

# Mojave Desert Air Quality Management District Governing Board Meeting

## Agenda

### LOCATION

**MOJAVE DESERT AQMD BOARD CHAMBERS  
14306 PARK AVENUE VICTORVILLE, CA 92392  
MONDAY, JUNE 26, 2017  
10:00 AM**

### TELECONFERENCE LOCATION(S)

San Bernardino County Government Center  
385 N. Arrowhead Ave., Fifth Floor  
San Bernardino, CA 92415

Riverside County Board of Supervisors  
73-710 Fred Waring Drive, Ste. 222  
Palm Desert, CA 92260

Blythe City Hall, Conference Room A  
235 N. Broadway  
Blythe, CA 92225

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO THREE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

Except where noted, all scheduled items will be heard in the Chamber of the Governing Board, Mojave Desert AQMD Offices, 14306 Park Avenue, Victorville, CA and the teleconference location(s). Please note that the Board may address items in the agenda in a different order than the order in which the item has been posted.

**CALL TO ORDER 10:00 A.M.**

Pledge of Allegiance.

Roll Call.

Items with potential Conflict of Interests - for information only. None.

PUBLIC COMMENT

**CLOSED SESSION**

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Name of Case: Michele Baird vs MDAQMD et. al CIVDS 1612446 San Bernardino County Superior Court (Government Code Section 54956.9).

**OPEN SESSION**

Disclosure of any Reportable action taken in Closed Session; and the Vote and Abstention of every Member Present in the Closed Session.

**CONSENT CALENDAR**

2. [Approve Minutes from Regular Governing Board Meeting of June 12, 2017.](#)
3. [Amend the MDAQMD Exempt Compensation Plan \(ECP\) to incorporate changes in specified terms and conditions, to conform to the recently adopted Memorandum of Understanding \(MOU\) and make other administrative changes. Presenter: Brad Poiriez.](#)
4. [Adopt a Resolution authorizing a policy allowing nonexempt employees to sell back or convert leave to cash during the course of employment; and direct the Executive Director to revise or develop appropriate documents to implement the policy, including any necessary revisions or restrictions as may be required by applicable by law. Presenter: Jean Bracy.](#)
5. [Adopt a Resolution for the Election of Directors to the Special District Risk Management Authority Board of Directors to select Jean Bracy and up to three others as candidates of the Board's selection. Presenter: Brad Poiriez.](#)
6. [Receive and file the Legislative Report for June 8, 2017. Presenter: Brad Poiriez.](#)

## **ITEMS FOR DISCUSSION**

7. DEFERRED ITEMS.
8. PUBLIC COMMENT.
9. Conduct a Continued Public Hearing to receive comments and staff presentation for the proposed MDAQMD Budget for FY 2017-18: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a resolution approving and adopting the budget for FY 2017-18. Presenter: Jean Bracy.
10. Approve spending authority for the District consistent with the Fiscal Year 2016-17 Budget until the FY 2017-18 Budget is adopted. Presenter: Jean Bracy.
11. Conduct a continued public hearing to consider the amendment of Regulation III – Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Regulation III – Fees and directing staff actions. Presenter: Alan De Salvio.
12. Conduct a public hearing to consider the amendment of Rule 1158 – Electric Generating Facilities and approval of California Environmental Quality Act (CEQA) documentation. : a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Direct staff actions. Presenter: Alan De Salvio.
13. Conduct a public hearing to consider amendments to proposed Rule 1162 – Polyester Resin Operations and 2. Continue public hearing to July 24, 2017. Presenter: Alan De Salvio.
14. Reports: Executive Director.
15. Board Members Comments and Suggestions for future agenda items.

*In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact Deanna Hernandez during regular business hours at 760.245.1661 x6244. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.*

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at the District Office at 14306 Park Avenue, Victorville, Ca 92392 or by contacting Deanna Hernandez at 760.245.1661 x6244 or by email at [dhernandez@mdaqmd.ca.gov](mailto:dhernandez@mdaqmd.ca.gov) .

**Mailed & Posted on: Thursday, June 15, 2017**

Approved:

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Deanna Hernandez



The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of June 12, 2017.](#)

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
REGULAR GOVERNING BOARD MEETING  
MONDAY, JUNE 12, 2017 - 10:00 A.M.  
BOARD CHAMBERS, MDAQMD OFFICES  
VICTORVILLE, CA**

MINUTES

Board Members Present:

Jim Cox, Chair, City of Victorville  
Jeff Williams, Vice Chair, City of Needles  
Carmen Hernandez, City of Barstow  
Joseph “Joey” DeConinck, City of Blythe  
Robert Leone, Town of Yucca Valley  
John Cole, City of Twentynine Palms  
Barbara Riordan, Public Member  
V. Manuel Perez, Riverside County  
Robert Lovingood, San Bernardino County

Board Members Absent:

James Ramos, San Bernardino County  
Paul Russ, City of Hesperia  
Barb Stanton, Town of Apple Valley  
Ed Camargo, City of Adelanto

**CALL TO ORDER**

Chair **JIM COX** called the meeting to order at 10:02 a.m. and asked Executive Director Brad Poiriez to lead the Pledge of Allegiance.

**MOVED TO SWEARING-IN OF NEW BOARD MEMBER SUPERVISOR V. MANUEL PEREZ**

Chair **JIM COX** moved to the swearing-in of new Board Member **V. MANUEL PEREZ**. New Board Member **V. MANUEL PEREZ** was sworn-in.

Chair **JIM COX** asked for roll call; roll was called.

Chair **JIM COX** called for items with potential conflict of interest – for information only: Item #5 - Governing Board Members, and Jay Rook, DO MPH; Item #10 - Governing Board Members; and Directors and Officers of the Teamsters Local 1932.

Chair **JIM COX** called for PUBLIC COMMENT – None made at this time.

**CLOSED SESSION**

Upon Motion by Board Member **ROBERT LOVINGOOD**, Seconded by Board Member **BARBARA RIORDAN** and carried by unanimous roll call vote, the Board adjourned to Closed

Session at 10:07 a.m.

Agenda Item 1 - CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6). Agency Designated Representatives: Roger Crawford & Brad Poiriez. Employee Organization: Teamsters Local 1932.

Agenda Item 2 - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Name of Case: Michele Baird vs MDAQMD et. al CIVDS 1612446 San Bernardino County Superior Court (Government Code Section 54956.9).

OPEN SESSION - Disclosure of any Reportable Action(s) taken in Closed Session(s); and the Vote and Abstention of Every Member Present in the Closed Session.

**The Governing Board reconvened to open session at 10:34 a.m.**, and District Counsel **Karen Nowak** stated that the Board met in Closed Session on Items #1 and #2 with no reportable action for either item.

**CONSENT CALENDAR** - The following consent items were acted upon by the Board at one time without discussion, upon motion by Board Member **ROBERT LOVINGOOD**, Seconded by Board Member **BARBARA RIORDAN**, and carried by unanimous roll call vote, with nine **AYES** votes by Board Members **JOSEPH DECONINCK, V. MANUEL PEREZ, ROBERT LOVINGOOD, CARMEN HERNANDEZ, BARBARA RIORDAN, JIM COX, JOHN COLE, JEFF WILLIAMS and ROBERT LEONE** as follows:

Agenda Item 3 – Approve Minutes from Regular Governing Board Meeting of April 24, 2017.  
**Approved** the minutes from the Regular Governing Board meeting of April 24, 2017.

Agenda Item 4 – Amend Governing Board Policy 94-2, Travel.  
**Amended** Governing Board Policy 94-2, Travel.

Agenda Item 5 – Appoint Jay Rook, DO MPH to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the Health Member for a 3 year term to expire June 12, 2020.  
**Appointed** Jay Rook, DO MPH to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the Health Member for a 3 year term to expire June 12, 2020.

Agenda Item 6 – Receive and File the Financial Report for FY 17, the period February and March 2017 which provides financial information and budget performance concerning the fiscal status of the District.  
**Received and Filed** the Financial Report for FY 17, the period February and March 2017 which provides financial information and budget performance concerning the fiscal status of the District.

Agenda Item 7 – Receive and File: The Legislative Report for May 24, 2017.  
**Received and Filed** the Legislative Report for May 24, 2017.

Agenda Item 8 – DEFERRED ITEMS:

None

Agenda Item 9 – PUBLIC COMMENT.

None

Agenda Item 10 – Adopt a Resolution to: 1) enter into an agreement with Teamsters Local 1932 (“Teamsters”) for employees in the General Unit and adopt the Memorandum of Understanding (“MOU”) effective July 1, 2017; 2) Authorize conforming changes in terms and conditions, as specified, for exempt employees in the Exempt Compensation Plan (“ECP”); 3) Authorize conforming changes to the MDAQMD Personnel Policies & Procedures (“PPP”); and 5) Direct staff actions.

**Adopted** a Resolution to: 1) enter into an agreement with Teamsters Local 1932 (“Teamsters”) for employees in the General Unit and adopt the Memorandum of Understanding (“MOU”) effective July 1, 2017; 2) **Authorized** conforming changes in terms and conditions, as specified, for exempt employees in the Exempt Compensation Plan (“ECP”); 3) **Authorized** conforming changes to the MDAQMD Personnel Policies & Procedures (“PPP”); and 5) **Directed** staff actions. Upon motion by Board Member **ROBERT LOVINGOOD**, Seconded by Board Member **JOHN COLE**, and carried by unanimous roll call vote, with nine **AYES** votes by Board Members **JOSEPH DECONINCK, V. MANUEL PEREZ, ROBERT LOVINGOOD, CARMEN HERNANDEZ, BARBARA RIORDAN, JIM COX, JOHN COLE, JEFF WILLIAMS and ROBERT LEONE** the Board **adopted** RESOLUTION 17-07, titled, “A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT TO ADOPT A FIVE-YEAR AGREEMENT WITH TEAMSTERS LOCAL 1932 FOR REPRESENTED EMPLOYEES IN THE GENERAL UNIT EFFECTIVE JULY 1, 2017; AUTHORIZE CONFORMING AMENDMENTS IN THE EXEMPT COMPENSATION PLAN AND THE PERSONNEL POLICIES AND PROCEDURES; AND DIRECT STAFF ACTIONS.”

