coatings and pleasure craft coatings rules together is that companies may sell products that can be used on both pleasure craft and marine vessels. According to paragraph (d)(4), these products would be subject to the lowest limit of *both* tables.

For example, under the current regulations, companies that sell high gloss products intended for pleasure craft (i.e. wood, fiberglass, or metal substrates) must meet the 420 g/L limit pursuant to Rule 1106.1. Inversely, companies that sell high gloss products intended for marine vessels must meet the 340 g/L limit pursuant to Rule 1106. Under Proposed Amended Rule 1106, companies would either have to market two separate products (one for marine and one for pleasure craft) or apply the 340 g/L limit according to the most restrictive VOC limit provision in paragraph (d)(4). The same issue arises for antifoulant, pretreatment wash primer, and "any other coating type" categories. As written, this new provision would be extremely burdensome on both industry and SCAQMD because it would cause a great deal of regulatory confusion and uncertainty.

2-3

In the alternative, ACA suggests that SCAQMD modify this provision in Amended Rule 1106 so that the most restrict VOC limit would apply separately to Marine Coatings Categories in Table of Standards I and Pleasure Craft Coatings Categories in Table of Standards II instead of across both tables. This would eliminate the expected confusion that would undoubtedly arise.

Thank you for your consideration of our concerns. Please do not hesitate to contact us if you have any questions.

Sincerely,



Rhett Cash
Counsel, Government Affairs



Raleigh Davis
Assistant Director, Environmental Health and Safety

Response to Comment 2-1

Staff did not include any additional recordkeeping or other administrative requirements (e.g. labeling) to Proposed Amended Rule 1106 and instead, clarified existing rule requirements. VOC labeling of VOC-containing materials in containers with capacities of one quart or larger has been required since December 5, 1986 per Rule 443.1 – Labeling of Materials Containing Organic Solvents. Furthermore, staff has found that there are readily available marine and pleasure craft coatings that already meet the VOC limits proposed in Proposed Amended Rule 1106 and end-users are using coatings that already meet the proposed limits. Except for the newly added coating categories and coating categories affected by the VOC limit adjustments in accordance with the VOC limits prescribed by the U.S. EPA Control Techniques Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating) and other air districts, the VOC limits for the rest of the coating categories are still retained from the existing Rules 1106/1106.1 in Proposed Amended Rule 1106. Therefore, staff does not see a need for a rule implementation period. The proposed amendment to Rule 1106 is intended to align VOC limits with the U.S. EPA Control Techniques Guidelines and other air districts.

Response to Comment 2-2

See Response to Comment 2-1

Response to Comment 2-3

Staff added the Most Restrictive VOC Limit provision to be consistent with other ~~SCAQMD~~South Coast AQMD Regulation XI coating rules and is intended to enhance clarity and compliance. During the rulemaking process, staff discussed with marine and pleasure craft manufacturers about their individual potential compliance issues pertaining to this added rule provision, and they did not have concerns that could not be remedied by ~~SCAQMD~~South Coast AQMD compliance and enforcement activities already in place per existing rules. Staff believes that the most restrictive VOC limit as written in Proposed Amended Rule 1106 will eliminate regulatory confusion and uncertainty among multiple marine and pleasure craft coating categories as it pertains to VOC limits, and will ensure that end-users use compliant marine and pleasure craft coatings. A more detailed explanation for the inclusion of the Most Restrictive VOC Limit provision, to be applied across both tables of standards for marine and pleasure craft coatings, is included in Chapter 2 of the Staff Report.

Comment Letter 3



March 24, 2019

Mr. Wayne Nastri
Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
wnastri@aqmd.gov

Re: Public comments to Proposed Amended Rule 1106 (Marine and Pleasure Craft Coating Operations)

Dear Mr. Nastri:

Saint Clair Systems, Inc. is involved in the robotic application of coatings in the marine industry and is pleased to comment on the proposed amendments to Rule 1106. We support the RadTech proposal for (1) an exemption for materials that contain less than 50 grams per liter in Volatile Organic Compounds (VOCs) and (2) additional clarity for test method for UV/EB thin film materials.

Request for Exemption

Our company urges the district to provide regulatory flexibility to UV/EB/LED processes. Our materials are typically well below 50 grams/liter in VOC content which is minimal compared to the proposed limits, some as high as 780 grams/liter. While it may make regulatory sense to scrutinize high VOC materials, it simply does not make sense to subject companies who are investing in clean air technology to the same level of scrutiny. In keeping with past district policies and direction from the Governing Board, we respectfully request that UV/EB/LED materials be exempted from the rule requirements. Relief from administrative burdens provides strong incentives for businesses to voluntarily choose UV/EB/LED technology, and thus a path of least environmental impact.

Test Method

We very much appreciate the inclusion of a definition for energy curable materials in the rule and inclusion of ASTM D7767 (the test method for thin film UV/EB curable materials). In order to increase consistency and avoid confusion, we urge the district to include ASTM F7767-11 in Section (h) Test Methods.

3-1

3-2



We appreciate your attention to this matter and look forward to a productive rulemaking process.

Sincerely,

Saint Clair Systems, Inc.

A handwritten signature in black ink that reads 'Michael R. Bonner'.

Michael R. Bonner
VP – Engineering & Technology

12427 31 Mile Road • Washington Township, Michigan • 48095
586.336.0700 • www.saintclairsystems.com

Response to Comment 3-1

See Response to Comment 1-1 on page 3-10 of the Staff Report.

Response to Comment 3-2

See Response to Comment 1-2 on page 3-10 of the Staff Report.

REFERENCES

~~SCAQMD~~ South Coast AQMD Final Staff Report for proposed amendment to: 1106 - Marine Coating Operations, December 1994.

~~SCAQMD~~ South Coast AQMD Final Staff Report, Proposed Amended Rule 1106.1 - Pleasure Craft Coating Operations, January 1999.

Websites:

http://en.wikipedia.org/wiki/Anti-fouling_paint

<http://en.wikipedia.org/wiki/Ablation>

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Revised Final Environmental Assessment for Proposed Amended Rule 1106 –
Marine and Pleasure Craft Coatings and Rescission of Rule 1106.1 – Pleasure
Craft Coating Operations**

April 2019

**SCAQMD No. 150804JI
State Clearinghouse No. 2015081052**

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VACANT
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EXECUTIVE OFFICER:
WAYNE NASTRI

PREFACE

This document constitutes the Revised Final Environmental Assessment (EA) for Proposed Amended Rule (PAR) 1106 – Marine and Pleasure Craft Coating Operations and Rescission of Rule 1106.1 – Pleasure Craft Coating Operations. The Draft EA was released for a 30-day public review and comment period from August 19, 2015 to September 18, 2015. The environmental analysis in the Draft EA concluded that PAR 1106 and the rescission of Rule 1106.1 would not generate any significant adverse environmental impacts. No comment letters were received relative to the Draft EA during the public comment period. The Final EA (dated September 2015) for PAR 1106 and Rescission of Rule 1106.1 was released as part of the Governing Board package for the October 2, 2015 public hearing which can be accessed on SCAQMD's website here: <http://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2015/2015-oct2-034.pdf>. The project, however, was not adopted and the Final EA was not certified at that time.

Subsequent to the release of the Draft EA for public review and comment and the preparation of the September 2015 Final EA, modifications were made to PAR 1106 and some revisions were made in response to verbal and written comments received during the rule development process. To facilitate identification, modifications were reflected in the Final EA and were included as single underlined text, and text removed from the document was indicated by ~~single strikethrough~~. Further, in 2019, staff reprised the rule development process for this project and proposed additional modifications to PAR 1106 regarding reporting requirements. Other minor changes to PAR 1106 were made to provide additional clarity. As such, these modifications have been incorporated into the Revised Final EA (dated April 2019) and are included as double underlined text for new information since the September 2015 Final EA, and text removed from the September 2015 Final EA is indicated by ~~double strikethrough~~. To avoid confusion, minor formatting changes are not shown in underline or strikethrough mode.

Staff has reviewed the modifications to PAR 1106 and concluded that none of the revisions constitute: 1) significant new information; 2) a substantial increase in the severity of an environmental impact; or 3) provide new information of substantial importance relative to the draft document. In addition, revisions to the proposed project in response to verbal or written comments would not create new, avoidable significant effects. As a result, these revisions do not require recirculation of the document pursuant to CEQA Guidelines Sections 15073.5 and 15088.5. Therefore, this document now constitutes the Revised Final EA for PAR 1106 and Rescission of Rule 1106.1.

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CHAPTER 1 - PROJECT DESCRIPTION

Introduction

Affected Facilities

California Environmental Quality Act

Project Location

Project Objective

Project Background / Technology Overview

Project Description

INTRODUCTION

The California Legislature created the South Coast Air Quality Management District (SCAQMD) in 1977¹ as the agency responsible for developing and enforcing air pollution control rules and regulations in the South Coast Air Basin (Basin) and portions of the Salton Sea Air Basin and Mojave Desert Air Basin referred to herein as the District. By statute, the SCAQMD is required to adopt an Air Quality Management Plan (AQMP) demonstrating compliance with all federal and state ambient air quality standards for the District². Furthermore, the SCAQMD must adopt rules and regulations that carry out the AQMP³. The Final 2012 and 2016 AQMP concluded that reductions in emissions of particulate matter (PM), oxides of sulfur (SOx), oxides of nitrogen (NOx), and volatile organic compounds (VOC) are necessary to attain the current state and national ambient air quality standards for ozone and particulate matter with an aerodynamic diameter of 2.5 microns or less (PM2.5). Ozone, a criteria pollutant that is formed when NOx and VOCs react in the atmosphere, has been shown to adversely affect human health.

The Basin is designated by the United States Environmental Protection Agency (U.S. EPA) as a non-attainment area for ozone and PM2.5 emissions because the federal ozone standard and the 2006 PM2.5 standard have been exceeded. For this reason, the SCAQMD is required to evaluate all feasible control measures in order to reduce direct ozone and PM2.5 emissions, including precursors, such as NOx and VOCs. The Final 2012 and 2016 AQMP sets forth a comprehensive program for the Basin to comply with the federal 24-hour PM2.5 air quality standard, satisfy the planning requirements of the federal Clean Air Act, and provide an update to the Basin's commitments towards meeting the federal 8-hour ozone standard. In particular, the Final 2012 and 2016 AQMP contains a multi-pollutant control strategy to achieve attainment with the federal 24-hour PM2.5 air quality standard. The 2012 and 2016 AQMP also serves to satisfy the recent requirements promulgated by the EPA for a new attainment demonstration of the revoked 1-hour ozone standard, as well as to provide additional measures to partially fulfill long-term reduction obligations under the 2007 8-hour Ozone State Implementation Plan (SIP).

Although health-based standards have not been established for VOCs, health effects can occur from exposures to high concentrations of VOCs because of interference with oxygen uptake. In general, ambient VOC concentrations in the atmosphere are suspected to cause coughing, sneezing, headaches, weakness, laryngitis, and bronchitis, even at low concentrations. Some hydrocarbon compounds classified as VOC emissions are thought or known to be toxic air contaminants (TACs). With stationary and mobile sources being the major producers of VOCs, which contribute to ozone formation, reducing the quantity of VOCs in the District has been an on-going effort by the SCAQMD.

The California Clean Air Act (CCAA) requires districts to achieve and maintain state standards by the earliest practicable date and for extreme non-attainment areas, to include all feasible measures pursuant to Health and Safety Code Sections 40913, 40914, and 40920.5. The term "feasible" is defined in the Title 14 of the California Code of Regulations, Section 15364, as a measure "capable

¹ The Lewis-Presley Air Quality Management Act, 1976 Cal. Stats., ch 324 (codified at Health and Safety Code, Section 40400-40540).

² Health and Safety Code, Section 40460 (a).

³ Health and Safety Code, Section 40440 (a).

of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.”

AFFECTED FACILITIES

Rule 1106 (Marine Coating Operations) is applicable to all coating operations of boats, ships, and their appurtenances, and to buoys and oil drilling rigs intended for the marine environment. Currently, coating operations of vessels which are manufactured or operated primarily for recreational purposes are subject to the requirements of Rule 1106.1 (Pleasure Craft Coating Operations).

The current Rule 1106.1 is applicable to all coating operations of pleasure craft, as defined in paragraph (b)(10) of this rule, or their parts and components, for the purpose of refinishing, repairing, modification, or manufacturing such craft. This rule also applies to establishments engaged in activities described in the North American Industry Classification System (NAICS) codes 81149 – Other Personal and Household Goods Repair and Maintenance and 713930 - Marinas. Pleasure craft coating operations which are currently subject to the requirements of Rule 1106.1 are not subject to the requirements of Rule 1106. Descriptions of crafts utilizing the coatings affected by these rules as well as the types of paints can be found in the Project Background section.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

PAR 1106 is a discretionary action by a public agency, which has potential for resulting in direct or indirect changes to the environment and, therefore, is considered a “project” as defined by the California Environmental Quality Act (CEQA). SCAQMD is the lead agency for the proposed project and has prepared this Revised Final Environmental Assessment (EA) with no significant adverse impacts pursuant to its Certified Regulatory Program and SCAQMD Rule 110. California Public Resources Code §21080.5 allows public agencies with regulatory programs to prepare a plan or other written document in lieu of an environmental impact report or negative declaration once the Secretary of the Resources Agency has certified the regulatory program. SCAQMD's regulatory program was certified by the Secretary of the Resources Agency on March 1, 1989, and is codified as SCAQMD Rule 110.

CEQA and Rule 110 require that potential adverse environmental impacts of proposed projects be evaluated and that feasible methods to reduce or avoid significant adverse environmental impacts of these projects be identified. To fulfill the purpose and intent of CEQA, the SCAQMD has prepared this Revised Final EA to address the potential adverse environmental impacts associated with the proposed project. The Revised Final EA is a public disclosure document intended to: (a) provide the lead agency, responsible agencies, decision makers and the general public with information on the environmental effects of the proposed project; and, (b) be used as a tool by decision makers to facilitate decision making on the proposed project.

SCAQMD's review of the proposed project shows that the proposed project would not have a significant adverse effect on the environment. Therefore, pursuant to CEQA Guidelines Sections 15252 and 15126.6(f), no alternatives are proposed to avoid or reduce any significant effects because there are no significant adverse impacts, and pursuant to CEQA Guidelines Section 15126.4(a)(3), mitigation measures are not required for effects not found to be significant. The

analysis in the form of the environmental checklist in Chapter 2 supports the conclusion of no significant adverse environmental impacts.

No comment letters were received on the Draft EA during the public comment period.

PROJECT LOCATION

The potentially affected facilities are located within the SCAQMD jurisdiction. The SCAQMD has jurisdiction over an area of approximately 10,743 square miles, consisting of the four-county South Coast Air Basin (Basin) (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) (Figure 1-1).



Figure 1-1
Boundaries of the South Coast Air Quality Management District

PROJECT OBJECTIVE

The specific objectives of PAR 1106 are to:

- Rescind Rule 1106.1 but maintain the requirements;
- revise VOC content limits for some coating categories in order to align limits with U.S. EPA Control Techniques Guidelines and other California air pollution control districts (APCDs)/air quality management districts (AQMDs);
- add new coating categories;
- add provisions for pollution prevention measures and enhanced enforceability,
- make minor revisions to the applicability subdivision and revise/add new definitions to the definitions subdivision; and
- include clarifications and editorial corrections.

PROJECT BACKGROUND / TECHNOLOGY OVERVIEW

Rule 1106 was adopted on November 4, 1988, and has been subsequently amended seven times. The most recent amendment was on January 13, 1995, which incorporated corrective action items in efforts to resolve deficiencies determined by U.S. EPA. The corrective action items in that amendment included an equation for control device equivalency, an applicability statement, test methods that were required to be specified, language regarding multiple test methods and the most recent test method added, an updated definition for aerosol coatings and exempt compounds, and a permanent exemption for aerosol containers was added to satisfy U.S. EPA requirements.

Rule 1106.1 was adopted on May 1, 1992, and has been subsequently amended three times. The most recent amendment was on February 12, 1999, which removed Pleasure Craft Coating Operations from existing Rule 1106 - Marine Coating Operations. Many of the existing coating categories in Rule 1106 at that time were not representative of the pleasure craft coating industry. Consequently, the SCAQMD adopted Rule 1106.1 with the intent of identifying the special categories of coatings applied on pleasure craft.

Coatings:

Ships, Yachts, Boats

Water going vessels, commonly referred to as ships, yachts, and boats have coatings specifically designed for the two main portions of a boat; top side and bottom side. The deciding factor is, with the boat at rest, anything above the water line is considered the top side and anything below the water line is considered bottom side.

Top Side

The top side of the ship, yacht or boat is the visual portion of the boat from the water-line up. These coatings not only have to perform well in protecting the substrate in a marine environment, but also have to look good as well. The substrates can include wood of many various types, fiberglass and composites, steel, stainless steel, aluminum, brass and bronze. These coatings can be applied by hand application, usually with a paint brush, or by atomized spray. There are several categories of top side coatings that are included in Rules 1106 and 1106.1, such as one-component, two-component, varnish, antenna coatings, pre-treatment wash primers etc.

Bottom Side

A boat that is docked or moored in both fresh water and sea water is susceptible to what the marine industry calls fouling. Fouling is typically broken down into hard growth, such as barnacles, mussels, or shipworms, and soft growth, such as marine plant growth like algae and grass which would if unabated, continue to grow and cause excessive drag on the boat during operation. Fouling could also cause severe damage to the hull substrate such as corrosion to steel and aluminum hulls and shipworms boring into wooden hulls. Fouling also poses a potential threat to the environment through transporting harmful marine organisms to other waterways. The solution to fouling comes by way of an antifoulant coating which is used to inhibit the growth of foulant from adhering to the bottom of the boat. There are two different types of antifoulant coatings - though there is aluminum substrate and “other,” a hard bottom paint and an ablative bottom paint.

Hard Bottom Paint

Hard bottom paint is an epoxy type paint formulated with copper, organotin (an organic compound with one or more tin atoms in its molecules) compounds and other biocides and pesticides to control marine growth from adhering to the hull. The copper is used for hard growth such as mussels and barnacles, and biocides and pesticides are used to control the soft growth such as algae and other marine organisms like ship worms. Hard bottom paints control marine growth by biocide and pesticide release which are released slowly from the pores of the paint while in water. Other types of hard bottom paint include Teflon and silicone which make the coating surface too slick for marine growth to adhere to. This type of coating is typically used for boats that spend long periods of time at rest in the water.

Ablative Bottom Paint

Ablative bottom paint is specially formulated to be a sacrificial coating designed to be slowly worn away during boat operation. For the marine environment, ablation is simply a wear away type coating where the coating continuously wears off at a slow rate during boat operation, thus exposing a new layer with fresh antifoulant compounds. However, there have been environmental concerns with the use of copper in these bottom paints and the toxic effects it has on marine life.

At this time, there is no proposal to address the copper content of antifoulant coatings in PAR 1106. However, copper-based antifoulant coatings are regulated by other agencies. For example, in October 2013, California Assembly Bill 425 (AB 425) “Pesticides: copper-based antifouling paint: leach rate determination: mitigation measure recommendations” was signed into law. AB 425 required the Department of Pesticide Regulation (DPR) to “determine a leach rate for copper-based antifouling paint used on recreational vessels and make recommendations for appropriate mitigation measures that may be implemented to address the protection of aquatic environments from the effects of exposure to that paint if it is registered as a pesticide” no later than February 1, 2014. As a result, 3 Code of California Regulations (CCR) §6190 Copper-Based Antifouling Paints and Coatings, was promulgated and adopted by DPR on January 1, 2018. 3 CCR §6190 requires applicants to register copper-based antifouling coatings used for recreational vessels and limits the leach rate to no more than 9.5 µg/cm²/day, effective July 1, 2018. Additionally, registered copper-based antifouling coatings exceeding the 9.5 µg/cm²/day limit would have their registration canceled.

The Port of San Diego continues to investigate how much copper can be reduced from copper-based antifoulant coatings, and has until 2022 to reduce copper pollution in the San Diego Bay by 76 percent. ~~and~~ Washington State passed a law which may phase in a ban of ~~on~~ copper antifoulant coatings on recreational vessels beginning in January ~~2021~~2018. Some innovative bottom paints that do not rely on copper or tin have been developed in response to the increasing scrutiny that copper-based ablative bottom paints have received as environmental pollutants.

Application Methods:

High Volume Low Pressure (HVLP)

HVLP spray guns are the staple of spray guns and were created to meet the transfer efficiency requirements of governmental agencies, including the SCAQMD. HVLP spray guns can meet the high transfer efficiency requirement and operate at less than 10 pounds per square inch (psi) at the air cap. HVLP spray guns are used in the South Coast Air Basin to spray coatings for a multitude of categories including automotive coatings, metal coatings, wood coatings, industrial coatings and marine coatings.

Low Volume Low Pressure (LVLP)

LVLP spray guns are a subset of non-conventional spray guns and may be used in the spraying of marine or pleasure craft coatings, provided they meet the transfer efficiency requirements as identified in Rule 1106 clause (d)(~~89~~)(A)(v). LVLP offers an alternative to HVLP because they have less air flow requirements and can be used with a smaller compressor. This makes LVLP appealing for mobile painters and applicators that use a small air compressor. Manufacturers of LVLP spray guns state that LVLP can operate at less than 10 psi at the air cap and achieve transfer efficiencies equivalent to HVLP application. The working speed of LVLP is not as fast as HVLP spray guns.

Low Volume Medium Pressure (LVMP)

LVMP spray guns are a subset of the non-conventional spray guns and may also be used in the spraying of marine or pleasure craft coatings, provided the requirements in Rule 1106 clause (d)(~~89~~)(A)(v) for transfer efficiency are met, including achieving equivalent or better transfer efficiency to HVLP using the test method protocols prescribed in Rule 1106 to determine transfer efficiency, and obtaining written approval from the Executive Officer prior to use.

Reduced Pressure (RP)

RP spray guns are a subset of non-conventional spray guns and may be used in the spraying of marine or pleasure craft coatings provided the requirements in Rule 1106 clause (d)(~~89~~)(A)(v) for transfer efficiency are met, including achieving equivalent or better transfer efficiency to HVLP using the test method protocols prescribed in Rule 1106 to determine transfer efficiency, and obtaining written approval from the Executive Officer prior to use. RP spray guns also use smaller air compressors because they need less air flow requirements than HVLP spray guns, which makes RP attractive for mobile painters. RP can be an alternative to HVLP and has a fast working speed comparable to HVLP guns.

Pressure Fed (PF)

PF spray guns are unique as compared to the other types of spray guns in that they are equipped with auxiliary containers used for holding larger quantities of coating product. PF spray guns can be used in the spraying of marine or pleasure craft coatings provided all the requirements in Rule 1106 clause (d)(~~89~~)(A)(v) for transfer efficiency are met, including achieving equivalent or better transfer efficiency to HVLP using the test method protocols prescribed in Rule 1106 to determine transfer efficiency, and obtaining written approval from the Executive Officer prior to use.

New Conventional (NC)

Staff has identified an additional subset of conventional spray guns being marketed as New Conventional (NC). Manufacturers of such spray guns claim the NC spray guns offer the same wide pattern (spray) as the old conventional spray guns, but have better transfer efficiency and have the ability to spray thick fluids. This technology could be used for spraying marine or pleasure craft coatings, but only if the spray gun meets all the requirements in Rule 1106 clause (d)(~~89~~)(A)(v) for transfer efficiency, including achieving equivalent or better transfer efficiency to HVLP using the test method protocols prescribed in Rule 1106 to determine transfer efficiency, and obtaining written approval from the Executive Officer prior to use.

Transfer Efficiency Requirements

PAR 1106 incorporates similar transfer efficiency requirements found in Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, for applying a marine or pleasure craft coating. The transfer efficiency requirement for spray application is use of electrostatic, HVLP spray equipment, and other spray guns that meet the HVLP definition of definition of paragraph (b)(~~1819~~) in design and use. Demonstration must be based on the manufacturer's published technical material on the design of the spray gun and by demonstration of the operation of the spray gun using an air pressure tip gauge from the manufacturer of the spray gun [See clause (d)(~~89~~)(A)(v)].

Brush and roller coating are applied directly from the paint brush bristles or the roller to the substrate and have a very high coating to substrate transfer efficiency. Dip coatings are simply a container filled with paint where an object is dipped into the coating, which also provides a very high coating to substrate transfer efficiency. Brush, roller and dip coating processes are proposed to be included as compliant transfer efficiency processes as specified in clause (d)(~~89~~)(A)(iii) of the transfer efficiency requirements in order to be consistent with the Coating Application Methods provision in the state Suggested Control Measure.

In addition, PAR 1106 provides two test methods for spray guns that do not meet the HVLP definition in design and use to determine if such spray guns can meet the transfer efficiency requirements: SCAQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User, May 24, 1989" and SCAQMD "Guidelines for Demonstrating Equivalency With District Approved Transfer Efficiency Spray Gun September 26, 2002" [See paragraph (h)(~~46~~) of PAR 1106 in Appendix A]. Any spray gun used in the SCAQMD jurisdiction must meet the criteria for these test methods to qualify as a compliant transfer efficient spray gun for use in the SCAQMD jurisdiction.

In addition to specifying the VOC limits for pleasure craft coating operations, the current Rule 1106.1 requires that coatings be applied either by hand or HVLP spray application equipment. HVLP spray equipment utilizes very low air pressure (i.e., less than 10 psi) to atomize the coating material and propel the atomized droplets at a low velocity and high volume to the surface being coated. The HVLP requirement in Rule 1106.1 affects only those coatings which are sprayed.

Subsequent to the release of the Draft EA, an exemption pertaining to high viscosity / high solids coatings for metal parts and products was included in PAR 1106:

~~(5)(4)~~ The provisions of paragraph (d)(9) shall not apply to Marine or Pleasure Craft coatings with a viscosity of 650 centipoise or greater, as applied.

For various types of substrates and operations (e.g., metal parts, architectural, marine), application of the ultra-low VOC, high viscosity resin coatings (e.g., epoxy, polyurethane) can be facilitated by the ability to apply the coatings with specialized applicators such as heated plural component airless or air assisted spray guns, or unique cartridge gun systems. Incorporation of this exemption based on the coating viscosity will permit the use of the application equipment best suited for the material while retaining the benefits of using the low-VOC high solids coatings. Without the proposed exemption, facilities required to use HVLP equipment would otherwise have to thin the high solids coatings with VOC-containing solvents to allow them to be sprayed, thus eliminating the benefit of the low-VOC high solids coatings. Therefore, a provision was added to the proposed rule to allow a coating with 650 or more centipoise to be exempted from the transfer efficiency requirements. This proposed exemption is not expected to cause any adverse environmental impacts because these high solids, high viscosity coatings already contain low levels of VOCs and are already currently being utilized in the marine coatings industry. Thus, it is not expected that additional facilities would begin using these products because of the proposed exemption.

An exemption was also included for pre-treatment wash primers and special marking coatings that are intended to be used on submerged vessel (submarine) components [(typically used per military specifications (Mil-Specs)] and currently meet the VOC limits in Rule 1106 - Marine Coating Operations. However, these coatings will not meet the new aligned VOC limits in PAR 1106, which seeks to align these VOC limits with other APCDs/AQMDs.

~~(6)(5)~~ The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings do not exceed 12 gallons per calendar year and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

The usage of these materials are required based on approved standards from the U.S. Navy that cannot be replaced. To assure a lifetime of no corrosion on these components, facilities already have limited selections of materials to use in these specific manufacturing processes. Therefore, an exemption for these types of coatings was included of no more than 12 gallons per calendar year, of all products combined, for this type of operation and will require that the products used will have to be in compliance with the U.S. EPA National Emission Standard for Shipbuilding and

Ship Repair (Surface Coating) as provided in Part 63 of the Federal Register. This proposed exemption is not expected to cause any adverse environmental impacts because these products are utilized for a very specific type of application/industry, and therefore, very limited quantities are currently used or expected to be used in the future. Additionally, because of the limited, specialized usage/application of these products, it is not expected that additional facilities would begin using these coatings as result of the proposed exemption. Finally, this limited exemption will not encourage or allow additional usage of these higher VOC coatings beyond what is already in use in the existing setting.

A definition was also added to PAR 1106 for Ultraviolet/Electron Beam (UV/EB) curable thin film marine and pleasure craft coatings. The definition includes a reference to ASTM D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.

- (9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible-light, ultra-violet light or to an electron beam. The VOC content of thin film Energy Curable Marine and Pleasure Craft Coatings may be determined by manufacturers using ASTM Test Method 7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.

The use of energy curable coatings is considered an alternative compliance technology. UV/EB curing refers to a process in which coatings and other materials may be cured or dried, rather than using traditional thermal methods (natural gas-fueled) which typically use more energy and generate greater emissions. The UV light spectrum in a UV lamp and the focused electrons in an EB interact with specially formulated chemistries to cure materials, typically more quickly, and using less energy than traditional dryers (see Appendix B⁴). UV/EB curing has some environmental benefits over traditional solvent-based coatings by significantly reducing the amount of solvents needed in the coating itself and by reducing the burning of fossil fuels to cure/dry the product⁵.

⁴ *Sustainability Advantages of Ultraviolet and Electron Beam Curing*, 2008 – a UV/EB industry trade association publication

⁵ <http://www.radtech.org>

Additionally, staff is proposing to add paragraph (i)(1) to exempt marine or pleasure craft coatings that have a VOC content of no more than 50 grams per liter (g/L) or its equivalent, less water and exempt compounds, as applied, provided that the coatings do not containing Group II Exempt compounds or nickel, cadmium, lead, or hexavalent chromium.

SCAQMD staff visited several facilities and found that many facilities conducting marine and pleasure craft coating operations believed that touch-up operations such as maintenance and repair were exempt from the requirements of Rule 1106. However, the exemption for touch-up coatings is intended for minor imperfections or minor mechanical damage incurred after the main coating operation. Staff has added language to paragraph (i)(3) to clarify that only touch-up coatings as defined by paragraph (c)(41) are exempt from the requirements of PAR 1106.

PROJECT DESCRIPTION

PAR 1106 subsumes Rule 1106.1 within Rule 1106, adds a prohibition of possession and sale provision, adds transfer efficiency requirements (similar to other SCAQMD coatings rules), and includes various clarifications and administrative changes. Additionally, five new coating categories have been established, and the VOC limits for the following five specialty coatings categories are being lowered based on existing limits that several other air agencies already require [Ventura County Air Pollution Control District (VCAPCD), San Diego Air Pollution Control District (SDAPCD), and Bay Area Air Quality Management District (BAAQMD)] and to align limits with U.S. EPA Control Techniques Guidelines.