Agenda Item 11 – Conduct a Public Hearing to receive comments and staff presentation for the proposed MDAQMD Budget for FY 2017-18: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing and continue the item to the Governing Board meeting of June 26, 2017 for adoption.

Chair **JIM COX** opened the public hearing. Staff Member Jean Bracy presented the staff report. Chair **JIM COX** solicited public comment, being none; Chair **JIM COX continued** the item to the Governing Board Meeting of June 26, 2017.

Agenda Item 12 – Conduct a public hearing to consider the amendment of Regulation III – Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Continue public Hearing to June 26, 2017.

Chair **JIM COX** opened the public hearing. Executive Director Brad Poiriez and Staff Member Alan De Salvio presented the staff report. Chair **JIM COX** solicited public comment, being none; Chair **JIM COX continued** the item to the Governing Board Meeting of June 26, 2017.

Agenda Item 13 – Conduct a public hearing to consider the amendment of Rule 1158 – Electric Generating Facilities and approval of California Environmental Quality Act (CEQA) documentation. : a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Continue public hearing to June 26, 2017.

Chair **JIM COX** opened the public hearing. Staff Member Alan De Salvio presented the staff report. Chair **JIM COX** solicited public comment, being none; Chair **JIM COX continued** the item to the Governing Board Meeting of June 26, 2017.

Agenda Item 14 – Conduct a public hearing to consider amendments to proposed Rule 1162 Polyester Resin Operations and 2. Continue public hearing to June 26, 2017.

Chair **JIM COX** opened the public hearing. Staff Member Alan De Salvio presented the staff report. Chair **JIM COX** solicited public comment, being none; Chair **JIM COX continued** the item to the Governing Board Meeting of June 26, 2017.

Agenda Item 15 – Conduct a public hearing to consider the amendment of Rule 102 – Definition of Terms: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 102 and directing staff actions.

Chair **JIM COX** opened the public hearing. Staff Member Alan De Salvio presented the staff report. Chair **JIM COX** solicited public comment, being none; Chair **JIM COX** closed the public hearing. Upon Motion by Board Member **CARMEN HERNANDEZ**, Seconded by Board Member **ROBERT LEONE**, and carried with nine **AYES** votes by Board Members **JOSEPH DECONINCK, V. MANUEL PEREZ, ROBERT LOVINGOOD, CARMEN HERNANDEZ, BARBARA RIORDAN, JIM COX, JOHN COLE, JEFF WILLIAMS and ROBERT LEONE** the Board **adopted** RESOLUTION 17-08, titled, “A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 102 – *DEFINITION OF TERMS* AND DIRECTING STAFF ACTIONS.”

Agenda Item 16 – Reports:

Executive Director Brad Poiriez:

- Mr. Poiriez welcomed Supervisor Perez and thanked Supervisor Ashley for his time and service to the District.
- Mr. Poiriez acknowledged two service milestone of 5 years to Barbara Lods and Jason Mentry

Mr. Poiriez updated the Board of past events:

- May 12<sup>th</sup> – the District held an employee picnic at Sunset Ridge Park – good food, fun

- games and a good time was had by all;
- May 25<sup>th</sup> – CARB adopted the District’s 2008 75 ppb RACT Ozone SIP;
  - June 1<sup>st</sup> – Conference call with the Governor’s office regarding AB 378 – bill did not pass, going on a 2 year suspension, worked on language; Governor wants to address through budget;
  - June 6<sup>th</sup> – EPA announced a 1 year delay on 2015 Ozone Standard Designations;
  - June 6<sup>th</sup> – the District was officially notified by EPA confirming that there will not be any negative impacts in terms of AMA Designations of Ozone due to last year’s exceedances due to the wildfires that the District had filed exceptional event notifications.

Mr. Poiriez informed the Board of upcoming events:

- There might not be a need for the July Board meeting as it may be difficult to get a quorum – although would like to hold a Personnel Committee meeting on July 24<sup>th</sup>;
- Save the Date for CDAWG November 15<sup>th</sup> & 16<sup>th</sup> in Reno, NV;
- Reminder of the scheduled Governing Board meeting June 26<sup>th</sup>.

Agenda Item 17 - Board Member Comments and Suggestions for Future Agenda Items.

None made at this time.

Being no further business, Chair **JIM COX** adjourned the meeting at **11:14 a.m.** to the next Regular Meeting of **June 26, 2017**.

The following page(s) contain the backup material for Agenda Item: [Amend the MDAQMD Exempt Compensation Plan \(ECP\) to incorporate changes in specified terms and conditions, to conform to the recently adopted Memorandum of Understanding \(MOU\) and make other administrative changes.](#) Presenter: Brad Poiriez.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

***AGENDA ITEM 3***

**DATE:** June 26, 2017

**RECOMMENDATION:** Amend the MDAQMD Exempt Compensation Plan (ECP) to incorporate changes in specified terms and conditions to conform to the recently adopted Memorandum of Understanding (MOU), and make other administrative changes.

**SUMMARY:** This item amends the ECP to conform to specified terms and conditions included in the MOU between the MDAQMD and Teamsters Local 1932 (Teamsters) effective July 1, 2017; and to make other administrative changes including, but not limited to, changes to reflect recent modifications to various classifications.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The ECP is the written description of the benefits, compensation, and special provisions available to classifications designated as exempt. The classifications included in the ECP are those positions which are exempt from payment of overtime under the Fair Labor and Standard Act (FLSA). There are certain benefits provided employees in the Exempt Groups that are separate and distinct from benefits provided to the represented classifications in the General Unit.

This recommendation amends the ECP by conforming certain terms and conditions for employees in exempt groups to the terms and conditions recently adopted in an MOU with the Teamsters. A background discussion and description of the specific changes are included in Exhibit 1 and a Redline version of the ECP is attached as Exhibit 2.

**REASON FOR RECOMMENDATION:** Governing Board action is necessary to change policies such as the ECP.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form on or about June 12, 2017.



**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 3*

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**FINANCIAL DATA:** The approximate cost for the proposed wage adjustments is \$40,000 (together with the adjustments for Teamsters members). A number of negotiated terms have various values based on participation by employees and some have no direct cost. The proposed budget for FY 18 includes the costs associated with the recommended terms and conditions.

**PRESENTER:** Brad Poiriez, Executive Director/APCO

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 3*

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Exhibit 1

Policy Documents

The MDAQMD Exempt Compensation Plan (ECP) is the written description of the benefits, compensation, and special provisions available to classifications designated as exempt. The classifications included in ECP are exempt from payment of overtime under the Fair Labor and Standard Act (FLSA). These classifications generally meet the duties tests by performing exempt job duties. Employees in the classifications included in the Exempt Groups are not represented by any labor organization at this time.

The personnel management of MDAQMD employees is also governed by other documents. The Personnel Policies and Procedures (PPP) contains broad policies and applies to all employees. The Memorandum of Understanding (MOU) is a negotiated labor contract which applies to the employees in the General Unit represented by the Teamsters Local 1932. On June 12, 2017 the Governing Board adopted five year successor MOU with the Teamsters Local 1932.

Amendments to District personnel documents such as the PPP and MOU are subject to meet and confer with the employees union. The ECP has no requirement for meet and confer as the classifications included are not represented.

Recommended Revisions to the ECP – The proposed specified changes, summarized below, conform to the terms and conditions of the proposed five year MOU expected to be effective July 1, 2017, and generally follow the order of the ECP. In addition, there are two specific administrative changes specific to the ECP (update the classifications and revise Administrative Leave allowances)

I. Exempt Classification Groups – this **administrative change** reflects recent organizational changes and updates the position classifications named as well as their assigned exempt groups.

III. Benefits –

A. Health and Dental - An **administrative change** will shift the effective date for the annual adjustment for the Flexible Benefit Plan (health benefit subsidy). This action will withhold premium contributions in advance of the District's obligation for the monthly medical insurance payment. This change conforms the ECP to the terms provided in the MOU.

B. Other Benefits –

9. **Cell phone stipend.** This **new** benefit provides an annual stipend (\$125) to employees who choose to use their personal cell phones in the course and scope of their work, subject to some limitations. This is voluntary and employees will be asked to sign a waiver/disclosure addressing the use of their personal devices and acknowledgement regarding potential retention and disclosure under the California

**MINUTES OF THE GOVERNING BOARD  
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VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 3*

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Public Records Act. This change conforms the ECP to the terms provided in the MOU.

10. **Wellness Program.** This **new** benefit provides reimbursement up to \$240 per year for employees who pay for and participate in programs that promote personal health. Examples include gym memberships, weight loss programs, smoking cessation, or other similar wellbeing programs. This change conforms the ECP to the terms provided in the MOU.
11. **Holiday Closure.** The District approved holidays shortens the work weeks between (approximately) December 23 and January 3 each year. This action will close the office on the working days (two days each year of the contract, and three days in one year) between Christmas and New Year's, on dates that vary each year of the contract. These days will be paid without impacting employees' leave accruals. This change conforms the ECP to the terms provided in the MOU.
12. **Bereavement Leave.** This **new** benefit provides up to three days paid leave to employees who have a death in their immediate family. In addition, the PPP provides that a death in the family is considered an allowable use of accrued sick leave. This change conforms the ECP to the terms provided in the MOU.

C. Retirement Program

1. Retirement Program. The recommended change initiates a long term plan to **shift retirement costs** associated with the employee's required contribution from the District to the employee. The District contracts with the San Bernardino County Employees Retirement Association (SBCERA) for retirement benefits. This "1937 Act" Retirement System is similar, but not the same, as CalPERS; each employee hired before January 1, 2013 has a unique contribution amount based on age of entry. The District has picked up 7% of the required contribution for employees hired before June 30, 2009. Employees hired after July 1, 2009 pay the first 7% of the required contribution. Employees (new members to SBCERA) hired after January 1, 2013 have a fixed rate as specified in retirement reform legislation. On July 1, 2017 the contribution rate for employees in this group will be 8.74%.

This recommendation will shift contributions 1% per year each year of the agreement until the employee is paying 10% of the required contribution. For example, the District will reduce the "7% pickup" each year for the next five years for "pre-2009" employees. "Post-2009" employees will increase their contribution 1% per year or until their 7% contribution reaches 10%. Employees hired after January 1, 2013 and subject to the fixed rate are unaffected by this action. In Section V.A Compensation/Wages, a portion of the wage adjustment serves to "offset" the new cost to employees. This change conforms the ECP to the terms provided in the MOU.

5. **401(a) Matching Contribution Plan.** This action **fixes at 6%** (of the contributed amount, up to the maximum allowed by law) the District's "match" into a deferred

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 3*

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compensation plan for employees who contribute to the District's 457 Deferred Compensation Plan. This method replaces a plan where the match was tiered (1%, 2%, 4%, and 6%) based on the amount of the contribution up to the maximum allowed by law. This change conforms the ECP to the terms provided in the MOU.

V. Compensation

A. Wages - This change conforms the ECP to the terms provided in the MOU:

- **2.0%** on July 1, 2017
- **2.0%** on July 1, 2018
- **2.0%** on July 1, 2019
- **2.5%** on July 1, 2020
- **2.5%** on July 1, 2021

VI. Leave Provisions

D. Administrative Leave. This leave is provided in lieu of overtime to employees in the exempt groups. This recommended **administrative change** adjusts the leave hours for employees in Group B by **increasing the allowance** from 20 hours per year to 26 hours per year. On October 24, 2016 the Governing Board approved an amendment to the ECP that modified this benefit (reduced the hours from 80 to 20) for employees hired on or after that date. Applying this benefit through the payroll system requires an accrual of less than one hour per payperiod. The District's payroll has 26 pay periods and applying a whole number is convenient and practical with minimal cost per year.

VII. Special Provisions. "Subsistence" was renamed, "**Meals and Expenses**" and rather than fixed amounts for expenses, allowances will be associated with the schedule published by the General Services Administration (GSA) which is reflective of the region where the travel occurs. This change conforms the ECP to the terms provided in the MOU.

If adopted these changes will be effective July 1, 2017 along with those approved for the represented employees.



***EXEMPT  
COMPENSATION  
PLAN***

*Amended **October 24, 2016**  
**July 1, 2017***

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## **INTRODUCTION**

1. This Exempt Compensation Plan (“Plan”) provides written description of the benefits, compensation, and special provisions available to positions and/or classifications defined herein but generally those not represented in the General Bargaining Unit established in January, 1994, and subsequently amended or the Confidential Group as established September 26, 2011 and subsequently amended.
2. This Plan is not intended to serve as a representation document for the specified classifications. This Plan is not intended to serve as a negotiating tool and it is not a collective bargaining agreement nor was it created by any negotiating team. This Plan shall in no manner be interpreted as a guaranteed or implied contract between the District and any employee or group of employees.

## **I. EXEMPT CLASSIFICATION GROUPS**

The classifications generally referred to in this Plan are employee positions that are strategically placed to drive the District’s business processes. The incumbents in these positions, and those that may be identified in the future, formulate or administer significant executive policy, employee relations responsibilities and/or District confidential, proprietary information.

1. Group E Executive Management

Executive Director/APCO

2. Group A Management

Deputy Director / Mojave Desert Operations  
Deputy Director / Antelope Valley Operations  
Deputy Director / Administration  
District Counsel

3. Group B Program Management

Finance Manager  
Community Relations & Education Manager  
Human Resources Specialist  
~~Executive Assistant~~  
~~Records Management Specialist~~  
~~Executive Office Manager~~  
Compliance Supervisor  
Permit Engineering Supervisor  
Air Monitoring Supervisor

## **II. ADMINISTRATION OF PERSONNEL**

### **A. PROMOTIONS**

A promotion is the appointment of an employee from one classification to a classification having a higher base salary range. A promoted employee shall receive at least the entrance rate of the new range or a two range salary increase, whichever is greater; provided that no employee is thereby advanced in step nor advanced above the top (or final) step of the higher base salary range. The APCO may approve placing an employee at any step within the higher base salary range. Promotions shall be effective only at the beginning of a pay period unless an exception is approved by the APCO.

### **B. DEMOTIONS**

A demotion is the appointment of an employee from an incumbent position to a position in a different classification for which the maximum rate of pay is lower. An employee demoted for disciplinary reasons shall be placed on the step within the base salary range of the class to which demoted as provided in the disciplinary action.

An employee demoted for non-disciplinary reasons shall be retained at the same salary rate, provided, that the salary rate does not exceed the top (or final) step of the salary range of the demoted class, except that such an employee may be placed on an "X" step as provided herein, with the approval of the APCO.

### **C. DUAL APPOINTMENTS**

The appointment of two full-time employees to the same budgeted regular position may be authorized by the APCO to facilitate training, to make assignments to a position which is vacant due to extended authorized leave of absence, or in an emergency. The most recently hired dual appointee shall enjoy all of the benefits of regular employees except regular status.

## **III. BENEFITS**

### **A. FLEXIBLE BENEFIT PLAN**

Each regular, full-time employee holding a position that is identified in an Exempt Group as defined herein shall be eligible for health, dental, vision and disability programs offered by the District. Qualified dependents of regular full-time employees shall be eligible for health, dental, and vision programs offered by the District.

#### **1. HEALTH AND DENTAL**

Each regular, full-time employee holding a position that is identified in an Exempt Group as defined herein shall be entitled to a monthly benefit not less than ~~at~~ the level set forth below plus or minus any adjustments calculated pursuant to the annual adjustment procedure herein:

- Group A Management = \$915 per month
- Group B Program Management = \$915 per month

## 2. ANNUAL ADJUSTMENT PROCEDURE

About August 31, ~~2011, each year,~~ or as soon ~~thereafter~~ as benefit cost information is available from CalPERSers ~~and annually thereafter~~, the District shall calculate 80% of the premium required by the Kaiser HMO Family plan (for Los Angeles Area Region including Los Angeles, San Bernardino and Ventura counties) offered for regular employees and families under the District's plan with CalPERSers ("~~Recalculated Amount~~Flexible Benefit Plan Dollars"). ~~The "Flexible Benefit Plan Dollars" shall be implemented on or about pay period 25.~~ The calculation of premium required ~~and implementation~~ shall be performed according to the following schedule:

- ~~On or about August 31, 2017~~ ~~for adjustments~~ will be calculated for the Flexible Benefit Plan ~~dollars and will be implemented on or about PP25/2017~~ effective January 1, 2012;
- ~~On or about August 31, 2018~~ ~~for adjustments~~ will be calculated for the Flexible Benefit Plan ~~dollars and will be implemented on or about PP25/2018~~ effective January 1, 2013;
- ~~On or about August 31, 2019~~ ~~for adjustments~~ will be calculated for the Flexible Benefit Plan ~~dollars and will be implemented on or about PP25/2019~~ effective January 1, 2014;
- ~~On or about August 31, 2020~~ ~~for adjustments~~ will be calculated for the Flexible Benefit Plan ~~dollars and will be implemented on or about PP25/2020~~ effective January 1, 2015;
- ~~On or about August 31, 2021~~ ~~for adjustments~~ will be calculated for the Flexible Benefit Plan ~~dollars and will be implemented on or about PP25/2021~~ effective January 1, 2016.

~~If and when the Recalculated Amount exceeds the benefit level as listed above the District shall increase the Flexible Benefit Plan dollars provided to match the Recalculated Amount. Such increase, if provided, shall be effective January 1 of each year, as described above. In no case will the benefit amount be reduced below the benefit level listed above as a result of this calculation.~~

Example 1 (Using the Exempt Group B Benefit Level): In August, CalPERSers informs the District regarding the premium amounts for District ~~insurance~~ plans for the next calendar year. The monthly premium required for the Kaiser Family HMO plan (in the Los Angeles Area Region) ~~for families~~ is \$1,200. Calculate 80% of \$1,200 = \$960. On ~~January 1 or about payperiod 25~~ the Flexible Benefit Plan dollars will be adjusted to \$960 until the next premium rate change is issued by CalPERSers.

Example 2 (Using the Exempt Group B Benefit Level): In the following year, CalPERSers informs the District that the premium amount for the Kaiser Family HMO plan (in the Los Angeles Region) for families is \$1,190. Calculate 80% of \$1,190 = \$952. Then on ~~January 1 or about payperiod 25~~ the Flexible Benefit Plan dollars would be adjusted to \$952.

Example 3 (Using the Exempt Group B Benefit Level): In the following year, CalPERSers informs the District that the premium amount for the Kaiser Family HMO plan (in the Los Angeles Region) for families is \$1,125. Calculate 80% of \$1,125 = \$900. Then on ~~January 1, 2012~~ or about payperiod 25 the Flexible Benefit Plan dollars would be adjusted to \$915 (the minimum Flexible Benefit Plan dollars).

Any funds not used for the purchase of medical, dental, and other insurance programs shall be paid to the employee as taxable wages.

In the event health care reform crafted by the State of California and/or the Federal government is imposed in such a manner that such reform impacts these agreed upon matters regarding the Flexible Benefit Plan, management may adjust the plan to meet those new requirements.

## B. OTHER BENEFITS

### 1. VISION CARE

Subject to carrier requirements, the District will pay the premiums for vision care insurance for employees in the Exempt Groups and their dependents.