Amendment	Action
Prohibition elements	Add sales and possession specifications
Five new coatings categories	1) aluminum substrate antifoulant - 560 g/L 2) mist coating - 340 g/L 3) nonskid coating - 340 g/L 4) marine deck sealant primer - 420 g/L 5) organic zinc coating - 340 g/L
Five VOC limit revisions	1) pre-treatment wash primer - from 780 to 420 g/L 2) solvent-based inorganic zinc - 650 to 340 g/L 3) special marking - 490 to 420 g/L 4) antenna coating - 530 to 340 g/L 5) repair and maintenance thermoplastic coating - 550 to 340 g/L

The specific amendments of PAR 1106 are the following:

- rescind Rule 1106.1 and subsume the requirements of Rule 1106.1 into PAR 1106 (which would regulate both marine and pleasure craft operations under one rule);
- revise VOC content limits for pretreatment wash primers, antenna, repair and maintenance thermoplastic, inorganic zinc, and specialty marking coatings in order to align limits with U.S. EPA Control Techniques Guidelines and other California APCDs/AQMDs;
- add new categories for marine aluminum antifoulant, mist, nonskid and organic zinc coatings and marine deck primer sealant;
- add provisions for pollution prevention measures and enhanced enforceability,

- make minor revisions to the applicability subdivision and revise/add new definitions to the definitions subdivision;
- add two tables of standards that will contain VOC limits;
- include clarifications and editorial corrections to the entire rule as necessary;
- remove provisions for approved emission control systems and provisions to determine the efficiency of the emission control system; and
- add exemptions for low VOC marine or pleasure craft coatings (<50 g/L), marine or pleasure craft coatings with high viscosity (650 centipoise or greater), and marine coatings used on vessels intended to submerge at least 500 feet below the surface of water.

The amendments to this rule are expected to provide enhanced compliance with the VOC limits through the proposed ~~reporting, recordkeeping and the prohibition provisions requirements.~~ ~~The proposed amendment will include an Annual Quantity Emission Report (AQER) and a Manufacturer's Distribution List. The AQER will require manufacturers and distributors to report the VOC content limits and the volume of product for each marine and pleasure craft coating sold in the SCAQMD's jurisdiction. In addition, manufacturers will be required to submit to the SCAQMD an annual Manufacturer's Distribution List to show all distributors who distribute these types of products into the SCAQMD jurisdiction.~~ Since local affected operations are expected to already comply with the proposed requirements, the proposed amendments are not expected to achieve additional VOC reductions.

Copies of PAR 1106 and rescinded Rule 1106.1 are included in Appendix A.

CHAPTER 2 - ENVIRONMENTAL CHECKLIST

Introduction

General Information

Environmental Factors Potentially Affected

Determination

Environmental Checklist and Discussion

INTRODUCTION

The environmental checklist provides a standard evaluation tool to identify a project's potential adverse environmental impacts. This checklist identifies and evaluates potential adverse environmental impacts that may be created by the proposed project.

GENERAL INFORMATION

Project Title:	<u>Revised Final Environmental Assessment (EA) for Proposed Amended Rule (PAR) 1106 – Marine and Pleasure Craft Coatings Operations</u> and Rescission of Rule 1106.1 – Pleasure Craft Coating Operations
Lead Agency Name:	South Coast Air Quality Management District
Lead Agency Address:	21865 Copley Drive Diamond Bar, CA 91765
CEQA Contact Person:	<u>Ms. Tracy Tang (909) 396-2484</u>
PAR 1106 Contact Person	Mr. Don Hopps (909) 396-2334 <u>Ms. Charlene Nguyen (909) 396-2648</u>
Project Sponsor's Name:	South Coast Air Quality Management District
Project Sponsor's Address:	21865 Copley Drive Diamond Bar, CA 91765
General Plan Designation:	Not applicable
Zoning:	Not applicable
Description of Project:	PAR 1106 would subsume Rule 1106.1 (Pleasure Craft Coating Operations) within Rule 1106 (Marine Coating <u>Operations</u>), add a prohibition of possession and sale provision, add transfer efficiency requirements (similar to other SCAQMD coatings rules), and include administrative changes. Additionally, five new coating categories have been established, and the volatile organic compound (VOC) limits for five specialty coatings categories are being lowered based on existing limits that several other air agencies already require (Ventura County Air Pollution Control District, San Diego Air Pollution Control District, and Bay Area Air Quality Management District) and to align limits with U.S. EPA Control Techniques Guidelines. Since affected facilities are already expected to be in compliance with the proposed requirements, no physical changes are expected to take place and no additional VOC reductions are expected because the lower VOC limits are already being met.
Surrounding Land Uses and Setting:	Not applicable
Other Public Agencies Whose Approval is Required:	Not applicable

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The following environmental impact areas have been assessed to determine their potential to be affected by the proposed project. As indicated by the checklist on the following pages, environmental topics marked with an "✓" may be adversely affected by the proposed project. An explanation relative to the determination of impacts can be found following the checklist for each area.

- | | | |
|---|--|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Geology and Soils | <input type="checkbox"/> Population and Housing |
| <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Air Quality and Greenhouse Gas Emissions | <input type="checkbox"/> Hydrology and Water Quality | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Solid/Hazardous Waste |
| <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Noise | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION

On the basis of this initial evaluation:

- ☒ I find the proposed project, in accordance with those findings made pursuant to CEQA Guideline Section 15252, COULD NOT have a significant effect on the environment, and that an ENVIRONMENTAL ASSESSMENT with no significant impacts has been prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will NOT be significant effects in this case because revisions in the project have been made by or agreed to by the project proponent. An ENVIRONMENTAL ASSESSMENT with no significant impacts will be prepared.
- ☐ I find that the proposed project MAY have a significant effect(s) on the environment, and an ENVIRONMENTAL ASSESSMENT will be prepared.
- ☐ I find that the proposed project MAY have a "potentially significant impact" on the environment, but at least one effect 1)has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL ASSESSMENT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier ENVIRONMENTAL ASSESSMENT pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier ENVIRONMENTAL ASSESSMENT, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Date: September 18, 2015

Signature: _____



Jillian Wong, Ph.D.
Program Supervisor

ENVIRONMENTAL CHECKLIST AND DISCUSSION

As discussed in Chapter 1, the main focus of PAR 1106 is to bring VOC emission limits associated with marine and pleasure craft coating operations in line with other agencies and to collect usage data. The objectives of PAR 1106 are to:

- rescind Rule 1106.1 and subsume the requirements of Rule 1106.1 into PAR 1106 (which would regulate both marine and pleasure craft operations under one rule);
- revise VOC content limits for pretreatment wash primers, antenna, repair and maintenance thermoplastic, inorganic zinc, and specialty marking coatings in order to align limits with U.S. EPA Control Techniques Guidelines and other California APCDs/AQMDs;
- add new categories for marine aluminum antifoulant, mist coating, nonskid and organic zinc coatings and marine deck primer sealant;
- add provisions for pollution prevention measures and enhanced enforceability,
- make minor revisions to the applicability subdivision and revise/add new definitions to the definitions subdivision;
- add three tables of standards that will contain VOC limits; and
- include clarifications and editorial corrections to the entire rule as necessary.

The proposed amendments to this rule are expected to provide enhanced compliance with the VOC limits through the proposed ~~reporting, recordkeeping and the prohibition provisions requirements. The proposed amendments will include an Annual Quantity Emission Report (AQER) and a Manufacturer's Distribution List. The AQER will require manufacturers and distributors to report the VOC content limits and the volume of product for of each marine and pleasure craft coating sold in the SCAQMD's jurisdiction. In addition, manufacturers will be required to submit to the SCAQMD, an annual Manufacturer's Distribution List to show all distributors who distribute these types of products into the SCAQMD jurisdiction.~~

Since all of the affected facilities/operations are expected to already comply with the proposed requirements, the proposed amendments are not expected to achieve additional VOC reductions. Potential impacts from the proposed project are evaluated below in the appropriate environmental topic area.

Amendment	Action	Environmental Analysis
Prohibition elements	Add sales and possession specifications	Clarification of existing prohibition requirements; will result in benefit from eliminating VOC emissions from non-compliant usage.
Five new coatings categories	1) aluminum substrate antifoulant - 560 g/L 2) mist coating - 340 g/L 3) nonskid coating - 340 g/L 4) marine deck sealant primer - 420 g/L 5) organic zinc coating - 340 g/L	VOC limits set at current general or "other" limits; no change from current requirements.

Amendment	Action	Environmental Analysis
Five VOC limit revisions	1) pre-treatment wash primer - from 780 to 420 g/L 2) solvent-based inorganic zinc - 650 to 340 g/L 3) special marking - 490 to 420 g/L 4) antenna coating - 530 to 340 g/L 5) repair and maintenance thermoplastic coating - 550 to 340 g/L	Coatings are already formulated and available with lower VOC limits and are currently being used. Thus, no new coating reformulation is expected to be necessary to comply with amendments.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
I. AESTHETICS.				
Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

The proposed project impacts on aesthetics will be considered significant if:

- The project will block views from a scenic highway or corridor.
- The project will adversely affect the visual continuity of the surrounding area.
- The impacts on light and glare will be considered significant if the project adds lighting which would add glare to residential areas or sensitive receptors.

Discussion

I. a), b), c) & d) No Impact. Adoption of PAR 1106 would subsume Rule 1106.1 within Rule 1106, add a prohibition of possession, specification and sale provision, add transfer efficiency requirements (similar to other SCAQMD coatings rules), and include various clarifications and administrative changes. Additionally, the VOC limits for five specialty coatings categories are being lowered based on existing limits that several other agencies already require (VCAPCD, SDAPCD, and BAAQMD) and to align limits with U.S. EPA Control Techniques Guidelines. The proposed amendments are expected to provide enhanced compliance with the VOC limits through monitoring. Since local affected operations are expected to already comply with the proposed requirements, no physical changes are expected at affected facilities and no additional VOC reductions are expected since the VOC limits are already being met. The proposed project is expected to affect facilities at existing locations. The proposed project does not require construction of new buildings or potential equipment replacement. Therefore, adoption of PAR 1106 would not require the construction of new buildings or other structures that would obstruct scenic resources or degrade the existing visual character of a site, including but not limited to, trees, rock outcroppings, or historic buildings. Further, PAR 1106 would not involve the demolition of any existing buildings or facilities, require any subsurface activities, require the acquisition of any new land or the surrendering of existing land, or the modification of any existing land use designations or zoning ordinances. Thus, the proposed project is not expected to degrade the visual character of any site where a facility is located or its surroundings, affect any scenic vista or damage scenic resources. ~~By reducing VOC emissions, the aesthetic environment benefits~~

~~from the reduction in environmental degradation.~~ Since the proposed project does not require existing facilities to operate at night, it is not expected to create any new source of substantial light or glare.

Based upon these considerations, significant adverse aesthetics impacts are not anticipated and will not be further analyzed in this Final EA. Since no significant adverse aesthetics impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
II. AGRICULTURE AND FORESTRY RESOURCES.				
Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland mapping and Monitoring Program of the California Resources Agency, to non- agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code §12220(g)), timberland (as defined by Public Resources Code §4526), or timberland zoned Timberland Production (as defined by Government Code §51104 (g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Project-related impacts on agriculture and forestry resources will be considered significant if any of the following conditions are met:

- The proposed project conflicts with existing zoning or agricultural use or Williamson Act contracts.
- The proposed project will convert prime farmland, unique farmland or farmland of statewide importance as shown on the maps prepared pursuant to the farmland mapping and monitoring program of the California Resources Agency, to non-agricultural use.
- The proposed project conflicts with existing zoning for, or causes rezoning of, forest land (as defined in Public Resources Code §12220(g)), timberland (as defined in Public Resources Code §4526), or timberland zoned Timberland Production (as defined by Government Code § 51104 (g)).
- The proposed project would involve changes in the existing environment, which due to their location or nature, could result in conversion of farmland to non-agricultural use or conversion of forest land to non-forest use.

Discussion

II. a), b), c) & d) No Impact. The existing commercial businesses that may be affected by the adoption of PAR 1106 are primarily located within urbanized port areas that are typically designated as industrial or commercial and are not designed for agricultural purposes or where forests are located. The proposed project would not result in any new construction of buildings or other structures that would convert farmland to non-agricultural use or conflict with zoning for agricultural use or a Williamson Act contract. The proposed project would not require converting farmland to non-agricultural uses because the affected marine and pleasure craft coating operations are expected to occur completely within the confines of existing affected commercial and industrial facilities. For the same reasons, PAR 1106 would not result in the loss of forest land or conversion of forest land to non-forest use.

Based upon these considerations, significant adverse agricultural and forestry resource impacts are not anticipated and will not be further analyzed in this Final EA. Since no significant agriculture and forestry resource impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
III. AIR QUALITY AND GREENHOUSE GAS EMISSIONS.				
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Diminish an existing air quality rule or future compliance requirement resulting in a significant increase in air pollutant(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Air Quality Significance Criteria

To determine whether or not air quality impacts from adopting and implementing PAR 1106 are significant, impacts will be evaluated and compared to the criteria in Table 2-1. The project will be considered to have significant adverse air quality impacts if any one of the thresholds in Table 2-1 are equaled or exceeded.

To determine whether or not greenhouse gas emissions from the proposed project may be significant, impacts will be evaluated and compared to the 10,000 MT CO₂eq./year threshold for industrial projects.

TABLE 2-1
SCAQMD Air Quality Significance Thresholds

Mass Daily Thresholds ^a		
Pollutant	Construction ^b	Operation ^c
NOx	100 lbs/day	55 lbs/day
VOC	75 lbs/day	55 lbs/day
PM10	150 lbs/day	150 lbs/day
PM2.5	55 lbs/day	55 lbs/day
SOx	150 lbs/day	150 lbs/day
CO	550 lbs/day	550 lbs/day
Lead	3 lbs/day	3 lbs/day
Toxic Air Contaminants (TACs), Odor, and GHG Thresholds		
TACs (including carcinogens and non-carcinogens)	Maximum Incremental Cancer Risk ≥ 10 in 1 million Cancer Burden > 0.5 excess cancer cases (in areas ≥ 1 in 1 million) Chronic & Acute Hazard Index ≥ 1.0 (project increment)	
Odor	Project creates an odor nuisance pursuant to SCAQMD Rule 402	
GHG	10,000 MT/yr CO ₂ eq for industrial facilities	
Ambient Air Quality Standards for Criteria Pollutants ^d		
NO ₂ 1-hour average annual arithmetic mean	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal)	
PM ₁₀ 24-hour average annual average	10.4 µg/m ³ (construction) ^e & 2.5 µg/m ³ (operation) 1.0 µg/m ³	
PM _{2.5} 24-hour average	10.4 µg/m ³ (construction) ^e & 2.5 µg/m ³ (operation)	
SO ₂ 1-hour average 24-hour average	0.25 ppm (state) & 0.075 ppm (federal – 99 th percentile) 0.04 ppm (state)	
Sulfate 24-hour average	25 µg/m ³ (state)	
CO 1-hour average 8-hour average	SCAQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal)	
Lead 30-day Average Rolling 3-month average	1.5 µg/m ³ (state) 0.15 µg/m ³ (federal)	

^a Source: SCAQMD CEQA Handbook (SCAQMD, 1993)

^b Construction thresholds apply to both the South Coast Air Basin and Coachella Valley (Salton Sea and Mojave Desert Air Basins).

^c For Coachella Valley, the mass daily thresholds for operation are the same as the construction thresholds.

^d Ambient air quality thresholds for criteria pollutants based on SCAQMD Rule 1303, Table A-2 unless otherwise stated.

^e Ambient air quality threshold based on SCAQMD Rule 403.