### 2. DEPENDENT CARE ASSISTANCE PLAN & MEDICAL SPENDING ACCOUNTS

**Dependant Care Assistance Plan:** Employees in regular positions and receiving a minimum of 41 hours pay per pay period are eligible to participate in the Dependent Care Assistance Plan (DCAP). DCAP allows eligible employees to elect to receive dependent care assistance benefits which are excludable under Sections 125 and 129 of the Internal Revenue Code, as amended. DCAP exclusions from gross income do not affect compensation for retirement purposes.

Employees shall be eligible to participate the first day of the month following thirty (30) days from the date they submit their enrollment. An employee must contribute to DCAP through salary reduction on forms approved by Administrative Services. An employee election to participate may not be changed for the remainder of the plan year, except to the extent permitted under IRS regulations.

**Medical Spending Accounts:** The District has established a program for purposes of allowing employees to contribute to a tax exempt savings account for reimbursing medical and other allowable expenses pursuant to the provisions of applicable law and described in Article X of the MDAQMD Flexible Benefit Plan.

### 3. SHORT-TERM DISABILITY & WORKER'S COMPENSATION

**Short Term Disability Insurance:** The District agrees to pay the premium for short-term disability insurance for regular employees in the Exempt Groups earning Forty-one (41) hours or more per pay period.

The short-term disability insurance plan coverage shall include a provision for a Fourteen (14) calendar day waiting period from the first day of disability before benefits begin. Benefits shall be equal to fifty-five percent (55%) of the base salary, up to a maximum benefit of \$959.00 (nine hundred fifty-nine dollars) per week. Benefit payments terminate when the employee is no longer disabled, or upon termination of employment from the District, or after Fifty-two (52) weeks of disability, whichever occurs first. Other benefit conditions shall be determined by the District and/or the provider of the benefit.

**Workers' Compensation Insurance:** Workers' compensation insurance is provided for all employees of the District. Employees shall receive a maximum of three (3) consecutive days of paid leave, with no charge to sick leave or vacation leave, following an occupational injury or illness, provided the leave is authorized in a bona fide off-work order and the injury or illness qualifies for coverage under the California Workers' Compensation Act.

Upon request, the employee may continue to receive their regular pay during periods of disability due to an illness or injury covered under the California Workers' Compensation Act by supplementing workers' compensation benefit payments with accrued sick leave or vacation pay. Under this policy, an employee may coordinate benefits with accrued sick leave and vacation leave to receive payment equivalent to regular salary per pay period. In no event shall an employee receive more than their regular salary by means of this process.

#### 4. LONG TERM DISABILITY

The District will provide employees in the Exempt Groups with long term disability insurance subject to carrier requirements and approval.

#### 5. LIFE INSURANCE

The District agrees to pay the premium for a Fifty Thousand Dollar (\$50,000.00) term life insurance policy for each employee in the Exempt Groups. This benefit shall only apply to regular full-time employees.

The District will also make available to each employee in the Exempt Groups a group term life insurance program wherein the employee may purchase, through payroll deductions, term life insurance in amounts equivalent to one times or two times the employee's annual gross earnings, subject to the approval of the provider of such benefit.

New employees shall become eligible to participate in these programs on the start of the pay period following the completion of 13 pay periods of satisfactory performance.

#### 6. EMPLOYEE ASSISTANCE PROGRAM

The District agrees to provide an employee assistance program available to employees in the Exempt Groups to provide confidential counseling for employees and their eligible dependents who request such services.

## 7. LEAVE DONATION PROGRAM

**General:** Full time, regular employees may voluntarily donate their accrued leave to another eligible employee experiencing a serious health condition or whose immediate family member is experiencing a serious condition. The district recognizes that there are occurrences brought about by prolonged medical conditions that cause employees to exhaust all available leave and, therefore, must be placed on leave without pay. It is recognized that such employees forced to go on leave without pay could be without their regular salary income and medical benefits at the most critical point in their work life.

**Eligibility for Program:** A voluntary donation of leave from one employee to another may be permitted for the purpose of providing a full time, regular employee with paid sick leave time for the care of themselves, or an immediate family member, who is experiencing a serious health condition as determined by a physician or other qualified health care provider.

An employee is eligible to receive voluntary donations of leave when all of the following conditions have been met:

The employee who is, or whose immediate family member is, experiencing a serious health condition provides documentation of such serious health condition as verified by a qualified health care provider. Employees are eligible to receive leave donations where they (or their immediate family member) have, are, or are expected to experience a serious, catastrophic or unforeseen illness, injury or impairment that meets both of the following criteria: a) has caused or is likely to cause, the employee to take leave without pay; b) requires continuing treatment or supervision by a licensed health care provider. The definitions and documentation of catastrophic or unforeseen illness, injury or impairment will be interpreted and documented in accordance with the provisions of Family Medical Leave Act (FMLA).

The employee receiving donated leave has exhausted, or soon will exhaust, all accrued leave such as vacation leave, comp time, sick leave, holiday leave, and/or administrative leave, if applicable. Employees in these situations must make application to receive donated sick leave by completing the Application for Donated Leave form developed and issued by Administrative Services.

Employees subject to this program and determined eligible to receive donated sick leave are also required to submit a claim for short-term disability. Use of the employee's own accrued leave balance and any donated leave amounts will be coordinated with disability benefits to achieve at or near the equivalent of 80 hours of pay per pay period. Use of donated leave is taxable income to the recipient and subject to withholding as required by law.

**Continuation of Benefits for Employee:** Employees who are on an approved medical leave of absence or an approved leave of absence without pay under FMLA will continue to receive benefits as set forth in the PPP Section 5.3 Continuation of Benefits Coverage.

**Donation Procedure & Limitations:** Donations of accrued leave time shall be made in minimum increments of four (4) whole hour blocks of time.

To retain sufficient accrued leave to meet their own needs, donors contributing accrued leave must not reduce their total accumulated accrued leave balances to fewer than one hundred sixty (160) hours. The donation of leave accrual shall not be counted against the current year accrual and will not, therefore, count against usage for the current year for purposes of the annual sick leave cash out program (Standard Practice 2-9). Donation of accrued leave is irrevocable and will be deducted from the donor's accruals in the pay period following the request. Donated accrued leave will be reimbursed if it has not been used by the end of the recipient's need. Verification, obtained by the APCO or designee, ensuring that these conditions have been met will be done prior to the transfer of time from one employee to another

Nothing in this program shall be construed to require donations of time from one employee to another. To emphasize the voluntary nature of the donation, the names of the donors will not be made available to the recipient. Recipient employees are expected to refrain from personally soliciting donations from other District employees. However, the APCO or designee may announce a need and offer all District employees the opportunity to contribute. The notice of need shall not be construed as a demand or as an order for employees to contribute. There shall remain confidentiality of employees subject to the receipt of donated leave

Employees who wish to donate leave accrual must provide written authorization to the Director of Administrative Services for the transfer of accrual by completing a Leave Donation Form developed and issued by Administrative Services. Administrative Services will confirm the donor has sufficient accrued leave for donation and sufficient leave accruals (particularly sick leave) available for the donating employee to meet their own needs.

The accrued leave donated will be converted to its cash value at the donor's base rate of pay and then credited to the recipient in equivalent hours of sick leave at the recipient's base rate of pay. For example: Employee A donates 10 hours of leave at Employee A's rate of pay \$50/hour. Employee B's rate of pay is \$25/hour, therefore the donated leave available to Employee B is 20 hours.

Following verification, the donations will be used for the recipient in the order they were received. Once the recipient has exhausted all paid leave, donations will be processed on a pay period by pay period basis. This process will continue until such time as the recipient's status changes and they are no longer eligible for donations, or until no donations are available. When the need is resolved or the process is concluded, any remaining unused donations will be returned to the donor(s).

**Definitions:** "Immediate family" - The husband, wife, father/step, mother/step, brother/step, sister/step, child/step, legally registered domestic partners and legal dependents of the employee receiving the donation of leave.

"Serious health condition" - An illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment by a health care provider which is expected to incapacitate the employee or a member of the employee's immediate family requiring the employee to take time off from work to care for themselves or that family member.



Any other definition and or procedure not otherwise defined in this standard practice shall be as defined or set forth in the FMLA and its implementing regulations.

## **8. EXECUTIVE PHYSICAL EXAMINATION**

To encourage the health and well-being of classifications assigned to Exempt Groups E and A may annually receive a complete executive physical and health examination. Such services may include, but not be limited to a comprehensive medical examination including services such as in-depth health assessment, diagnostic screenings, physical and nutritional assessments, and services included in a program specifically designed for executive professionals. Employees in Group E shall be reimbursed out of pocket expenses for such services per contract. Employees in Group A shall be reimbursed out of pocket expenses for such services up to \$500 per fiscal year.

## **9. CELL PHONE STIPEND**

A stipend in the amount of \$125 will be paid annually to employees who choose to use their personal cell phones to conduct any business with the District (including communication with supervisor or co-workers about attendance, etc.). Employees will have to "elect" to receive the stipend and sign a waiver/disclosure that they are permitting District staff to contact them via text or phone and that they understand that some of the information on their personal cell phones may be subject to retention and disclosure under the California Public Records Act. The District will pay the stipend in pay period 15 for 2017, and pay period 1 for 2018, 2019, 2020, 2021, and 2022 on presentation of the election agreement.

## **10. EMPLOYEE WELLNESS PROGRAM**

The District will reimburse up to \$240 per year based on evidence of payment via contract or payroll deduction for membership fees paid. Programs may include gym membership, or participation in a wellness activity including but not limited to a weight loss program, or a smoking cessation program. Program qualification will be subject to justification and approval by the APCO. Reimbursement may be lump sum on evidence of payment or per payperiod benefit for recurring contracts.

## **11. HOLIDAY CLOSURE**

District offices will be closed on the following dates without loss of compensation to employees:

December 27 and 28, 2017.

December 26 and 27, 2018.

December 23, 26 and 30, 2019.

December 29 and 30, 2020 and "move" Holiday hours for December 25 (Friday) to Monday December 28.



December 28 and 29, 2021 and "move" Holiday hours for December 24 (Friday) to Monday December 27.

## 12. BEREAVEMENT LEAVE

When a death occurs in the immediate family, regular employees are entitled up to three days paid (without impact to employee's leave accruals) Bereavement Leave. Bereavement Leave may be used only in the loss of a spouse, domestic partner, children, parents, parents of current spouse, sister, brother, grandparents, step-parents, half-brother, half-sister, sister-in-law, brother-in-law or any individual who may have a true parental relationship to the employee.

## C. RETIREMENT PROGRAM

### 1. RETIREMENT PROGRAM

Employee Contributions to SBCERA. The District shall pick up a portion of the required contribution of each eligible employee's ~~required contribution~~ except as set forth in 1.3 below to the San Bernardino County Employees' Retirement Association as follows:

1.1 For employees hired on or before 6/30/09: The District shall pay ("pick up") the first seven percent (7%) of the employee's earnable compensation, as that term is defined in the ~~San Bernardino County Retirement Board By laws~~ County Employees Retirement Law of 1937 ("CERL"), towards the required member contribution. Beginning July 1, 2017 the District pickup shall be reduced by 1%, with further 1% reductions effective July 1, 2018, 2019, 2020, and 2021. Notwithstanding the preceding, the portion of the required member contribution rate paid by employees shall not exceed the member contribution rate established by SBCERA for Tier 2 members, as adjusted from time to time by SBCERA. Notwithstanding further, the member contribution shall not exceed 10% of the employee's earnable compensation.

1.2 For employees hired on or after 7/1/09: ~~The e~~Employees shall pay ("pick up") the first seven percent (7%) of the ~~required contribution of the~~ employee's earnable compensation, as that term is defined in ~~the San Bernardino County Retirement Board by laws~~ CERL, towards the member contribution. ~~The District will pick up the balance of the contribution required.~~ Beginning July 1, 2017 the employee share shall increase by 1%, with further 1% increases effective July 1, 2018, 2019, 2020, and 2021. Notwithstanding the preceding, the portion of the required member contribution rate paid by employees shall not exceed the member contribution rate established by SBCERA for Tier 2 members, as adjusted from time to time by SBCERA. . The District will pick up the balance of the required member contribution. Notwithstanding further, the member contribution shall not exceed 10% of the employee's earnable compensation.

1.3 For employees hired on or after ~~7/1/2016~~ 1/1/2013: ~~Pursuant to the California Employee Pension Reform Act of 2013, a new employee who is being employed for the first time by any public employer, had a break in service of more than six months, or was employed by another public employer but not subject to reciprocity with SBCERA,~~ Employees that are determined to be Tier 2 members by SBCERA shall pay the

~~employee-required member~~ contribution rate as determined by SBCERA. The District will not be responsible for any portion of the ~~employee-required member~~ contribution. This provision shall remain in effect through the term of this agreement and shall not be reversed or invalidated on expiration of the agreement.

~~1.4~~ A new employee hired on or after ~~01/01/2013~~, ~~7/1/2016~~, ~~who was a prior member of SBCERA or another public retirement system ("Classic Employees and established reciprocity with SBCERA, or had a break in service of less than six months, who is determined to be a Tier 1 member by SBCERA~~ shall ~~pay their full General Membership Contribution Rate for their retirement through SBCERA. The employee's rate is established by SBCERA, and varies depending upon age of entry into the pension system. This provision shall remain in effect through the term of this agreement and shall not be reversed or invalidated on expiration of the agreement~~ be subject to the same terms set forth in Section C.1.1.

- ~~1) Employees who either have or thereafter attain thirty (30) years of service credit, as set forth in Government Code section 31625.3, and no longer make retirement contributions under the provisions of the County Employees' Retirement Law of 1937 shall receive taxable cash payments equal to the amount of employee contributions only~~
- ~~2) Employees first hired at age 60 or over may elect not to become a member of the Retirement Association at the time of hire as set forth in Government Code section 31552. If this election is made, the employee shall receive taxable cash payments equal to the amount of employee contributions only.~~
- ~~3)1) District paid employer contributions to the San Bernardino County Employees' Retirement Association (SBCERA) shall be paid from the same source of funds as are used in paying the salaries of the affected employees. No employee shall have the option to receive Retirement System employer contribution amounts directly instead of having them paid to SBCERA as an obligation of the District in accordance with Government Code section 31586.~~

Employees who have thirty (30) years of service credit and no longer make retirement contributions under the provisions of the County Employee's Retirement Law of 1937 and employees over the age of 60 in a regular position who choose not to be a member of the Retirement Association, shall be paid in taxable wages in the amount of the District's retirement contribution.

Employees hired on or after January 1, 2013 and subject to the Public Employees' Pension Reform Act are not eligible for this provision (Government Code §7522).

## 2. RETIREMENT CONTRIBUTIONS

Additionally, employees in the Exempt Groups shall receive the following amounts monthly to be applied to the portion of the employee's retired contribution not covered by the provisions of Section III.D.1 above as follows:

Group E          Executive Management          per contract

Group A	Management	\$380/month
Group B	Program Management	\$180/month

Any dollars which are remaining after all retirement system obligations are fully satisfied shall be paid to the employee in cash and will be subject to applicable taxes.

Employees hired on or after October 24, 2016 and employees that transition to a position in the Exempt Groups on or after that date are not eligible for this benefit.

### 3. RETIREE MEDICAL BENEFIT

**General:** The District agrees to pay to eligible retired employees who retire from active service at the MDAQMD a portion of the premium of CalPERS health insurance for the employee and his or her spouse

**Eligibility:** Retiring employee shall be eligible for retiree medical benefits under the following conditions:

Retiring employee must be enrolled in the District's CalPERS health plan at the time of the retirement.

Retiring employee must have a minimum total of twenty (20) years of public service with any of the member agencies of the District and any air district in California.

However, a minimum of ten (10) years of must have been served with the District and/or its predecessor agency. Years of public service with the District shall be calculated in the same manner as the calculation of time of employment set forth in Health & Safety Code §41265.

**Calculation of Premium Portion:** The portion of the premium to be paid shall be calculated as 2% per service year from the date of hire with the District. The date of hire with the District shall be calculated in the same manner as the calculation of time of employment set forth in Health & Safety Code §41265. For those eligible employees hired between 7/1/1993 and 7/1/2009 years of service with a member agency or any air district in California shall be added to District years of service for the purposes of the premium portion calculation.

In no case shall the portion of the premium to be paid exceed the Flexible Benefit amount for a full time employee as set forth in III.A.1 above.

**Length of Benefit:** Such benefit is payable from the date of retirement to five (5) years, or until the date retiree becomes eligible for Medicare, or until the date retiree discontinues the coverage, whichever occurs first.

**Member Agency:** For the purposes of Section III.D.4, a "member agency" is defined as a city or county that lies in whole or in part within the boundaries of the District.

**4. DEFERRED COMPENSATION PLAN**

Employees shall be eligible to enroll in deferred compensation plans offered by the District from the first day of employment. Employees are permitted to specify amounts to be deducted from the employee's paycheck for deposit to the District's deferred compensation account. The MDAQMD Deferred Compensation Plan (457(b)) contains the plan specifics.

**5. 401(A) MATCHING CONTRIBUTION PLAN**

The District has established a 401(a) Matching Contribution Plan. The District will contribute an ~~percentage based on amount equal to 6% of~~ the employee's salary deferrals made during the prior calendar year to the MDAQMD Deferred Compensation Plan ~~(457(b)) according to the table set forth below~~. The District's match shall not be applied to catch-up contributions and additional elective deferrals. (See MDAQMD 401(a) Matching Contribution Plan, Article VII).

Employees are eligible to be credited the matching contribution when they have elected to participate in the MDAQMD Deferred Compensation Plan. (See MDAQMD 401(a) Matching Contribution Plan, Article VI)

Employees are fully vested and shall have a non-forfeitable and vested right to their retirement account (401(a)) following five years of service with the District. (See MDAQMD 401(a) Matching Contribution Plan, Article IX)

In no event shall any contribution into the District's 401(a) Matching Contribution Plan exceed the maximum amount allowable by law.

	<del>Minimum &amp; Maximum Contribution Amt</del>		<del>District Match</del>	
<del>(maximum as allowed by the IRS) - Max</del>	<del>\$18,000</del>	<del>-</del>	<del>\$18,000</del>	<del>6.00%</del>
<del>50% of Max</del>	<del>\$9,000</del>	<del>-</del>	<del>\$17,999</del>	<del>4.00%</del>
<del>25% of Max</del>	<del>\$4,500</del>	<del>-</del>	<del>\$8,999</del>	<del>2.00%</del>
<del>up to 25% of Max</del>	<del>\$0</del>	<del>-</del>	<del>\$4,499</del>	<del>1.00%</del>

**IV. CLASSIFICATION**

**A. PURPOSE**

Classification is a management tool to ensure the accurate reflection of tasks and duties involved in each Exempt position for the purpose of recruitment, compensation and organizational structuring. Whenever positions are subject to any change as a result of classification review, and are allocated within the Exempt Group, any Governing Board action shall be on the recommendation of the APCO. Requests to review a classification action shall be submitted to the APCO. Positions allocated to the Exempt Group shall not be subject to any classification appeal procedure.

The purpose of Classification review is to ensure the accurate reflection of tasks and duties involved in the Exempt position. Factors involved in this process include recruitment, retention, compensation and

organizational structure. Any changes to Exempt position responsibilities are subject to classification review with the APCO having the final and binding authority in the review process determination.