KEY: lbs/day = pounds per day ppm = parts per million $\mu\text{g}/\text{m}^3$ = microgram per cubic meter \geq = greater than or equal to
MT/yr CO₂eq = metric tons per year of CO₂ equivalents $>$ = greater than

III. a) No Impact. The 2012 AQMP Control Measure CTS-02 – Further Emission Reductions from Miscellaneous Coatings, Adhesives, Solvents and Lubricants and the Reasonably Available Control Measures (RACM) Demonstration (Appendix VI of 2012 AQMP), contains unspecified emission reduction goals for VOCs that apply to a variety of emission sources. The 2016 AQMP Control Measure CTS-01 - Further Emission Reductions from Miscellaneous Coatings, Solvents, Adhesives, and Sealants sets a VOC emission reduction goal of 1 ton per day by 2023 and 2 tons per day by 2031. ~~These~~ control measures seek to reduce VOC emissions from miscellaneous coating, adhesive, solvent, sealant, and lubricant categories by further limiting the allowable VOC content in formulations. Examples of the miscellaneous categories to be considered include, but are not limited to, coatings used in aerospace and marine applications; adhesives used in a variety of sealing applications; fountain solutions; solvents for graffiti abatement activities; and lubricants used as metalworking fluids to reduce heat and friction to prolong the life of the tool, improve product quality, and carry away debris. Based on the general emission reduction goals in the 2012 as well as the 2016 AQMP, PAR 1106 would partially implement Control Measure CTS-02 from the 2012 AQMP and CTS-01 from the 2016 AQMP by aligning limits with U.S. EPA Control Techniques Guidelines and other California APCDs/AQMDs. Upon adoption, PAR 1106 will be forwarded to the California Air Resources Board (CARB) for approval and subsequent submittal to the U.S. EPA for inclusion into the State Implementation Plan (SIP).

PAR 1106 would affect marine and pleasure craft coating operations. Since affected facilities/operations are anticipated to already comply with the proposed requirements, the proposed amendments are not expected to achieve additional VOC reductions to be credited toward CTS-02 or CTS-01.

Implementing PAR 1106 is not expected to conflict with or obstruct implementation of the applicable air quality control plan because both the 2012 and 2016 AQMP demonstrates that the effects of all existing rules, in combination with implementing all AQMP control measures (including “black box” measures not specifically described in the 2012 and 2016 AQMP) would bring the District into attainment with all applicable national and state ambient air quality standards. ~~Further, PAR 1106 is not expected to significantly conflict or obstruct implementation of the applicable air quality plan, but instead, would contribute to attaining and maintaining the ozone and PM standards by achieving VOC reductions.~~

For these reasons, implementation of all other SCAQMD VOC rules along with AQMP control measures, when considered together, is expected to reduce VOC emissions throughout the region ~~overall~~ by 2023. Therefore, implementing the proposed project will not conflict or obstruct implementation of the 2012 and 2016 AQMP. Accordingly, this impact issue will not be further analyzed.

III. b) No Impact. For a discussion of these items, refer to the following analysis:

Rule Objective and Facility Applicability

The objectives of PAR 1106 include the following:

- rescind Rule 1106.1 but maintain the requirements;
- revise VOC content limits for some coating categories in order to align limits with U.S. EPA Control Techniques Guidelines and other California APCDs/AQMDs;
- add new coating categories;

- add provisions for pollution prevention measures and enhanced enforceability,
- make minor revisions to the applicability subdivision and revise/add new definitions to the definitions subdivision; and
- include clarifications and editorial corrections.

Currently, Rule 1106 is applicable to all coating operations of boats, ships, and their appurtenances, and to buoys and oil drilling rigs intended for the marine environment, and Rule 1106.1 is applicable to all coating operations of pleasure craft, as defined in paragraph (b)(10) of this rule, or their parts and components, for the purpose of refinishing, repairing, modification, or manufacturing such craft. Staff believes the proposed project will provide enhanced compliance with the VOC limits through the proposed reporting, recordkeeping and the prohibition provisions requirements. ~~The proposed amendments will include an Annual Quantity Emission Report (AQER) and a Manufacturer's Distribution List. The AQER will require manufacturers and distributors to report the VOC content limits and the volume of product for of each marine and pleasure craft coating sold in the SCAQMD's jurisdiction. In addition, manufacturers will be required to submit to the SCAQMD, an annual Manufacturer's Distribution List to show all distributors who distribute these types of products into the SCAQMD jurisdiction.~~

Construction Impacts

The proposed project is not expected to require any new construction activities since the affected industry are not expected to require any physical changes to comply with the proposed amendments, and operate their equipment subject to PAR 1106 in a similar manner to the current rules (Rules 1106 and 1106.1). Staff believes the proposed project will provide enhanced compliance with the VOC limits through monitoring. Therefore, no existing facilities are expected to be required to install any new equipment or new emission control devices. Additionally, the proposed project would not require any construction activities associated with the reformulation of any marine or pleasure craft coating products or any changes to the current usage of marine or pleasure craft coatings at the existing affected facilities.

Facilities that choose to use energy curable coatings would not likely require any major physical changes or modifications to install a UV/EB system. Further, there would be no additional emissions from the UV/EB coating process or additional vehicle trips.

As a result, there would be no significant adverse construction air quality impacts resulting from the proposed project for criteria pollutants.

Operational Impacts- Criteria Pollutants

~~PAR 1106 is expected to have a direct and beneficial reduction of VOC emissions.~~ No other criteria pollutants are expected to be directly affected by PAR 1106 because of the narrow regulatory focus of Rules 1106 and 1106.1. Based on SCAQMD staff research, the affected coatings facilities should already use materials that are compliant with the proposed amendments. Therefore, there would be no change in operational emissions from the existing affected facilities. The proposed project is not expected to result in any significant adverse operational air quality impacts from the existing affected facilities.

Since the Draft EA was released for public review and comment, ~~two~~three exemptions were included in PAR 1106. A high viscosity / high solids coatings exemption was included for metal parts and products:

- (4) The provisions of paragraph (d)(9) shall not apply to Marine or Pleasure Craft coatings with a viscosity of 650 centipoise or greater, as applied.

For various types of substrates and operations (e.g., metal parts, architectural, marine), application of the ultra-low VOC, high viscosity resin coatings (e.g., epoxy, polyurethane) can be facilitated by the ability to apply the coatings with specialized applicators such as heated plural component airless or air assisted spray guns, or unique cartridge gun systems. Incorporation of this exemption based on the coating viscosity will permit the use of the application equipment best suited for the material while retaining the benefits of using the low-VOC high solids coatings. Without the proposed exemption, facilities required to use HVLP equipment would otherwise have to thin the high solids coatings with VOC-containing solvents to allow them to be sprayed, thus eliminating the benefit of the low-VOC high solids coatings. Therefore, a provision was added to the proposed rule to allow a coating with 650 or more centipoise to be exempted from the transfer efficiency requirements. This proposed exemption is not expected to cause any adverse environmental impacts because these high solids, high viscosity coatings already contain low levels of VOCs and are already currently being utilized in the marine coatings industry. Thus, it is not expected that additional facilities would begin using these products because of the proposed exemption.

An exemption was also included for pre-treatment wash primers and special marking coatings that are intended to be used on submerged vessel (submarine) components [(typically used per military specifications (Mil-Specs))] and currently meet the VOC limits in Rule 1106 - Marine Coatings Operations. However, these coatings will not meet the new aligned VOC limits in PAR 1106, which seeks to align these VOC limits with other APCDs/AQMDs.

- (5) The provisions of paragraphs (d)(1), (d)(2), and (d)(3) shall not apply to marine coatings that are used for vessels that are intended to submerge to at least 500 feet below the surface of the water provided that the total combined usage of such coatings do not exceed 12 gallons per calendar year and such coatings are in compliance with the VOC limits in the U.S. EPA National Emission Standards for Hazardous Air Pollutants (NESHAP) for Shipbuilding and Ship Repair (Surface Coatings).

The usage of these materials are required based on approved standards from the U.S. Navy that cannot be replaced. To assure a lifetime of no corrosion on these components, facilities already have limited selections of materials to use in these specific manufacturing processes. Therefore, an exemption for these types of coatings was included of no more than 12 gallons per calendar year, of all products combined, for this type of operation and will require that the products used will have to be in compliance with the U.S. EPA National Emission Standard for Shipbuilding and Ship Repair (Surface Coating) as provided in Part 63 of the Federal Register. This proposed exemption is not expected to cause any adverse environmental impacts because these products are utilized for a very specific type of application/industry, and therefore, very limited quantities are currently used or expected to be used in the future. Additionally, because of the limited, specialized usage/application of these products, it is not expected that additional facilities would begin using these coatings as result of the proposed exemption. Finally, this limited exemption will not encourage or allow additional usage of these higher VOC coatings beyond what is already in use in the existing setting.

A definition was also added to PAR 1106 for Ultraviolet/Electron Beam (UV/EB) curable thin film marine and pleasure craft coatings. The definition includes a reference to ASTM D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.

- (9) ENERGY CURABLE COATINGS are single-component reactive products that cure upon exposure to visible-light, ultra-violet light or to an electron beam. The VOC content of thin film Energy Curable Marine and Pleasure Craft Coatings may be determined by manufacturers using ASTM Test Method 7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers, and Blends and Thin Coatings Made from Them”.

The use of energy curable coatings is considered an alternative compliance technology. UV/EB curing refers to a process in which coatings and other materials may be cured or dried, rather than using traditional thermal methods (natural gas-fueled) which typically use more energy and generate greater emissions. The UV light spectrum in a UV lamp and the focused electrons in an EB interact with specially formulated chemistries to cure materials, typically more quickly, and using less energy than traditional dryers (see Appendix B⁶). UV/EB curing has some environmental benefits over traditional solvent-based coatings by significantly reducing the amount of solvents needed in the coating itself and by reducing the burning of fossil fuels to cure/dry the product⁷.

SCAQMD staff is proposing to add paragraph (i)(1) to exempt marine or pleasure craft coatings that have a VOC content of no more than 50 g/L or its equivalent, less water and less exempt compounds, as applied. At least three manufacturers currently have products with a VOC content less than or equal to 50 g/L which will provide an environmental benefit since 50 g/L of VOC is substantially lower than the VOC content limits in PAR 1106. Further, in order to qualify for this exemption, coatings will need to comply with paragraph (d)(6) which prohibits marine or pleasure craft coatings from containing any Group II Exempt compounds (stratospheric ozone-depleting compounds) and paragraph (d)(7) which prohibits marine or pleasure craft coatings from containing cadmium, nickel, lead, or hexavalent chromium. Since coatings that qualify for the exemption are expected to contain less VOC, less or no toxics, and no stratospheric ozone-depleting compounds, the proposed exemption is not expected to cause any adverse environmental impacts.

SCAQMD staff visited several facilities and found that many facilities conducting marine and pleasure craft coating operations believed that touch-up operations such as maintenance and repair were exempt from the requirements of Rule 1106. However, the exemption for touch-up coatings is intended for minor imperfections or minor mechanical damage incurred after the main coatings are applied. Many operations had misinterpreted the exemption for touch-up coatings to include coatings used for maintenance and repair operations. To remedy this misunderstanding, staff has clarified the existing exemption for touch-up coatings to reference the definition of touch-up coatings in paragraph (c)(41).

⁶ *Sustainability Advantages of Ultraviolet and Electron Beam Curing*, 2008 – a UV/EB industry trade association publication

⁷ <http://www.radtech.org>

As noted previously, many operators had interpreted the exemption for touch-up coatings included coatings used for maintenance and repair operations. The exemption will now explicitly reference the definition of touch-up coatings in paragraph (c)(41). It is anticipated that operators will use compliant marine and craft coatings for maintenance and repair operations.

Rule 1106 currently allows for operators to use non-compliant coatings in approved emission control systems provided that the emission control system would reduce VOC emissions to an equivalent or greater level that achieved by complying with VOC limit. However, SCAQMD staff found that none of the facilities conducting marine and/or pleasure craft coating operations use emission control systems. Therefore, staff is proposing to remove both paragraph (c)(2) – Approved Emission Control System and paragraph (g)(6) – Determination of Transfer Efficiency of Application Equipment. These proposed amendments are not expected to cause any adverse environmental impacts because facilities will need to comply with the VOC content limits set forth in PAR 1106 in lieu of using non-compliant coatings in an approved emissions control system. Also, marine and pleasure craft coating operators will need to use compliant coatings with more stringent VOC limits than the current limits in Rule 1106 (version January 13, 1998). Further, PAR 1106 includes prohibition of possession and sale provisions in subdivision (e) – Prohibition of Possession, Specification and Sale. As such, operators will not be able to purchase, store, or use non-compliant coatings and manufacturers will not be able to sell, manufacture, or store non-compliant coatings within the SCAQMD jurisdiction.

Operational Impacts- Toxic Air Contaminants

In assessing potential impacts from the adoption of proposed rules and amendments, SCAQMD staff not only evaluates the potential air quality impacts, but also determines potential health risks associated with implementation of the proposed amendments.

As stated previously, the proposed project will provide enhanced compliance with VOC limits through monitoring lower VOC limits, and wording clarifications. The proposed amendments do not generate any additional toxic emissions at any of the affected facilities. In 2015, staff also included the following language in PAR 1106 to prohibit marine or pleasure craft coatings from containing cadmium, nickel, lead, or hexavalent chromium in paragraph (d)(8):

(8) Carcinogenic Materials

A person shall not manufacture, sell, offer for sale, distribute for use in the SCAQMD jurisdiction, or apply any marine or pleasure craft coating which contains cadmium, nickel, lead or hexavalent chromium that was introduced as a pigment or as an agent to impart any property or characteristic to the marine or pleasure craft coatings during manufacturing, distribution, or use of the applicable marine or pleasure craft coatings.

It is important to note that this prohibition was included in the October 2, 2015 Governing Board package but was inadvertently omitted at the time the Final EA was drafted. Nonetheless, because this additional change is memorializing existing requirements for carcinogenic materials to further protect the environment, no adverse impacts are expected.

Based on SCAQMD staff research, no changes are necessary in current marine and pleasure craft coating formulations that currently comply with the new lower VOC limits. Therefore, no changes

in toxicity are expected. As a result, there will be no increase in toxic air contaminant emissions from the affected facilities due to the proposed rule amendments.

III. c) No Impact. As Lead Agency, the SCAQMD uses the same significance thresholds for project specific and cumulative impacts for all environmental topics analyzed in an Environmental Assessment or EIR. Projects that exceed the project-specific significance thresholds are considered by the SCAQMD to be cumulatively considerable. This is the reason project-specific and cumulative significance thresholds are the same. Conversely, projects that do not exceed the project-specific thresholds are generally not considered to be cumulatively significant⁸.

This approach was upheld by the Court in *Citizens for Responsible Equitable Environmental Development v. City of Chula Vista* (2011) 197 Cal. App. 4th 327, 334. The Court determined that where it can be found that a project did not exceed the SDAPCD's established air quality significance thresholds, the City of Chula Vista properly concluded that the project would not cause a significant environmental effect, nor result in a cumulatively considerable increase in these pollutants. The court found this determination to be consistent with CEQA Guidelines Section §15064.7, stating, "The lead agency may rely on a threshold of significance standard to determine whether a project will cause a significant environmental effect." The court found that, "Although the project will contribute additional air pollutants to an existing nonattainment area, these increases are below the significance criteria..." "Thus, we conclude that no fair argument exists that the Project will cause a significant unavoidable cumulative contribution to an air quality impact." As in *Chula Vista*, here the District has demonstrated, when using accurate and appropriate data and assumptions, that the project will not exceed the established SCAQMD significance thresholds. See also, *Rialto Citizens for Responsible Growth v. City of Rialto* (2012) 208 Cal. App. 4th 899. Here again the court upheld the lead agency's approach to utilizing the established air quality significance thresholds to determine whether the impacts of a project would be cumulatively considerable. Thus, it may be concluded that the Project will not cause a significant unavoidable cumulative contribution to an air quality impact.

Based on the foregoing analysis, project-specific air quality impacts from implementing the proposed project would not exceed air quality significance thresholds (Table 2-1); therefore, based on the above discussion, cumulative impacts are not expected to be significant for air quality. Therefore, potential adverse impacts from the proposed project would not be "cumulatively considerable" as defined by CEQA Guidelines Section §15064(h)(1) for air quality impacts. Per CEQA Guidelines Section §15064(h)(4), the mere existence of significant cumulative impacts caused by other projects alone shall not constitute substantial evidence that the proposed project's incremental effects are cumulative considerable.