## **B. CLASSIFIED AND UNCLASSIFIED SERVICE**

1. Classified Service includes those positions which are authorized and regular positions and to which appointments are made through a competitive process governed by merit system requirements and in which an employee can achieve regular employee status.
2. Unclassified Service includes positions which are other than classified positions. Unclassified positions do not have appeal rights.

## **C. CLASSIFICATION ADJUSTMENTS**

An upgrade is a reclassification of a position from one classification to another classification having a higher base salary range.

When a position is downgraded, the APCO may authorize continuation of the same salary rate payment to the incumbent employee that the employee received prior to the downgrading of the position by placing the employee on an "X" step, provided that the employee shall receive no further salary rate increases until the salary rate of the position held exceeds the "X" step.

## **D. EXEMPT CONFIDENTIAL EMPLOYEE**

An exempt confidential employee is a direct subordinate of exempt executive or management employees where the duties of the exempt executive or management employees require imparting confidential information and entrusting confidence to the subordinate; and where the subordinate is required to exercise independent judgment and cautions to prevent dereliction of confidence or injury to the District.

# **V. COMPENSATION**

## **A. WAGES**

~~Effective July 1, 2016, the wage rate for each exempt employee in Groups A and B will increase 2.0% as set forth in Exhibit 1 – Salary Schedule~~

~~Effective July 1, 2017, the wage rate for each employee in the Groups A and B will increase 2.0% as set forth in Exhibit 1 – Salary Range Table.~~

~~Effective July 1, 2018 the wage rate for each employee in the Groups A and B will increase 2.0% as set forth in Exhibit 2 – Salary Range Table.~~

~~Effective July 1, 2019 the wage rate for each employee in the Groups A and B will increase 2.0% as set forth in Exhibit 3 – Salary Range Table.~~

~~Effective July 1, 2020 the wage rate for each employee in the Groups A and B will increase 2.5% as set forth in Exhibit 4 – Salary Range Table.~~

Effective July 1, 2021 the wage rate for each employee in the Groups A and B will increase 2.5% as set forth in Exhibit 5 – Salary Range Table.

## **B. SALARY ADJUSTMENTS**

The performance evaluation shall be made up of a list of duties and standards that reflects the employee's position description and duties. Employees will be evaluated based upon these standards. Salary increases will be given for performance evaluations rated “meets,” “satisfactory,” or scored 3.0, or higher on a scale of 1 to 5. The maximum salary adjustment available is 2½% of base hourly rate of pay, as set forth in the appropriate Salary Range Table as set forth in Exhibit 2 attached hereto.

## **C. LONGEVITY AWARD**

In pay period one, longevity awards shall be granted to eligible employees in an amount not to exceed 2½% of the annual base pay as calculated in pay period 26 of the prior calendar year subject to:

The employee having reached or passed the top (or final) step in their respective pay range on July 1 of the previous calendar year; and

The employee having received a successfully rated performance evaluation as described in section V.B above

## **D. SPECIAL ASSIGNMENT COMPENSATION**

Special assignment compensation is a classification concept which allows for temporary increases in pay beyond that which is normally allowed when duties performed support such additional pay for specific periods of time.

Increases in pay may be granted to recognize the temporary assignment of more difficult duties requiring a greater level of skills. “Temporary assignment” shall mean a period of one calendar year or less. Selected positions may be authorized for special assignment compensation, rather than being permanently reclassified to a higher level, to allow for employee rotation to enhance upward mobility. Increases in pay shall be temporary so long as the higher level duties are assigned and performed, not to exceed one calendar year. Such increases in pay shall not affect an employee’s step advancement in the base range. The amount of additional pay awarded will be determined by the APCO subject to procedures approved by the Governing Board.

## **VI. LEAVE PROVISIONS**

Employees in the Exempt Groups shall apply available paid leave time whenever a leave of absence is approved. However, employees who are on an approved leave of absence for less than one full day, who do not have sufficient leave time available to cover the absence, shall be paid the full salary for their regular work day.

**A. SICK LEAVE**

1. The accrual rate for sick leave for regular full-time employees shall be 3.69 hours per pay period or prorated on the basis of 96 hours per calendar year.
2. Any employee may elect to convert to cash at the employee's current hourly rate of pay thirty percent (30%) of the unused sick leave each July that was accrued during the preceding fiscal year provided the subject employee leaves a minimum sick leave balance of 160 hours. Employees must submit a pre-election agreement to convert sick leave to cash by June 30 of the year before the leave will accrue. For example, an employee must elect by June 30, 2016 to convert 30% of unused sick leave earned from July 1, 2016 – June 30, 2017 to cash in July 2017 if the employee's remaining sick leave balance at the time of conversion will be at least 160 hours.
3. After 10 years of continuous service from the date of hire in a regular position, and upon retirement, death, or separation, an employee will be paid for unused sick leave balances according to the following formula:

<u>Sick Leave Balance as of Date of Separation</u>	<u>Cash Payment Percentage of Hours of Sick Leave Balance</u>
480 hours or less	30%
481 to 600 hours	35%
601 to 720 hours	40%
721 to 840 hours	45%
841 to 1,000 hours	50%

Employees who receive a disability retirement due to permanent incapacity to work shall be entitled to 100% cash payment of any unused sick leave balances, computed at their then current base hourly rate, if they elect an early retirement in lieu of exhausting such accrued sick leave balances. In no event shall any employee, except those receiving a disability retirement, receive compensation under this subsection in excess of five hundred (500) hours pay computed at the then current base hourly rate of said employee.

4. **Vacation Conversion Option.** Employees may exchange accrued sick leave hours in excess of eight hundred forty (840) hours for vacation time on the basis of two hours of sick leave for one hour of vacation leave. Any such exchange must be made in forty (40) hour increments of accrued sick leave.

**B. VACATION LEAVE**

The accrual rate for vacation leave for regular full-time employees shall be as follows:

1. Accrual of 3.08 hours per pay period during the first four years of continuous employment;
2. Accrual of 4.62 hours per pay period during the years five through nine of continuous employment; and



3. Accrual of 6.15 hours per pay period the years nine through fourteen years of continuous employment.
4. Accrual of 6.46 hours per pay period following the fourteenth year of continuous employment and increasing by 0.3077 hours per pay period each successive year thereafter of continuous employment up to a maximum of 9.23 hours per pay period.
5. There shall be no limit on vacation accruals, however exempt employees are strongly encouraged to use at least 40 hours of vacation leave during the calendar year.
6. Employees not planning to return to District employment at the expiration of a vacation leave, except those retiring, shall be compensated in a lump sum payment for accrued vacation and shall not be carried on the payroll. Retiring employees may elect to use vacation leave to enhance retirement benefits or be compensated in a lump sum payment for accrued vacation leave.
7. **Prior Service.** Employees in regular positions who have been employed by a public jurisdiction in a comparable position or a position which has prepared such employees for an assignment to a position in the Exempt Group may receive credit for such previous experience in the former agency in determining their vacation accrual rate. Such determination as the comparability of previous experience and amount of credit to be granted rests solely with the APCO.
8. **Vacation sell-back.** An employee may sell back vacation time at their base hourly rate. Eligible employees may exercise this option under procedures established by the District, subject to the following:
  - a.) **Future Accruals.** An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year's vacation time accrual. Such election must be made in increments of not less than 40 hours and may not exceed 160 hours. Once an election is made, the employee must request that the designated number of hours actually be sold back by pay period 25 of the calendar year in which the election is effective, or the hours will automatically be converted into cash in pay period 26.
  - b.) **Existing Accruals.** Existing accruals may be cashed out in whole hour increments with a minimum cash-out of 40 hours and will be subject to a 10% penalty.

### **C. HOLIDAY LEAVE**

All employees in regular positions shall be entitled to established District holidays.

1. Upon retirement or termination, employees shall be compensated for any unused accrued holiday time at the then current base rate equivalency.



2. An employee may sell back holiday time at their base hourly rate. Eligible employees may exercise this option under procedures established by the District, subject to the following:
  - a) Future Accruals. An employee must make an irrevocable election during the month of December, specifying the number of hours to be sold back from the next calendar year’s holiday time accrual. Such election must be made in increments of not less than 8 hours and may not exceed 40 hours. Once an election is made, the employee must request that the designated number of hours actually be sold back by pay period 25 of the calendar year in which the election is effective, or the hours will automatically be converted into cash in pay period 26.
  - b) Existing Accruals. Existing accruals may be cashed out in whole hour increments with a minimum cash-out of 8 hours and will be subject to a 10% penalty.

**D. ADMINISTRATIVE LEAVE**

Effective pay period 1 of each year an employee in a regular position will be provided with Administrative Leave for the employee’s use in the amounts allocated in this section. Employees hired after the beginning of pay period 1 shall receive a prorated number of hours. Such Administrative Leave may be cashed out at the employee’s then current base rate of pay to the extent that the hours would have accrued at the appropriate accrual rate per pay period minus any hours used up to that time. Any Administrative Leave accrual balances in effect at the end of the last pay period paid in the calendar year will automatically be paid at employee’s then current base rate of pay. Upon termination of employment unused Administrative Leave will be paid at the current rate of pay only by the amount of hours that would have been accrued at the appropriate rate per pay period that exceeds the total number of hours previously used and cashed out.

Group E	Executive Management	per contract
Group A	Management	120 hours/year
Group B	Program Management	80 hrs/year

Employees hired on or after October 24, 2016 and employees that transition to a position in the Exempt Groups on or after that date are allocated administrative leave as follows:

Group E	Executive Management	per contract
Group A	Management	40 hours/year
Group B	Program Management	<del>20-26</del> hrs/year

**E. COMPULSORY LEAVE**

If in the opinion of the APCO employees are unable to perform the duties of their position for physical or psychological reasons, an examination may be required by a physician or other competent authority designated by the APCO. If the examination report shows the employee to be in an unfit condition to perform the duties required of the position, the APCO shall have the right to compel such employee to take sufficient leave of absence with or without pay, to transfer to another position without reduction in compensation, and/or follow a prescribed treatment regimen until medically qualified to return to unrestricted duty.

## F. MILITARY LEAVE

As provided in the Military and Veterans Code Section 395 et seq., and any amendment thereto, a District employee may be entitled to the following rights concerning military leave:

1. **Temporary Duty.** Any employee who is a member of the reserve corps of the Armed Forces, National Guard, or Naval Militia shall be entitled to temporary military leave of absence for the purpose of active military training provided that the period of ordered duty does not exceed 180 calendar days, including time involved in going to and returning from such duty. While on paid status, an employee on temporary military leave shall receive the same vacation, holiday, and sick leave and step advances that would have been enjoyed had the employee not been absent, providing such employee has been employed by the District for at least one year immediately prior to the date such leave begins. In determining the one year employment requirement all time spent in recognized military service shall be counted. An exception to the above is that an uncompleted probationary period must be completed upon return to the job. Any employee meeting the above one year employment requirement shall be entitled to receive their regular salary or compensation for the first 30 calendar days of any such temporary leave. Pay for such purpose shall not exceed 30 calendar days in any one fiscal year and shall be paid only for the employee's regularly scheduled workdays.

The compensation provision does not include an employee's attendance at weekend reserve meetings or drills. Employees must use their own time to attend such meetings. Should the meetings unavoidably conflict with an employee's regular working hours, the employee is required to use vacation or holiday leave, leave without pay, or make up the time. Employees who are called in for a medical examination to determine physical fitness for military duty must also use vacation leave, leave without pay, or make up the time. The 30 day compensation provision also applies to an employee on military leave other than temporary military leave who is ordered into active military duty or is inducted, enlists, enters, or is otherwise called into active military duty.

Copy of military orders must accompany the request for leave form.

2. **Active Duty.** Employees who resign from their positions to serve in the Armed Forces of the United States or of this State shall have a right to return to their former classification, subject to a physical/psychological examination, on serving a written notice to the APCO within six months of the termination of their active service with the Armed Forces; provided, that such right to return to former classification shall not be granted to such employees who fail to return to their position within 12 months after the first date upon which they could terminate their active service with the Armed Forces.

Should such employee's former classification have been abolished, then the employee shall be entitled to a classification of comparable functions, duties, and compensation if such classification exists, or to a comparable vacant position for which the employee is qualified.

The right to return to former classification shall include the right to be restored to such civil service status as the employee would have if the employee had not so resigned; and no other person shall acquire civil service status in the same position so as to deprive such employee of this right to restoration. However, such employee will not have accrued vacation, sick leave, other benefits while absent from District employment, except as provided in the temporary duty provision.

#### **G. POLITICAL LEAVE**

Any employee who is a declared candidate for public office shall have the right to a leave of absence without pay for a reasonable period to campaign for the election. Such leave is subject to the conditions governing special leaves of absence without pay contained herein.

#### **H. SPECIAL LEAVES OF ABSENCES WITHOUT PAY**

A special leave of absence without pay for a period not exceeding one year may be granted to an employee who is:

1. Medically incapacitated to perform the duties of the position;
2. Desires to engage in a relevant course of study which will enhance the employee's value to the District;
3. For any reason considered appropriate by the APCO.

Such request must be in writing and requires the approval of the APCO. Upon request, the APCO may grant successive leaves of absence. Leaves of absence without pay may be given to a regular employee with or without right to return to classification.

#### **I. JURY LEAVE**

Employees in regular positions who are ordered to serve jury duty shall be entitled to base pay for those hours of absence from work, provided the employee waives fees for service, other than mileage.

#### **J. EXAMINATION TIME**

Employees having regular status in regular positions at the time of application shall be entitled to a reasonable amount of time off with pay for the purpose of taking District promotional examinations or for selection interviews. Employees are responsible for notifying and obtaining approval from their immediate supervisor prior to taking such leave. Such time off shall not be charged against any accumulated leave balances and shall be compensated at the employee's base hourly rate.

#### **K. WITNESS LEAVE**

Employees in regular positions shall be entitled to a leave of absence from work when subpoenaed to testify as a witness, such subpoena being properly issued by a court, agency, or commission legally empowered to subpoena witnesses. This benefit shall not apply in any case in which the subpoenaed employee is a party to the action or the subpoena has arisen out of the employee's scope of employment. Witness leave shall not be charged against any accumulated leave balances and shall be compensated at the employee's base hourly rate. This benefit will be paid only if the employee has demanded witness fees at the time of service of the subpoena, and such fees are turned over to the District.

#### L. BLOOD DONATIONS

Employees in regular positions may be granted time to donate blood without receiving compensation for such donation.

#### M BENEFIT DATE

For the purpose of step advancements, sick and vacation leave accrual, the benefit date is defined as follows for each employee:

1. If the first working day of the pay period was worked, the benefit date is defined as the first day of the pay period.
2. If the employee started any time after the first working day of the pay period, then the benefit date will be the first day of the following pay period.
3. The benefit date of an employee who is absent without pay may be adjusted accordingly.

### VII. SPECIAL PROVISIONS

#### A. EXPENSE REIMBURSEMENT

Employees in the Exempt Group are subject to the District's expense reimbursement policies except as provided in this section.

1. **Travel via Private Vehicle.** Reimbursement for use of privately owned vehicles to conduct District business, approved by the APCO or designee, shall be at the standard mileage rates published periodically by the U.S. Internal Revenue Service per mile for all miles traveled. Reimbursement at this rate shall be considered as full and complete payment for actual necessary expenses for the use of the private vehicle, insurance, maintenance and all other transportation-related costs. The District does not provide any insurance for private vehicles used on District business. The owner of a vehicle is responsible for the personal liability and property damage insurance when the vehicle is used on District business.

2. **Subsistence Meals and Expenses.** ~~Subsistence~~ Per diem allowances for lodging and meals shall not be allowed without prior approval of the APCO or designee as necessary for the purposes of conducting District business. Excess charges greater than the allowances listed below may be authorized under special conditions, such as a convention requirement or in an area of high cost. Receipts are mandatory to obtain reimbursement for all lodging.

The allowance for meals ~~and incidental expenses is Six Dollars (\$6.00) for breakfast, Nine Dollars (\$9.00) for lunch, and Twenty Dollars (\$20.00) for dinner plus a 15 percent gratuity, and tax the amount as published in the most recent GSA Per Diem Rates, currently located at <https://www.gsa.gov/perdiem>.~~ Receipts will ~~not~~ be required for meal purchases ~~not~~ exceeding these limits for the region where the travel occurred.

## **B. TUITION REIMBURSEMENT AND MEMBERSHIP DUES**

The District shall maintain a Tuition and Dues Reimbursement Fund for exempt employees

Reimbursement from the Fund may be used for tuition or professional dues or both so long as the employee does not use the reimbursement for dues of more than two (2) professional organizations.

Reimbursement is available for each such full-time employee pursuant to Standard Practice 2-12. Any reimbursement that exceeds limits of Governing Board Policy 94-1 is subject to the approval of the District's Governing Board.

The District agrees to appropriate to the Fund each fiscal year sufficient sums to make available an aggregate amount equal to six hundred dollars (\$600) per each full time exempt employee. The District also agrees that on June 30 of each year, the amount remaining in the Fund will be moved for separate accounting and allowed to accrue each year, without interest, and may be available for withdrawal for tuition reimbursement requests in accordance with Standard Practice No. 2-12, as amended.

## **C. PERSONAL PROTECTIVE EQUIPMENT ENHANCEMENT**

Governing Board Policy No. 96-5 Occupational Illness and Injury Prevention Program ensures District compliance with providing personal protective equipment for all District employees.

Employees are eligible to enhance their personalized protective equipment if their position requires it as part of their field work. If it is uncertain whether an employee will be required to wear enhanced personalized protective equipment, no purchase will be made until it is actually needed. Enhanced personalized protective equipment shall be described as safety shoes and safety prescription eyeglasses.

The maximum benefit available per calendar year will be one hundred thirty Dollars (\$130.00). Employees may purchase any kind of enhanced personalized protective equipment, as described above that will be acceptable at the locations where they will be required to wear them. Employees will be responsible for any amount exceeding \$130.00 during the calendar year.

Safety shoes will be replaced when they wear out. New employees whose position require wearing safety shoes will be fitted for safety shoes shortly after they start working for the District. Employees who are in designated job categories will be required to wear safety shoes while on duty in the field.

Safety prescription eyeglasses will be replaced as prescribed by the employee's attending eye care professional.

#### **D. CONDITIONS OF EMPLOYMENT**

In the event an employee's position is abolished the District will make reasonable efforts to place the employee in a comparable position based upon the employee's skills, knowledge and abilities, as well as consideration of the employee's length of service with the District. If reasonable efforts to place the Exempt employee are unsuccessful, the employee will be subject to layoff according to established District procedures. An Exempt employee does not have bumping rights to other District positions, whether previously held or not.

#### **E. HOURS OF WORK**

Employees in the Exempt Groups shall be required to work during such hours as necessary to carry out the duties of their position, as designated by the APCO and such hours may be varied so long as the work requirements and efficient operations of the District are assured.

The nature of exempt employment for affected employee classifications is such that work outside normal District business hours may be needed to fulfill the responsibilities and requirements of the position. Usually, additional time and effort are proportionate to the importance and level of the responsible position. These factors of time and effort are incorporated when the compensation level of exempt positions are established.

#### **F. REEMPLOYMENT**

A regular employee in good standing who has terminated District employment, and who is subsequently rehired may receive restoration according to established District policy.

#### **G. WORK PERFORMANCE**

Work performance criteria for employees in classified exempt positions are governed by the Personnel Policies and Procedures.