III. d) No Impact. Affected facilities are also not expected to increase exposure by sensitive receptors to substantial pollutant concentrations from the implementation of PAR 1106 for the following reasons: 1) the affected facilities are existing facilities located primarily in port commercial/industrial areas; 2) no construction and operational emission increases are associated

⁸ SCAQMD Cumulative Impacts Working Group White Paper on Potential Control Strategies to Address Cumulative Impacts From Air Pollution, August 2003, Appendix D, Cumulative Impact Analysis Requirements Pursuant to CEQA, at D-3, <http://www.aqmd.gov/docs/default-source/Agendas/Environmental-Justice/cumulative-impacts-working-group/cumulative-impacts-white-paper-appendix.pdf>.

with the proposed project. Therefore, no significant adverse air quality impacts to sensitive receptors are expected from implementing PAR 1106.

III. e) No Impact. Odor problems depend on individual circumstances, materials involved, and individual odor sensitivities. For example, individuals can differ quite markedly from the population average in their sensitivity to odor due to any variety of innate, chronic or acute physiological conditions. This includes olfactory adaptation or smell fatigue (i.e., continuing exposure to an odor usually results in a gradual diminution or even disappearance of the smell sensation).

As already noted, the proposed project does not result in the use of construction equipment. As a result, no odor impacts associated with diesel exhaust from either on-road or off-road mobile sources are expected to occur. No change in marine and pleasure craft coating formulations currently utilized at the affected facilities is expected to occur. ~~It is expected that the proposed amendments would improve air quality, visibility, and reduce odors from reducing VOC emissions.~~ Therefore, the proposed project is not expected to create new significant adverse objectionable odors.

III. f) No Impact. The affected facilities would continue to be required to comply with all applicable SCAQMD, CARB, and U.S. EPA rules and regulations. The proposed project is not in conflict or expected to diminish an existing air quality rule or future compliance requirements. Further, adopting and implementing the proposed project enhances existing air pollution control rules that are expected to assist the SCAQMD in its efforts to attain and maintain with a margin of safety the state and federal ambient air quality standards for ozone and PM_{2.5} because VOCs are considered to be precursor pollutants that contribute to the formation of ozone and PM_{2.5}. Accordingly the proposed project would not diminish any air quality rules or regulations.

III. g) & h) No Impact. Changes in global climate patterns have been associated with global warming, an average increase in the temperature of the atmosphere near the Earth's surface, recently attributed to accumulation of GHG emissions in the atmosphere. GHGs trap heat in the atmosphere, which in turn heats the surface of the Earth. Some GHGs occur naturally and are emitted to the atmosphere through natural processes, while others are created and emitted solely through human activities. The emission of GHGs through the combustion of fossil fuels (i.e., fuels containing carbon) in conjunction with other human activities, appears to be closely associated with global warming.⁹ State law defines GHG to include the following: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆) (Health and Safety Code Section 38505(g)). The most common GHG that results from human activity is CO₂, followed by CH₄ and N₂O.

GHGs and other global warming pollutants are perceived as solely global in their impacts and that increasing emissions anywhere in the world contributes to climate change anywhere in the world.

⁹ Solomon, S., D. Qin, M. Manning, Z. Chen, M. Marquis, K.B. Averyt, M. Tignor and H.L. Miller (eds.). 2007. Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007. Cambridge University Press. http://www.ipcc.ch/publications_and_data/ar4/wg1/en/contents.html

A study conducted on the health impacts of CO₂ “domes” that form over urban areas cause increases in local temperatures and local criteria pollutants, which have adverse health effects.¹⁰

The analysis of GHGs is a much different analysis than the analysis of criteria pollutants for the following reasons. For criteria pollutants, the significance thresholds are based on daily emissions because attainment or non-attainment is primarily based on daily exceedances of applicable ambient air quality standards. Further, several ambient air quality standards are based on relatively short-term exposure effects on human health (e.g., one-hour and eight-hour standards). Since the half-life of CO₂ is approximately 100 years, for example, the effects of GHGs occur over a longer term which means they affect the global climate over a relatively long time frame. As a result, the SCAQMD’s current position is to evaluate the effects of GHGs over a longer timeframe than a single day (e.g., annual emissions). GHG emissions are typically considered to be cumulative impacts because they contribute to global climate effects.

On December 5, 2008, the SCAQMD adopted an interim CEQA GHG Significance Threshold for projects where SCAQMD is the lead agency (SCAQMD, 2008). This interim threshold is set at 10,000 metric tons of CO₂ equivalent emissions (MTCO₂eq) per year. Projects with incremental increases below this threshold will not be cumulatively considerable.

The Program EIRs for the 2012 and 2016 AQMPs concluded that implementing the control measures in both the 2012 and 2016 AQMPs would provide a comprehensive ongoing regulatory program that would have the co-benefit of reducing overall GHGs emissions in the District. Specifically, PAR 1106 adds a prohibition of possession and sale provision, adds transfer efficiency requirements (similar to other SCAQMD coatings rules), and includes various clarifications and administrative changes. Additionally, five new coating categories have been established, and the VOC limits for five specialty coatings categories are being lowered based on existing limits that several other air agencies already require (VCAPCD, SDAPCD, and BAAQMD) and to align limits with U.S. EPA Control Techniques Guidelines. Thus, the proposed project does not introduce the need to emit GHG emissions, but rather ~~reduce~~ ensures that VOC emissions remain low from activities subject to this rule. Therefore, PAR 1106 is not expected to create significant cumulative adverse GHG emission impacts or conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs.

Conclusion

Based on the preceding evaluation of potential air quality impacts from PAR 1106, SCAQMD staff has concluded that PAR 1106 does not have the potential to generate significant adverse air quality impacts. Since no significant adverse air quality and greenhouse gases impacts were identified, no mitigation measures are necessary or required.

¹⁰ Jacobsen, Mark Z. “Enhancement of Local Air Pollution by Urban CO₂ Domes,” Environmental Science and Technology, as describe in Stanford University press release on March 16, 2010 available at: <http://news.stanford.edu/news/2010/march/urban-carbon-domes-031610.html>.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
IV. BIOLOGICAL RESOURCES.				
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by <u>Section §404</u> of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflicting Conflicting with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on biological resources will be considered significant if any of the following criteria apply:

- The project results in a loss of plant communities or animal habitat considered to be rare, threatened or endangered by federal, state or local agencies.
- The project interferes substantially with the movement of any resident or migratory wildlife species.
- The project adversely affects aquatic communities through construction or operation of the project.

Discussion

IV. a), b), c), & d) No Impact. PAR 1106 would not require any new construction or require any major modifications to buildings or other structures to comply with the new requirements for marine and pleasure craft coating operations, thus, no grading activities or disruption of soil or plant life. As a result, PAR 1106 would not directly or indirectly affect any species identified as a candidate, sensitive or special status species, riparian habitat, federally protected wetlands, or migratory corridors. For this same reason, PAR 1106 is not expected to adversely affect special status plants, animals, or natural communities.

IV. e) & f) No Impact. PAR 1106 would not conflict with local policies or ordinances protecting biological resources or local, regional, or state conservation plans because it would not cause new development. Additionally, PAR 1106 would not conflict with any Habitat Conservation Plan, Natural Community Conservation Plan, or any other relevant habitat conservation plan for the same reason identified in Item IV. a), b), c), and d) above. Likewise, the proposed project would not in any way impact wildlife or wildlife habitat.

Based upon these considerations, significant adverse biological resources impacts are not anticipated and will not be further analyzed in this Final EA. Since no significant adverse biological resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
V. CULTURAL RESOURCES. Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource as defined in Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource, site, or feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Cause a substantial adverse change in the significance of a tribal cultural resource as defined in Public Resources Code Section 21074?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to cultural resources will be considered significant if:

- The project results in the disturbance of a significant prehistoric or historic archaeological site or a property of historic or cultural significance, or tribal cultural significance to a community or ethnic or social group or a California Native American tribe.
- Unique paleontological resources or objects with cultural value to a California Native American tribe are present that could be disturbed by construction of the proposed project.
- The project would disturb human remains.

Discussion

V. a), b), c), & d) No Impact. PAR 1106 does not require construction of new facilities, increasing the floor space of existing facilities, or any other construction activities that would require disturbing soil that may contain cultural resources. Since no construction-related activities requiring soil disturbance would be associated with the implementation of PAR 1106, no impacts to historical or cultural resources are anticipated to occur. Further, PAR 1106 is not expected to require any physical changes to the environment, which may disturb paleontological or archaeological resources or disturb human remains interred outside of formal cemeteries.

V. e) No Impact. The proposed project is not expected to require physical changes to a site, feature, place, cultural landscape, sacred place or object with cultural value to a California Native American Tribe. Furthermore, the proposed project is not expected to result in a physical change to a resource determined to be eligible for inclusion or listed in the California Register of Historical Resources or included in a local register of historical resources. For these reasons, the proposed

project is not expected to cause any substantial adverse change in the significance of a tribal cultural resource as defined in Public Resources Code §21074.

It is important to note that as part of releasing this CEQA document for public review and comment, the SCAQMD also provided a formal notice of the proposed project to all California Native American Tribes (Tribes) that requested to be on the Native American Heritage Commission's (NAHC) notification list per Public Resources Code §21080.3.1 (b)(1). The NAHC notification list provides a 30-day period during which a Tribe may respond to the formal notice, in writing, requesting consultation on the proposed project.

In the event that a Tribe submits a written request for consultation during this 30-day period, the SCAQMD will initiate a consultation with the Tribe within 30 days of receiving the request in accordance with Public Resources Code §21080.3.1 (b). Consultation ends when either: 1) both parties agree to measures to avoid or mitigate a significant effect on a Tribal Cultural Resource and agreed upon mitigation measures shall be recommended for inclusion in the environmental document [see Public Resources Code §21082.3 (a)]; or, 2) either party, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached [see Public Resources Code §21080.3.2 (b)(1)-(2) and §21080.3.1 (b)(1)].

Based upon these considerations, significant adverse cultural resources impacts are not expected from implementing the proposed project and will not be further assessed in this Revised Final EA. Since no significant cultural resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VI. ENERGY. Would the project:				
a) Conflict with adopted energy conservation plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the need for new or substantially altered power or natural gas utility systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Create any significant effects on local or regional energy supplies and on requirements for additional energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create any significant effects on peak and base period demands for electricity and other forms of energy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Comply with existing energy standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to energy and mineral resources will be considered significant if any of the following criteria are met:

- The project conflicts with adopted energy conservation plans or standards.
- The project results in substantial depletion of existing energy resource supplies.
- An increase in demand for utilities impacts the current capacities of the electric and natural gas utilities.
- The project uses non-renewable resources in a wasteful and/or inefficient manner.

Discussion

VI. a) & e) No Impact. Adoption of PAR 1106 would subsume Rule 1106.1 within Rule 1106, add a prohibition of possession and sale provision, add transfer efficiency requirements (similar to other SCAQMD coatings rules), and include various clarifications and administrative changes. Additionally, five new coating categories have been established, and the VOC limits for five specialty coatings categories are being lowered based on existing limits that several other air agencies already require (VCAPCD, SDAPCD, and BAAQMD) and to align limits with U.S. EPA Control Techniques Guidelines. The proposed amendments are expected to provide enhanced compliance with the VOC limits through monitoring. The proposed project also adds a definition for energy curable coatings. UV/EB applications typically cure materials more quickly, using less energy than traditional dryers. The proposed amendments are not expected to create any additional demand for energy at any of the affected facilities. Since it is unlikely that the affected facilities would require new equipment or modifications at existing facilities, current energy demand requirements would not change. As a result, PAR 1106 would not conflict with energy conservation plans, use non-renewable resources in a wasteful manner, or result in the need for new or substantially altered power or natural gas systems. Since PAR 1106 would affect primarily existing facilities, it will not conflict with adopted energy conservation plans because existing facilities would be expected to continue implementing any existing energy conservation plans. Additionally, operators of affected facilities are expected to implement existing energy

conservation plans or comply with energy standards to minimize operating costs. Accordingly these impact issues will not be further analyzed in the Revised Final EA.

VI. b), c) & d) No Impact. The proposed project adds a definition for energy curable coatings. Energy cured materials typically dry/cure more quickly, using less energy than conventional drying methods, which typically use natural gas as a fuel source (see Appendix B¹¹). The proposed amendments are not expected to increase any electricity or natural gas demand in any way and would not create any significant effects on peak and base period demands for electricity and other forms of energy because no new physical changes to the affected facilities is anticipated. The adoption of PAR 1106 will not create any significant effects on local or regional energy supplies, create any significant effects on peak and base period demands for electricity and other forms of energy, or result in the need for new or substantially altered power or natural gas utility systems since the affected industry will be able to continue business as usual and operate their equipment subject to PAR 1106 in a similar manner to existing practices.

PAR 1106 is not expected to generate significant adverse energy resources impacts and will not be discussed further in this Revised Final EA. Since no significant energy impacts were identified, no mitigation measures are necessary or required.

¹¹ Sustainability Advantages of Ultraviolet and Electron Beam Curing, 2008 – a UV/EB industry trade association publication

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VII. GEOLOGY AND SOILS. Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on the geological environment will be considered significant if any of the following criteria apply:

- Topographic alterations would result in significant changes, disruptions, displacement, excavation, compaction or over covering of large amounts of soil.
- Unique geological resources (paleontological resources or unique outcrops) are present that could be disturbed by the construction of the proposed project.

- Exposure of people or structures to major geologic hazards such as earthquake surface rupture, ground shaking, liquefaction or landslides.
- Secondary seismic effects could occur which could damage facility structures, e.g., liquefaction.
- Other geological hazards exist which could adversely affect the facility, e.g., landslides, mudslides.

Discussion

VII. a) No Impact. Southern California is an area of known seismic activity. Structures must be designed to comply with the Uniform Building Code Zone 4 requirements if they are located in a seismically active area. The local city or county is responsible for assuring that a proposed project complies with the Uniform Building Code as part of the issuance of the building permits and can conduct inspections to ensure compliance. The Uniform Building Code is considered to be a standard safeguard against major structural failures and loss of life. The goal of the code is to provide structures that will: 1) resist minor earthquakes without damage; 2) resist moderate earthquakes without structural damage but with some non-structural damage; and 3) resist major earthquakes without collapse but with some structural and non-structural damage.

The Uniform Building Code bases seismic design on minimum lateral seismic forces (“ground shaking”). The Uniform Building Code requirements operate on the principle that providing appropriate foundations, among other aspects, helps to protect buildings from failure during earthquakes. The basic formulas used for the Uniform Building Code seismic design require determination of the seismic zone and site coefficient, which represent the foundation conditions at the site. Accordingly, buildings and equipment at existing affected facilities are likely to conform with the Uniform Building Code and all other applicable state codes in effect at the time they were constructed.

No new buildings or structures are expected to be constructed in response to the proposed project, so no change in geological existing setting is expected. Additionally, no modification to existing equipment would be necessary. Therefore, PAR 1106 is not expected to affect a facility’s ability to continue to comply with any applicable Uniform Building Code requirements. Consequently, PAR 1106 is not expected to expose persons or property to geological hazards such as earthquakes, landslides, mudslides, ground failure, or other natural hazards. As a result, substantial exposure of people or structure to the risk of loss, injury, or death involving seismic-related activities is not anticipated and will not be further analyzed in this Revised Final EA.

VII. b), c), d) & e) No Impact. Since PAR 1106 would affect primarily existing facilities, it is expected that the soil types present at the affected facilities that are susceptible to expansion or liquefaction would be considered part of the existing setting. New subsidence impacts are not anticipated since no excavation, grading, or fill activities will occur at affected facilities. Further, the proposed project does not involve drilling or removal of underground products (e.g., water, crude oil, et cetera) that could produce new, or make worse existing subsidence effects. Additionally, the affected areas are not envisioned to be prone to new risks from landslides or have unique geologic features, since the affected facilities are primarily located in ports or marinas in industrial or commercial areas where such features have already been altered or removed. Finally, since adoption of PAR 1106 would be expected to affect operations at primarily existing facilities, the proposed project is not expected to alter or make worse any existing potential for subsidence, liquefaction, etc.

Based on the above discussion, the proposed project is not expected to have an adverse impact on geology or soils. Since no significant adverse impacts are anticipated, this environmental topic will not be further analyzed in the Revised Final EA. No mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
VIII. HAZARDS AND HAZARDOUS MATERIALS. Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, and disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions, or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public use airport or a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Significantly increased fire hazard in areas with flammable materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts associated with hazards will be considered significant if any of the following occur:

- Non-compliance with any applicable design code or regulation.
- Non-conformance to National Fire Protection Association standards.
- Non-conformance to regulations or generally accepted industry practices related to operating policy and procedures concerning the design, construction, security, leak detection, spill containment or fire protection.
- Exposure to hazardous chemicals in concentrations equal to or greater than the Emergency Response Planning Guideline (ERPG) 2 levels.

Discussion

VIII. a, b) & c) No Impact. The proposed project will not create a significant hazard to the public or the environment through the routine transport, use, and disposal of hazardous materials, due to the fact that the proposed amendments do not require the transport, use, and disposal of hazardous materials beyond current operations. Based on the fact that the proposed rules do not require the transport, use and disposal of hazardous materials, PAR 1106 will not create a significant hazard to the public or environment through a reasonably foreseeable release of these materials into the environment.

No additional formulation is anticipated, thus, there is little likelihood that affected facilities will emit new hazardous emissions or handle hazardous materials, substances or waste within one-quarter mile of an existing or proposed school as a result of implementing the proposed project. The affected facilities are typically located in port/marina areas, but the proposed project does not introduce any hazardous materials, so the existing setting does not change. Further, PAR 1106 is intended to ensure that VOC emissions remain low from activities subject to this rule ~~the reduction of overall VOC emissions in the District.~~ It is expected that the proposed amendments would improve air quality, visibility and reduce odors surrounding existing facilities and, would do likewise for any existing or proposed schools within one-quarter mile of affected facilities.

VIII. d) No Impact. Government Code Section 65962.5 typically refers to a list of facilities that may be subject to Resource Conservation and Recovery Act (RCRA) permits. For any facilities affected by the proposed project that are on the Government Code Section 65962.5 list, it is anticipated that they would continue to manage any and all hazardous materials and hazardous waste, in accordance with federal, state and local regulations.

VIII. e) No Impact. Since PAR 1106 would incorporate new requirements for marine and pleasure craft coating operations, implementation of PAR 1106 is not expected to increase or create any new hazardous emissions in general, which could adversely affect public/private airports located in close proximity to the affected sites. Implementation of PAR 1106 is not expected to create any additional safety hazards for people residing or working in the project area.

VIII. f) No Impact. The proposed project will not impair implementation of, or physically interfere with any adopted emergency response plan or emergency evacuation plan. Any existing facilities affected by the proposed project will typically have their own emergency response plans. Any new facilities will be required to prepare emergency response and evacuation plans as part of the land use permit review and approval process conducted by local jurisdictions for new development. Emergency response plans are typically prepared in coordination with the local city or county emergency plans to ensure the safety of not only the public (surrounding local

communities), but the facility employees as well. Since the proposed project does not involve the change in current uses of any hazardous materials, or generate any new hazardous waste, no changes to emergency response plans are anticipated.

Health and Safety Code Section 25506 specifically requires all businesses handling hazardous materials to submit a business emergency response plan to assist local administering agencies in the emergency release or threatened release of a hazardous material. Business emergency response plans generally require the following:

1. Identification of individuals who are responsible for various actions, including reporting, assisting emergency response personnel and establishing an emergency response team;
2. Procedures to notify the administering agency, the appropriate local emergency rescue personnel, and the California Office of Emergency Services;
3. Procedures to mitigate a release or threatened release to minimize any potential harm or damage to persons, property or the environment;
4. Procedures to notify the necessary persons who can respond to an emergency within the facility;
5. Details of evacuation plans and procedures;
6. Descriptions of the emergency equipment available in the facility;
7. Identification of local emergency medical assistance; and
8. Training (initial and refresher) programs for employees in:
 - a. The safe handling of hazardous materials used by the business;
 - b. Methods of working with the local public emergency response agencies;
 - c. The use of emergency response resources under control of the handler; and
 - d. Other procedures and resources that will increase public safety and prevent or mitigate a release of hazardous materials.

In general, every county or city and all facilities using a minimum amount of hazardous materials are required to formulate detailed contingency plans to eliminate, or at least minimize, the possibility and effect of fires, explosion, or spills. In conjunction with the California Office of Emergency Services, local jurisdictions have enacted ordinances that set standards for area and business emergency response plans. These requirements include immediate notification, mitigation of an actual or threatened release of a hazardous material, and evacuation of the emergency area. Adopting PAR 1106 is not expected to hinder in any way with the above business emergency response plan requirements.

VIII. g) No Impact. Since the affected facilities are primarily located in port/marina areas where wildlands are typically not prevalent, risk of loss or injury associated with wildland fires is not expected as a result of implementing PAR 1106.

VIII. h) No Impact. Affected marine and pleasure craft coating facilities must comply with all local and county requirements for fire prevention and safety. The proposed project does not require

any activities which would be in conflict with fire prevention and safety requirements, and thus would not create or increase fire hazards at these existing facilities.

PAR 1106 is intended to ensure the reduction of VOC emissions at marine and pleasure craft coating facilities. Typically, these facilities use and store flammable materials. Pursuant to local and county fire prevention and safety requirements, facilities are required to maintain appropriate site management practices to prevent fire hazards. PAR 1106 will not interfere with fire prevention practices.

In conclusion, potentially significant adverse hazard or hazardous material impacts resulting from adopting and implementing PAR 1106 are not expected and will not be considered further. No mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
IX. HYDROLOGY AND WATER QUALITY. Would the project:				
a) Violate any water quality standards, waste discharge requirements, exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board, or otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g. the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in substantial erosion or siltation on- or off-site or flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Place housing or other structures within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map, which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam, or inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
g) Require or result in the construction of new water or wastewater treatment facilities or new storm water drainage facilities, or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Potential impacts on water resources will be considered significant if any of the following criteria apply:

Water Demand:

- The existing water supply does not have the capacity to meet the increased demands of the project, or the project would use more than 262,820 gallons per day of potable water.
- The project increases demand for total water by more than five million gallons per day.

Water Quality:

- The project will cause degradation or depletion of ground water resources substantially affecting current or future uses.
- The project will cause the degradation of surface water substantially affecting current or future uses.
- The project will result in a violation of National Pollutant Discharge Elimination System (NPDES) permit requirements.
- The capacities of existing or proposed wastewater treatment facilities and the sanitary sewer system are not sufficient to meet the needs of the project.
- The project results in substantial increases in the area of impervious surfaces, such that interference with groundwater recharge efforts occurs.
- The project results in alterations to the course or flow of floodwaters.

Discussion

IX. a), b), c), d) & g) No Impact. Adoption of PAR 1106 would subsume Rule 1106.1 within Rule 1106, add a prohibition of possession and sale provision, add transfer efficiency requirements (similar to other SCAQMD coatings rules), and include various clarifications and administrative changes. Additionally, five new coating categories have been established, and the VOC limits for five specialty coatings categories are being lowered based on existing limits that several other air agencies already require (VCAPCD, SDAPCD, and BAAQMD) and to align limits with U.S. EPA Control Techniques Guidelines. The proposed amendments are expected to provide enhanced compliance with the VOC limits through monitoring. The proposed amendments would not result in increased water usage because no new reformulations are anticipated to comply with the lower VOC content limit for the five specialty coatings categories, as these coating categories already meet the proposed lower VOC limits. Additional water usage will not result from the proposed project.

No additional wastewater generation is expected to result from the proposed project. Further, PAR 1106 has no provision that would require the construction of additional water resource facilities, increase the need for new or expanded water entitlements, or alter existing drainage patterns. The proposed project would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge. PAR 1106 would not create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff. Further, the adoption of PAR 1106 would not create a change in the current volume of existing wastewater streams from the affected facilities. In addition, the proposed project is not expected to require additional wastewater disposal capacity, violate any water quality standard or wastewater discharge requirements, or otherwise substantially degrade water quality.

Adoption of PAR 1106 could affect future operations at existing facilities that are typically located in industrial or commercial areas that are already paved and have drainage infrastructures in place. However, due to the fact that current operations already comply with the proposed lower VOC limits, no new major construction is anticipated. Based on the current affected facility inventory in the District, implementation of PAR 1106 is not expected to involve major construction activities including site preparation, grading, etc., so no changes to storm water runoff, drainage patterns, groundwater characteristics, or flow are expected. Therefore, these impact areas are not expected to be affected by PAR 1106.

PAR 1106 is not expected to have significant adverse water demand or water quality impacts for the following reasons:

- The proposed project does not increase demand for water by more than 5,000,000 gallons per day.
- The proposed project does not require construction of new water conveyance infrastructure.
- The proposed project does not create a substantial increase in mass inflow of effluents to public wastewater treatment facilities.
- The proposed project does not result in a substantial degradation of surface water or groundwater quality.

- The proposed project does not result in substantial increases in the area of impervious surfaces, such that interference with groundwater recharge efforts occurs.
- The proposed project does not result in alterations to the course or flow of floodwaters.

IX. i) No Impact. The proposed project is not expected to change existing operations at affected facilities, nor would it result in the generation of increased volumes of wastewater, because no increased water usage is expected due to the proposed project. As a result, there are no potential changes in wastewater volume expected from facilities as a result of the adoption of PAR 1106. It is expected that facilities and operations will continue to handle wastewater generated in a similar manner and with the same equipment as the wastewater that is currently generated. Further, PAR 1106 is not expected to cause affected facilities to violate any water quality standard or wastewater discharge requirements since there would be no additional wastewater volumes generated as a result of adopting PAR 1106.

IX. e), f) & h) No Impact. The proposed project would incorporate new requirements for marine and pleasure craft coating operations. As a result, PAR 1106 would not require construction of new housing, contribute to the construction of new building structures, or require major modifications or changes to existing structures. Further, PAR 1106 is not expected to require additional workers at affected facilities because the proposed project does not affect how equipment is operated. Therefore, PAR 1106 is not expected to generate construction of any new structures in 100-year flood areas as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood delineation map. As a result, PAR 1106 is not expected to expose people or structures to significant new flooding risks, or make worse any existing flooding risks. Because PAR 1106 would not require construction of new structures or the addition of new employees, the proposed project will not affect in any way any potential flood hazards inundation by seiche, tsunami, or mud flow that may already exist relative to existing facilities or create new hazards at existing facilities. Additionally, since PAR 1106 does not require additional water usage or demand, sufficient water supplies are expected to be available to serve the project from existing entitlements and resources, and no new or expanded entitlements would be needed.

Based upon these considerations, significant hydrology and water quality impacts are not expected from the adoption of PAR 1106 and will not be further analyzed in this Revised Final EA. Since no significant hydrology and water quality impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
X. LAND USE AND PLANNING.				
Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Land use and planning impacts will be considered significant if the project conflicts with the land use and zoning designations established by local jurisdictions.

Discussion

X. a) No Impact. PAR 1106 would not require any new construction or require major modifications to buildings or other structures to comply with the new requirements for marine and pleasure craft coating operations at any of the currently existing facilities. Therefore, PAR 1106 does not include any components that would require physically dividing an established community.

X. b) No Impact. There are no provisions in PAR 1106 that would affect land use plans, policies, or regulations beyond what is currently required from affected sources, such as prohibition of use. Land use and other planning considerations are determined by local governments and no land use or planning requirements would be altered by the new requirements for marine and pleasure craft coating operations. Therefore, as already noted in the discussion under “Biological Resources,” PAR 1106 would not affect in any habitat conservation or natural community conservation plans, agricultural resources or operations, and would not create divisions in any existing communities. Present or planned land uses in the region would not be significantly adversely affected as a result of implementing the proposed project.

Based upon these considerations, significant adverse land use and planning impacts are not expected from the implementation of PAR 1106 and will not be further analyzed in this Revised Final EA. Since no significant land use and planning impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XI. MINERAL RESOURCES. Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Project-related impacts on mineral resources will be considered significant if any of the following conditions are met:

- The project would result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state.
- The proposed project results in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

Discussion

XI. a) & b No Impact. There are no provisions in PAR 1106 that would result in the loss of availability of a known mineral resource of value to the region and the residents of the state, or of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan. Some examples of mineral resources are gravel, asphalt, bauxite, and gypsum, which are commonly used for construction activities or industrial processes. Since the proposed project only affects coating formulations at marine and pleasure craft coating operations, PAR 1106 does not require and would not have any effects on the use of important minerals, such as those described above. Therefore, no new demand for mineral resources is expected to occur and significant adverse mineral resources impacts from implementing PAR 1106 are not anticipated.

Based upon these aforementioned considerations, significant mineral resources impacts are not expected from the implementation of PAR 1106. Since no significant mineral resources impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XII. NOISE. Would the project result in:				
a) Exposure of persons to or generation of permanent noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public use airport or private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Noise impact will be considered significant if:

- Construction noise levels exceed the local noise ordinances or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three decibels (dBA) at the site boundary. Construction noise levels will be considered significant if they exceed federal Occupational Safety and Health Administration (OSHA) noise standards for workers.
- The proposed project operational noise levels exceed any of the local noise ordinances at the site boundary or, if the noise threshold is currently exceeded, project noise sources increase ambient noise levels by more than three dBA at the site boundary.

Discussion

XII. a) No Impact. PAR 1106 would incorporate new requirements and VOC content limits for marine and pleasure craft coating operations that do not generate noise. PAR 1106 would not require any new construction or require major modifications to buildings or other structures to comply with the proposed amended rule at any of the currently existing facilities. All of the affected activities occur within existing facilities. Compliance with the new requirements for marine and pleasure craft coating operations are not expected to adversely affect operations at affected facilities because the existing facilities are expected to already meet the currently proposed requirements. Thus, the proposed project is not expected to expose persons to the generation of excessive noise levels above current facility levels because no change in current operations is expected to occur as a result of the proposed project. It is expected that any facility

affected by PAR 1106 would continue complying with all existing local noise control laws or ordinances.

In commercial environments, Occupational Safety and Health Administration (OSHA) and California-OSHA have established noise standards to protect worker health. It is expected that operators at affected facilities will continue complying with applicable OSHA or Cal/OSHA noise standards, which would limit noise impacts to workers, patrons and neighbors.

XII. b) No Impact. PAR 1106 is not anticipated to expose people to, or generate excessive groundborne vibration or groundborne noise levels since complying with PAR 1106 is not expected to alter operations at affected facilities. Therefore, any existing noise or vibration levels at affected facilities are not expected to change as a result of implementing PAR 1106. Since existing operations are not expected to generate excessive groundborne vibration or noise levels, and PAR 1106 is not expected to alter physical operations, no groundborne vibrations or noise levels are expected from the proposed project.

XII. c) No Impact. No increase in periodic or temporary ambient noise levels in the vicinity of affected facilities above levels existing prior to implementing PAR 1106 is anticipated because the proposed project would not require heavy-duty diesel-fueled construction-related activities nor would it change the existing activities currently performed by marine and pleasure craft coating operations. See also the response to items XII.a) and XII.b).

XII. d) No Impact. Even if an affected facility is located near a public/private airport, there are no new noise impacts expected from any of the existing facilities as a result of complying with the proposed project. Similarly, any existing noise levels at affected facilities are not expected to increase appreciably. Thus, PAR 1106 is not expected to expose people residing or working in the vicinities of public airports to excessive noise levels.

Based upon these considerations, significant adverse noise impacts are not expected from the implementation of PAR 1106 and are not further evaluated in this Revised Final EA. Since no significant noise impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XIII. POPULATION AND HOUSING.				
Would the project:				
a) Induce substantial growth in an area either directly (for example, by proposing new homes and businesses) or indirectly (e.g. through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of people or existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts of the proposed project on population and housing will be considered significant if the following criteria are exceeded:

- The demand for temporary or permanent housing exceeds the existing supply.
- The proposed project produces additional population, housing or employment inconsistent with adopted plans either in terms of overall amount or location.

Discussion

XIII. a) No Impact. The proposed project is not anticipated to generate any significant adverse effects, either direct or indirect, on the district's population or population distribution as no additional workers are anticipated to be required for affected facilities to comply with the proposed amendments. Human population within the jurisdiction of the SCAQMD is anticipated to grow regardless of implementing PAR 1106. As such, PAR 1106 would not result in changes in population densities or induce significant growth in population.

XIII. b) No Impact. Because the proposed project affects marine and pleasure craft coating facilities but does not require additional employees, PAR 1106 is not expected to result in the creation of any new industry that would affect population growth, directly or indirectly, induce the construction of single- or multiple-family units, or require the displacement of people elsewhere. Since the proposed project does not require any construction activities or any additional employees, it would not warrant any new or replacement housing.

Based upon these considerations, significant adverse population and housing impacts are not expected from the implementation of PAR 1106 and are not further evaluated in this Revised Final EA. Since no significant population and housing impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XIV. PUBLIC SERVICES. Would the proposal result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:				
a) Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on public services will be considered significant if the project results in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered government facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response time or other performance objectives.

Discussion

XIV. a) & b) No Impact. PAR 1106 would incorporate new requirements and VOC content limits for marine and pleasure craft coating operations that would have no effect on public services, as no new physical changes at affected facilities are expected. The proposed project does not require any action which would alter and, thereby, adversely affect existing public services, or require an increase in governmental facilities or services to support the affected existing facilities. Current fire, police and emergency services are adequate to serve existing facilities, and the proposed project will not result in the need for new or physically altered government facilities in order to maintain acceptable service ratios, response times, or other performance objectives because no change in operations is expected to occur at affected facilities.

Because the proposed project does not require or involve the use of new hazardous materials or generate new hazardous waste, it will not generate an emergency situation that would require additional fire or police protection, or impact acceptable service ratios or response times.

XIV. c) & d) No Impact. As indicated in discussion under item XIII. Population and Housing, implementing PAR 1106 would not induce population growth or dispersion because no additional

workers are expected to be needed at the existing affected facilities. Therefore, with no increase in local population anticipated as a result of adopting and implementing PAR 1106, additional demand for new or expanded schools or parks is also not anticipated. As a result, no significant adverse impacts are expected to local schools or parks.

Based upon these considerations, significant adverse public services impacts are not expected from the implementation of PAR 1106 and are not further evaluated in this Revised Final EA. Since no significant public services impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XV. RECREATION.				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment or recreational services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts to recreation will be considered significant if:

- The project results in an increased demand for neighborhood or regional parks or other recreational facilities.
- The project adversely affects existing recreational opportunities.

Discussion

XV. a) & b) No Impact. As discussed under “Land Use and Planning” above, there are no provisions in PAR 1106 that would affect land use plans, policies, or regulations. Land use and other planning considerations are determined by local governments. No land use or planning requirements would be altered by the adoption of PAR 1106, which only affect marine and pleasure craft coating operations. Further, PAR 1106 would not affect in any way district population growth or distribution (see Section XIII), in ways that could increase the demand for or use of existing neighborhood and regional parks or other recreational facilities, or require the construction of new or expansion of existing recreational facilities that might have an adverse physical effect on the environment because it would not directly or indirectly increase or redistribute population.

Based upon these considerations, significant recreation impacts are not expected from the implementation of PAR 1106. Since no significant recreation impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVI. SOLID/HAZARDOUS WASTE.				
Would the project:				
a) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Comply with federal, state, and local statutes and regulations related to solid and hazardous waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

The proposed project impacts on solid/hazardous waste will be considered significant if the following occurs:

- The generation and disposal of hazardous and non-hazardous waste exceeds the capacity of designated landfills.

Discussion

XVI. a) & b) No Impact. Adoption of PAR 1106 would subsume Rule 1106.1 within Rule 1106, add a prohibition of possession and sale provision, add transfer efficiency requirements (similar to other SCAQMD coatings rules), and include various clarifications and administrative changes. Additionally, five new coating categories have been established, and the VOC limits for five specialty coatings categories are being lowered based on existing limits that several other air agencies already require (VCAPCD, SDAPCD, and BAAQMD) and to align limits with U.S. EPA Control Techniques Guidelines. The proposed amendments are expected to provide enhanced compliance with the VOC limits through monitoring.

PAR 1106 is not expected to require the replacement of equipment at affected facilities, and therefore, no new solid or hazardous waste impacts specifically associated with PAR 1106 are expected. The affected facilities are expected to be currently in compliance with the proposed amendments, and as a result, no substantial change in the amount of solid or hazardous waste streams is expected to occur. The character of solid or hazardous waste streams are not expected to occur as a result of the adoption of PAR 1106, as no physical change at affected facilities are expected. PAR 1106 is not expected to increase the volume of solid or hazardous wastes from affected facilities, require additional waste disposal capacity, or generate waste that does not meet applicable local, state, or federal regulations. With regard to potential wastewater impacts, please see the discussion under item IX., "Hydrology and Water Quality."

Based upon these considerations, PAR 1106 is not expected to increase the volume of solid or hazardous wastes that cannot be handled by existing municipal or hazardous waste disposal facilities, or require additional waste disposal capacity. Further, adopting PAR 1106 is not expected to interfere with any affected facility's ability to comply with applicable local, state, or federal waste disposal regulations. Since no solid/hazardous waste impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVII. TRANSPORTATION/TRAFFIC.				
Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Significance Criteria

Impacts on transportation/traffic will be considered significant if any of the following criteria apply:

- Peak period levels on major arterials are disrupted to a point where level of service (LOS) is reduced to D, E or F for more than one month.

- An intersection's volume to capacity ratio increase by 0.02 (two percent) or more when the LOS is already D, E or F.
- A major roadway is closed to all through traffic, and no alternate route is available.
- The project conflicts with applicable policies, plans or programs establishing measures of effectiveness, thereby decreasing the performance or safety of any mode of transportation.
- There is an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system.
- The demand for parking facilities is substantially increased.
- Water borne, rail car or air traffic is substantially altered.
- Traffic hazards to motor vehicles, bicyclists or pedestrians are substantially increased.
- The need for more than 350 employees
- An increase in heavy-duty transport truck traffic to and/or from the facility by more than 350 truck round trips per day
- Increase customer traffic by more than 700 visits per day.

Discussion

XVII. a) & b) No Impact. Adoption of PAR 1106 would subsume Rule 1106.1 within Rule 1106, add a prohibition of possession and sale provision, add transfer efficiency requirements (similar to other SCAQMD coatings rules), and include various clarifications and administrative changes. Additionally, five new coating categories have been established, and the VOC limits for five specialty coatings categories are being lowered based on existing limits that several other air agencies already require (VCAPCD, SDAPCD, and BAAQMD) and to align limits with U.S. EPA Control Techniques Guidelines. The proposed amendments are expected to provide enhanced compliance with the VOC limits through monitoring. The adoption of PAR 1106 would not change or cause additional transportation demands or services because no physical change in operations at affected facilities is expected to occur. Therefore, the proposed project would not increase traffic or adversely impact the existing traffic load and capacity of the street system, as the amount of product to be delivered is not anticipated to change nor generate additional services to affect transportation demand. Because the current existing marine and pleasure craft coating facilities are expected to be in compliance with the proposed amendments, no increase in material delivery trips is expected as a result of the proposed project.

Since no construction-related trips and no additional operational-related trips per facility are anticipated, the adoption of PAR 1106 is not expected to significantly adversely affect circulation patterns on local roadways or the level of service at intersections near affected facilities. Since no construction is required, no significant construction traffic impacts are anticipated.

XVII. c) No Impact. PAR 1106 will not require operators of existing facilities to construct buildings or other structures or change the height and appearance of the existing structures, such that they could interfere with flight patterns. Therefore, adoption of PAR 1106 is not expected to adversely affect air traffic patterns. Further, PAR 1106 will not affect in any way air traffic in the region because it will not require transport of any PAR 1106 materials by air.

XVII. d) No Impact. No physical modifications are expected to occur by adopting PAR 1106 at the affected facilities. Additionally, no offsite modifications to roadways are anticipated for the proposed project that would result in an additional design hazard or incompatible uses.

XVII. e) No Impact. Equipment replacements or retrofits associated with adopting PAR 1106 are not expected to occur at the potentially affected existing facilities. Therefore, no changes to emergency access at or in the vicinity of the affected facilities would be expected. As a result, PAR 1106 is not expected to adversely impact emergency access.

XVII. f) No Impact. No changes to the parking capacity at or in the vicinity of the affected facilities are expected with adopting PAR 1106. Adoption of PAR 1106 does not change existing operations, so no new workers at affected facilities or area sources are expected to be necessary to comply with the proposed amendments. Since adoption of PAR 1106 is not expected to require additional workers, no traffic impacts are expected to occur and additional parking capacity will not be required. Therefore, PAR 1106 is not expected to adversely impact on- or off-site parking capacity. PAR 1106 has no provisions that would conflict with alternative transportation, such as bus turnouts, bicycle racks, et cetera.

Based upon these considerations, PAR 1106 is not expected to generate significant adverse project-specific or cumulative transportation/traffic impacts and, therefore, this topic will not be considered further. Since no significant transportation/traffic impacts were identified, no mitigation measures are necessary or required.

	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
XVIII. MANDATORY FINDINGS OF SIGNIFICANCE.				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVIII. a) No Impact. As discussed in the “Biological Resources” section, PAR 1106 is not expected to significantly adversely affect plant or animal species or the habitat on which they rely because PAR 1106 implements new requirements for marine and pleasure craft coating operations, which will primarily be conducted at existing affected facilities. All of the currently affected facilities are located at sites that have already been greatly disturbed and that currently do not support such habitats. PAR 1106 is not expected to induce construction of any new land use projects that could affect biological resources.

XVIII. b) No Impact. Based on the foregoing analyses, cumulative impacts in conjunction with other projects that may occur concurrently with or subsequent to the proposed project are not expected to adversely impact any environmental topic. Related projects to the currently proposed project include existing and proposed amended rules and regulations, as well as AQMP control measures, which produce emission reductions from most industrial and commercial sectors. Furthermore, because PAR 1106 does not generate project-specific impacts, cumulative impacts

are not considered to be "cumulatively considerable" as defined by CEQA Guidelines Section §15065(a)(3). For example, the environmental topics checked 'No Impact' (e.g., aesthetics, agriculture resources, air quality, biological resources, cultural resources energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, solid/hazardous waste and transportation and traffic) would not be expected to make any contribution to potential cumulative impacts. Also, in the case of air quality impacts, the net effect of implementing the proposed project with other proposed amended rules and regulations, and AQMP control measures is an overall reduction in District-wide emissions, thus, contributing to the attainment of state and national ambient air quality standards. Therefore, it is concluded that PAR 1106 has no potential for significant cumulative or cumulatively considerable impacts in any environmental areas.

XVIII. c) No Impact. Based on the foregoing analyses, PAR 1106 is not expected to cause significant adverse effects to human beings. Significant adverse air quality impacts are not expected from the implementation of PAR 1106. Based on the preceding analyses, no significant adverse impacts to aesthetics, agriculture resources, biological resources, cultural resources, energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, solid/hazardous waste and transportation and traffic are expected as a result of the implementation of PAR 1106.

As discussed in items I through XVIII above, the proposed project would have no potential to cause significant adverse environmental effects.

APPENDIX A

PROPOSED AMENDED RULE 1106 AND PROPOSED RESCINDED RULE 1106.1

In order to save space and avoid repetition, please refer to the latest versions of PAR 1106 and proposed rescinded Rule 1106.1 located elsewhere in the May 3, 2019 Governing Board Package.

The versions of PAR 1106 and proposed rescinded rule 1106.1 that were circulated with the Draft SEA which was released on August 19, 2015 for a 30-day public review and comment period ending on September 18, 2015 was identified in Appendix A as follows:

PAR 1106 was identified as version “Proposed Amended Rule August 2015”
Rule 1106.1 was identified as version “PRR1106.1 August 2015”

The versions of PAR 1106 and proposed rescinded rule 1106.1 that was included with the Final SEA in the October 2, 2015 Governing Board Package identified in Appendix A as follows:

PAR 1106 was identified as version “PAR1106 October 2015”
Rule 1106.1 was identified as version “Proposed Rescinded Rule 1106.1 October 2, 2015”

Original hard copies of the Draft SEA and the Final EA for the October 2, 2015 Governing Board Package, which include the draft version of the proposed amended and proposed rescinded rules listed above, can be obtained through the SCAQMD Public Information Center at the Diamond Bar headquarters or by contacting Fabian Wesson, Public Advisor at the SCAQMD’s Public Information Center by phone at (909) 396-2039 or by email at PICrequests@aqmd.gov.

APPENDIX B

**SUSTAINABILITY ADVANTAGES OF ULTRAVIOLET AND ELECTRON BEAM
(UV/EB) CURING - (UV/EB Industry Trade Association Publication)**

Sustainability Advantages of Ultraviolet and Electron Beam Curing

By Ronald Golden

Consumers and suppliers of consumer products are taking an increasingly active interest in environmental issues and “sustainable development.” A number of RadTech members have been approached by their customers with requests to provide information on the contributions that their products can make to the sustainability initiative. In some cases, sustainability may be considered as a criterion in purchasing decisions.

Sustainability Advantages of Ultraviolet and Electron Beam Curing

Ultraviolet (UV) and electron beam (EB) curing offer several significant “sustainability” features

compared to conventional thermal curing processes:

- Reduced use of solvents, lower VOC and HAPS.
 - Reduced energy usage.
 - Reduced fossil fuel usage.
 - Lower greenhouse gas emissions.
 - Reduced or eliminated “end-of-pipe” pollution controls.
 - Reduced transportation requirements.
 - UV and EB inks, coatings and adhesives do not dry out by evaporation...
 - That makes it easier to recover and recycle printing and coating materials.
 - That means they require less solvent to clean up.
 - UV and EB printed/coated packaging materials are recyclable and repulpable.
 - UV/EB curing materials have very low vapor pressures (reduced worker exposure).
- These features have been confirmed by studies that consistently demonstrated that UV and EB curing enable reduced energy usage and greenhouse gas emissions, primarily because of their very high applied solids, and because UV or EB energy is used instead of heat for curing. Thermal curing must heat large volumes of air and/or generate radiant infrared energy to:
- Maintain the thermal curing oven at temperature;
 - Evaporate and remove water and/or solvent;

TABLE 1

Pressure-sensitive adhesive application parameters

	Units	Technology		
		UV-Cured acResin	Solvent	WB Dispersion
Coating Weight	g/m ²	20	20	20
Coating Solids	%	99	47	55
Line Speed	m/min	200	167	100
Web Width	m/min	0.8	0.8	0.8
Production Rate	m ² /hr	9,600	8,016	4,800
Annual Production Time	hr/yr	8,000	8,000	8,000
Annual Production	m ² /yr	76,800,000	64,128,000	38,400,000

TABLE 2

Electrical energy consumption for web coating pressure-sensitive adhesive

	Technology			
	Units	UV-Cured acResin	Solvent	W/B Dispersion
Electricity Consumption				
Adhesive Preparation	kWh/m ²	0.008	0.008	
Coating Application	kWh/m ²	0.009	0.011	
Curing	kWh/m ²	0.028	0.013	
Finishing	kWh/m ²	0.006	0.001	
Solvent Incineration	kWh/m ²	0	0.01	
Electricity Subtotal	kWh/m ²	0.051	0.04	0.14
Annual Electricity Consumption	kWh	3,916,800	2,757,504	5,376,000
Average Cost of Electricity to Industrial Users ⁵	\$/kWh	0.062	0.062	0.062
Annual Electricity Cost		242,842	170,965	333,312
Normalized Electricity Cost	\$/million m ²	3,162	2,666	8,680

- Stay below the lower explosive limit when solvents are present;
- Heat the substrate to the curing temperature; and
- Cure the ink and/or coating.

Moreover, any volatile organic solvent emissions from thermal curing ovens require “end-of-pipe” controls (incineration or solvent capture). Both processes require additional energy input and generate corresponding greenhouse gases.

In contrast, with UV or EB curing processes, reactive monomers replace all or most of the diluting medium and become part of the cured polymer so little if any added volatile solvent or water is needed in the formulation, and effective applied solids can approach 100 percent. Curing is initiated by UV or EB

radiation and is almost instantaneous, the substrate remains cool, and air circulation is mainly for equipment and substrate cooling, and evacuation of any volatiles.

Previous analyses comparing UV/EB processes to competitive solvent and waterborne technologies have also shown substantial reductions in pollution and hazardous waste associated with spent solvent-borne materials and cleanup, as well as significant improvements in product performance and productivity, often at an overall lower net cost.¹

RadTech Sustainability Task Force

RadTech International North America has formed a Sustainability Task Force—comprising a group of raw

material suppliers; ink, coatings and adhesives formulators; equipment manufacturers; end-use converters; and packaging manufacturers—to study and quantify these sustainability characteristics. Specifically, the RadTech Sustainability Task Force has established the following goals:

- Develop comprehensive life cycle analyses for all applicable technology options.
- Develop quantitative comparisons of energy, emissions and resource use of UV/EB processes versus conventional thermal curing alternatives.
- Develop a model to help decision-makers to quantify sustainability factors when evaluating technology options.

Pressure-Sensitive Adhesive Case Study

The most complete published quantitative analysis comparing ultraviolet and waterborne technologies was a 1997 study of the conversion to UV curing from thermal curing of waterborne inks and coatings for exterior aluminum can decoration and coating at Coors Brewing Company.² A previous *RadTech Report* article³ reported how the conversion resulted in a reduction of up to 80 percent in total energy usage in Btu, including electrical power and natural gas. Greenhouse gas emissions showed a corresponding reduction of up to 67 percent. Moreover, these benefits were achieved at a lower net cost for the finished product.

The RadTech Sustainability Task Force was seeking a more recent study to develop a similar comparison using current energy and emissions factors. BASF Corporation generously provided RadTech with the raw data from their ecoefficiency evaluation of waterborne, solvent and UV web-applied pressure sensitive adhesives⁴ as the

TABLE 3**Natural gas consumption for web coating pressure-sensitive adhesive**

Technology				
	Units	UV-Cured acResin	Solvent	W/B Dispersion
Natural Gas Subtotal	1000 ft ³ /m ²	0	0.0033	0.003
Curing	1000 ft ³ /yr	0	147,494	115,200
Solvent Incineration	1000 ft ³ /yr	0	64,128	0
Annual Natural Gas Demand	1000 ft ³	0	211,622	115,200
Normalized Natural Gas Consumption	1000 ft ³ /million m ²	0	3,300	3,000
Natural Gas Price to Industrial Users ⁶	\$/1000 ft ³	N/A	8.00	8.00
Annual Natural Gas Cost		0	1,693,000	922,000

basis for the following quantitative analysis. Table 1 shows the application parameters. Tables 2, 3 and 4 show a comparison of the energy demand components for each coating technology.

The higher solids of the UV coating also means reduced energy required to transport the coating from the formulator to the application site. Table 4 shows the transportation energy required to deliver enough of each type of coating to cover 76,800,000 square meters at an applied coat weight of 20 g/m².

Table 5 shows a comparison of the total energy requirements of each of the three technologies, normalized to Btu/square meter of coated surface. Conversion of electrical energy MWh to Btu is based on an average heat rate of 9.713 million Btu/MWh; conversion of natural gas usage to Btu is based on 1,031 Btu per cubic foot.

On a normalized basis (Btu per square meter of coated substrate) the

UV-cured resin requires up to 89 percent less energy, compared to solvent and waterborne systems.

Greenhouse Gas Emissions

Both generation of electrical energy and combustion of natural gas generate corresponding greenhouse gas emissions (Table 6).

Factors for conversion of electrical MWh and combustion of various fuels to greenhouse gas emissions are based on data published by the U.S. Energy Information Administration and the U.S. Environmental Protection Agency (EPA).⁹ On a normalized basis (MT CO₂ per million square meters of coated substrate), the UV-cured resin generates up to 87 percent less carbon dioxide, compared to thermal curing solvent and waterborne systems.

UV-Cured Products Are Recyclable

Trials at Beloit Corporation confirmed that UV/EB inks and coatings repulp easily.¹⁰ Mill scale trials show that UV/EB-coated waste can be incorporated into standard furnish with no detrimental effects on product quality. The study concluded that UV- and EB-printed and coated

TABLE 4**Transportation energy requirements on an equal coverage basis**

Technology				
	Units	UV-Cured acResin	Solvent	W/B Dispersion
Normalized Annual Coating				
Solids	MT	1,538	1,538	1,538
Liquid Annual Coating				
Volume	MT	1,553	3,272	2,796
Net Truckload	MT	20	20	20
Truckloads/Year		76	160	137
Diesel Fuel Usage*	gal/yr	6,781	14,365	12,275
Energy Consumption**	Million Btu/yr	943	1,997	1,706

*Based on an average 500-mile delivery trip and fuel mileage of 5.7 mpg⁷

**Based on 139,000 Btu per gallon of diesel fuel⁸

TABLE 5**Overall energy requirements on an equal coverage basis**

	Technology			
	Units	UV-Cured acResin	Solvent	W/B Dispersion
Electricity Consumption	MWh/yr	3,917	2,758	5,376
Natural Gas-Curing	kft ³ /yr	0	147,494	115,200
Natural Gas-VOC Incineration	kft ³ /yr	0	64,128	
Transportation	Million Btu/yr	943	1,997	1,706
Total Energy Demand	Million Btu/yr	38,986	246,963	172,695
Normalized Total Annual Energy Demand	Btu/m ² /yr	508	3,851	4,497

paper can be recycled into tissue and/or fine paper grades using commercially available equipment.

Moreover, the high gloss and abrasion resistance of UV- and EB-cured coatings in some cases, can enable replacement of laminated structures with printed inks and coatings. Laminated paper and plastics are difficult to recycle due to problems with separating two incompatible types of materials. UV/EB printed inks and coatings break down under recycling process conditions, permitting effective recycling of both paper and plastic structures that formerly were intractable in laminated form.

Summary

In summary, UV and EB curing have numerous “sustainability” characteristics:

- Substantial reductions in energy demand.

- Reduced transportation costs and emissions.
- Safer workplace.
- Recyclable inks, coatings and product wastes.
- Positive performance advantages and economic returns.

Where Do We Go From Here?

The RadTech Sustainability Task Force has already developed “cradle-to-grave-to-cradle” life cycle analyses for the various coating and printing technologies, including energy usage, carbon footprint, transportation, emissions controls, waste, recyclability and more at each stage of production of raw materials and finished products, as well as the end use of the products and their disposal and recycling. Current plans include working with industry, academic and government partners on demonstration projects to develop additional data and practical insights. The resulting data will be used to develop additional quantitative analyses, as well as a working model for technology comparison, including economic factors. ▀

TABLE 6**Greenhouse gas (CO₂) emissions**

	Technology			
	Units	UV-Cured acResin	Solvent	W/B Dispersion
Transportation	MT/yr	70	146	125
Electricity Consumption	MT/yr	2,389	1,682	3,279
Natural Gas	MT/yr	-	11,600	6,315
Total	MT/yr	2,459	13,429	9,719
Normalized Greenhouse Emissions	MT CO ₂ /million m ²	32	209	253

References

1. (a) Electric Power Research Institute (EPRI), *UV Curable Coatings for Wood Meet Manufacturer's Challenges*, Report TA-112685 (1999); www.epri.com; (b) Commonwealth of Massachusetts Executive Office of Environmental Affairs, Office of Technical Assistance, New Coatings Technologies Provide Big Payoffs For Kidde-Fenwall, Inc., Toxics Use Reduction Case Study No. 43, (1996); www.magnet.state.ma.us/ota; (c) Northeast Waste Management Officials' Association (NEWMOA), Northeast States for Coordinated Air Use Management (NESCAUM), Wood Furniture Finishing, Ultraviolet Radiation Cured Coatings and Aqueous-Based Coatings, Hussey Seating Company of North Berwick, Maine, Pollution Prevention Case Study (1997); www.newmoa.com; (d) Wood Furniture Coatings Case Study, Artistic Finishes, Inc., Roseville, MN, The Minnesota Technical Assistance Program, www.mntap.umn.edu/paint/Case%20Studies%20article%202.doc
2. Robert Brady et al., Evaluation of UV-Curable Coatings for Aluminum Can Production, National Industrial Competitiveness through Efficiency, Environment and economics (NICE3) Project #DE-FG48-93R810499, June 9, 1997
3. Ronald Golden, "Low-Emission Technologies: A Path to Greener Industry," *RadTech Report*, May/June 2005, p 14
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**PROPOSED AMENDED RULE
1106 – MARINE AND
PLEASURE CRAFT COATINGS**

**RESCISSION OF RULE 1106.1 –
& PLEASURE CRAFT COATING
OPERATIONS**

**GOVERNING BOARD MEETING
MAY 3, 2019**



BACKGROUND

- Rules 1106 & 1106.1 limit VOC from coatings applied to marine vessels and pleasure craft
- Rule covers:
 - Manufacturers, distributors and suppliers of marine and pleasure craft coatings
 - Shipyards, boatyards, marinas, and large ship sites using marine and pleasure craft coatings
 - 14 active shipyards, boatyards and marinas
 - 3 large ship sites
- Rule 1106 last amended in 1995; Rule 1106.1 last amended in 1999
- Rulemaking previously conducted
 - October 2, 2015 Public Hearing



PURPOSE OF PROPOSED AMENDMENTS

Clarify Rule Requirements

- Clarify applicability provisions and update rule language
- Combine the requirements of Rules 1106 and 1106.1 into a single rule

Meet U.S. EPA Control Technique Guidelines and NESHAP Requirements

- Align VOC limits with U.S. EPA Control Techniques Guidelines and other air districts
- Add new categories for coatings and sealants – align with U.S. EPA NESHAP
- Add application equipment transfer efficiency requirements – align with U.S. EPA NESHAP

Enhance Enforceability

- Prohibit possession and sale of non-compliant coatings – consistent with other South Coast AQMD coating rules

PREVIOUS RULEMAKING

4

February – June 2015 Pre-Rulemaking Effort

- Observed non-compliance with Rules 1106 & 1106.1 and other related South Coast AQMD VOC rules at end-user facilities
- During site visits, many end-users were unfamiliar with rule requirements

June – September 2015 Rulemaking Effort

- Proposed amendments to clarify rule requirements, enhance enforceability and align with U.S. EPA Control Techniques Guidelines and other air districts
- Staff worked with industry representatives and interested stakeholders on proposed amendments and addressed their concerns

October 2, 2015 Public Hearing

- Concerns expressed with added recordkeeping and reporting requirements
- No other concerns expressed regarding other rule provisions
- Proposal was not amended due to stakeholder concerns with additional recordkeeping requirements

CURRENT RULEMAKING



- Staff continuing rulemaking effort from October 2, 2015 Public Hearing
 - Current proposal similar to previous proposal, *except no added labelling, recordkeeping or reporting requirements*
 - Staff continued to find non-compliance with rule requirements and confusion among stakeholders
- Two Working Group Meetings, a Public Workshop, and Reviewed by Stationary Source Committee
 - Concerns were raised by one stakeholder

ISSUE ADDRESSED #1

Stakeholder Comment

- Exemption should be offered for UV/EB/LED-cure materials

Staff Response

- Provide an exemption for marine and pleasure craft coatings that have a VOC content of 50 g/L or less
- For energy curable coatings, manufacturer must provide formulation data and ASTM D7767-11 test results to demonstrate VOC content to qualify for exemption

ISSUE ADDRESSED #2

Stakeholder Comment

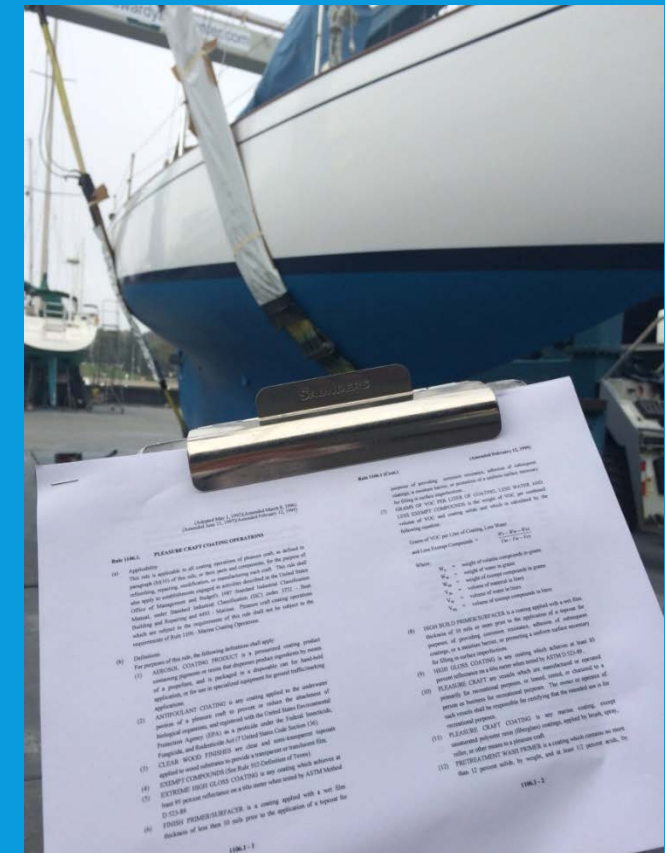
- The UV/EB/LED industry requests inclusion of ASTM D7767-11 as a test method for determination of VOC content

Staff Response

- Will allow ASTM D7767-11 test results, in conjunction with product formulation data, to determine VOC content for the purposes of qualifying for proposed 50 g/L VOC or less exemption

IMPACT ASSESSMENT

- Proposed amendments are administrative:
 - No emission impact anticipated
 - Update VOC limits to match U.S. EPA CTGs and other air districts that have lower limits (BARCT)
 - Coatings meeting prescribed VOC limits already available
 - No cost impact anticipated
 - Compliant products already available and being used
 - Cost of affected coating products not expected to change



RECOMMENDATIONS

- Certify the Revised Final Environmental Assessment
- Amend Rule 1106
- Rescind Rule 1106.1