1. Probationary Period. Employees in these Exempt Groups are required to serve a probationary period except in those circumstances where the same has been waived by the APCO.
2. Performance evaluations. For those Classified Exempt employees who have attained regular status in an Exempt position, a performance evaluation is to be issued at least on an annual basis and/or whenever an employee's work performance necessitates documentation. The evaluation includes the measurement of both conduct and production standards.
3. Unclassified employees shall be evaluated periodically by their appointing authority.

Revision History

*Amended September 26, 2016*

*Amended January 12, 2012*

*Amended Tables October 24, 2011*

*Amended September 26, 2011,*

*Amended January 24, 2011*

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*Amended January 28, 2008*

*Amended August 28, 2006*

*Amended April 24, 2006*

*Amended January 23, 2006*

*Amended June 27, 2005*

*Amended April 26, 2004*

*Amended June 25, 2001*

*Approved and Adopted November 27, 2000*

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RANGE										Not attainable as of January 1, 2000						MONTHLY
	1	2	3	4	5	6	7	8	9	5	F	6	G	7	H	
600	14.39	14.75	15.12	15.50	15.88	16.28	16.69	17.11	17.53	17.97	18.42	18.88	19.35	19.84	20.33	2,494 - 3,039
601	14.75	15.12	15.50	15.88	16.28	16.69	17.11	17.53	17.97	18.42	18.88	19.35	19.84	20.33	20.84	2,557 - 3,115
602	15.12	15.50	15.89	16.28	16.69	17.11	17.54	17.98	18.42	18.89	19.36	19.84	20.34	20.85	21.37	2,621 - 3,194
603	15.49	15.88	16.28	16.68	17.10	17.53	17.97	18.42	18.88	19.35	19.83	20.33	20.84	21.36	21.89	2,686 - 3,272
604	15.89	16.28	16.69	17.11	17.54	17.97	18.42	18.88	19.36	19.84	20.34	20.84	21.37	21.90	22.45	2,754 - 3,355
605	16.28	16.69	17.10	17.53	17.97	18.42	18.88	19.35	19.83	20.33	20.84	21.36	21.89	22.44	23.00	2,822 - 3,438
606	16.69	17.11	17.54	17.98	18.43	18.89	19.36	19.84	20.34	20.85	21.37	21.90	22.45	23.01	23.59	2,893 - 3,525
607	17.11	17.53	17.97	18.42	18.88	19.35	19.84	20.33	20.84	21.36	21.90	22.45	23.01	23.58	24.17	2,965 - 3,613
608	17.53	17.97	18.42	18.88	19.35	19.83	20.33	20.84	21.36	21.89	22.44	23.00	23.58	24.17	24.77	3,039 - 3,702
609	17.98	18.43	18.89	19.36	19.84	20.34	20.85	21.37	21.90	22.45	23.01	23.59	24.18	24.78	25.40	3,116 - 3,797
610	18.42	18.88	19.36	19.84	20.34	20.84	21.36	21.90	22.45	23.01	23.58	24.17	24.78	25.40	26.03	3,193 - 3,891
611	18.88	19.35	19.83	20.33	20.84	21.36	21.89	22.44	23.00	23.58	24.17	24.77	25.39	26.02	26.68	3,272 - 3,987
612	19.36	19.84	20.34	20.84	21.37	21.90	22.45	23.01	23.58	24.17	24.78	25.40	26.03	26.68	27.35	3,355 - 4,088
613	19.83	20.33	20.84	21.36	21.89	22.44	23.00	23.58	24.17	24.77	25.39	26.02	26.67	27.34	28.02	3,438 - 4,189
614	20.33	20.84	21.36	21.90	22.44	23.00	23.58	24.17	24.77	25.39	26.03	26.68	27.35	28.03	28.73	3,524 - 4,294
615	20.84	21.36	21.90	22.44	23.01	23.58	24.17	24.77	25.39	26.03	26.68	27.35	28.03	28.73	29.45	3,613 - 4,402
616	21.36	21.90	22.44	23.00	23.58	24.17	24.77	25.39	26.03	26.68	27.35	28.03	28.73	29.45	30.18	3,703 - 4,511
617	21.89	22.44	23.00	23.58	24.17	24.77	25.39	26.02	26.67	27.34	28.02	28.73	29.44	30.18	30.93	3,795 - 4,624
618	22.44	23.01	23.58	24.17	24.77	25.39	26.03	26.68	27.35	28.03	28.73	29.45	30.19	30.94	31.71	3,890 - 4,740
619	23.01	23.58	24.17	24.78	25.40	26.03	26.68	27.35	28.03	28.73	29.45	30.19	30.94	31.72	32.51	3,988 - 4,859
620	23.58	24.17	24.77	25.39	26.03	26.68	27.35	28.03	28.73	29.45	30.18	30.94	31.71	32.51	33.32	4,087 - 4,980
621	24.17	24.78	25.40	26.03	26.68	27.35	28.03	28.74	29.45	30.19	30.95	31.72	32.51	33.32	34.16	4,190 - 5,105
622	24.78	25.40	26.03	26.68	27.35	28.04	28.74	29.45	30.19	30.95	31.72	32.51	33.33	34.16	35.01	4,295 - 5,233
623	25.39	26.03	26.68	27.35	28.03	28.73	29.45	30.19	30.94	31.71	32.51	33.32	34.15	35.01	35.88	4,402 - 5,363
624	26.03	26.68	27.35	28.03	28.73	29.45	30.19	30.94	31.72	32.51	33.32	34.16	35.01	35.88	36.78	4,512 - 5,498
625	26.68	27.35	28.03	28.73	29.45	30.18	30.94	31.71	32.51	33.32	34.15	35.00	35.88	36.78	37.70	4,624 - 5,634
626	27.35	28.03	28.73	29.45	30.19	30.94	31.71	32.51	33.32	34.15	35.01	35.88	36.78	37.70	38.64	4,740 - 5,775
627	28.03	28.73	29.45	30.18	30.94	31.71	32.50	33.31	34.15	35.00	35.88	36.77	37.69	38.63	39.60	4,858 - 5,919
628	28.73	29.45	30.18	30.94	31.71	32.50	33.31	34.15	35.00	35.88	36.77	37.69	38.63	39.60	40.59	4,979 - 6,067
629	29.45	30.18	30.94	31.71	32.51	33.32	34.15	35.01	35.88	36.78	37.70	38.64	39.60	40.60	41.61	5,104 - 6,219
630	30.18	30.94	31.71	32.50	33.31	34.15	35.00	35.88	36.77	37.69	38.63	39.60	40.59	41.60	42.64	5,231 - 6,374
631	30.94	31.72	32.51	33.32	34.16	35.01	35.89	36.78	37.70	38.65	39.61	40.60	41.62	42.66	43.72	5,364 - 6,535
632	31.71	32.50	33.31	34.15	35.00	35.88	36.77	37.69	38.63	39.60	40.59	41.60	42.64	43.71	44.80	5,496 - 6,697
633	32.50	33.32	34.15	35.00	35.88	36.78	37.70	38.64	39.60	40.59	41.61	42.65	43.72	44.81	45.93	5,634 - 6,865
634	33.32	34.15	35.01	35.88	36.78	37.70	38.64	39.61	40.60	41.61	42.65	43.72	44.81	45.93	47.08	5,776 - 7,037
635	34.15	35.00	35.88	36.78	37.69	38.64	39.60	40.59	41.61	42.65	43.71	44.81	45.93	47.08	48.25	5,919 - 7,212
636	35.01	35.88	36.78	37.70	38.64	39.61	40.60	41.61	42.66	43.72	44.81	45.94	47.08	48.26	49.47	6,068 - 7,394
637	35.88	36.78	37.70	38.64	39.60	40.59	41.61	42.65	43.72	44.81	45.93	47.08	48.25	49.46	50.70	6,219 - 7,577
638	36.78	37.70	38.64	39.61	40.60	41.61	42.66	43.72	44.81	45.94	47.08	48.26	49.47	50.70	51.97	6,375 - 7,768
639	37.69	38.64	39.60	40.59	41.61	42.65	43.71	44.81	45.93	47.07	48.25	49.46	50.69	51.96	53.26	6,534 - 7,961
640	38.64	39.60	40.59	41.61	42.65	43.72	44.81	45.93	47.08	48.25	49.46	50.70	51.96	53.26	54.60	6,697 - 8,160
641	39.60	40.59	41.61	42.65	43.72	44.81	45.93	47.08	48.25	49.46	50.70	51.96	53.26	54.59	55.96	6,865 - 8,364
642	40.59	41.61	42.65	43.71	44.81	45.93	47.07	48.25	49.46	50.69	51.96	53.26	54.59	55.96	57.35	7,036 - 8,572
643	41.61	42.65	43.72	44.81	45.93	47.08	48.25	49.46	50.70	51.97	53.26	54.60	55.96	57.36	58.79	7,212 - 8,788
644	42.65	43.72	44.81	45.93	47.08	48.25	49.46	50.70	51.96	53.26	54.60	55.96	57.36	58.79	60.26	7,393 - 9,007
645	43.72	44.81	45.94	47.08	48.26	49.47	50.70	51.97	53.27	54.60	55.97	57.37	58.80	60.27	61.78	7,578 - 9,234
646	44.81	45.94	47.08	48.26	49.47	50.70	51.97	53.27	54.60	55.97	57.37	58.80	60.27	61.78	63.32	7,768 - 9,464
647	45.93	47.08	48.25	49.46	50.70	51.96	53.26	54.60	55.96	57.36	58.79	60.26	61.77	63.31	64.90	7,961 - 9,700
648	47.08	48.25	49.46	50.69	51.96	53.26	54.59	55.96	57.36	58.79	60.26	61.77	63.31	64.89	66.52	8,160 - 9,942
649	48.25	49.46	50.70	51.96	53.26	54.59	55.96	57.36	58.79	60.26	61.77	63.31	64.90	66.52	68.18	8,364 - 10,191
650	49.46	50.70	51.97	53.27	54.60	55.96	57.36	58.80	60.27	61.77	63.32	64.90	66.52	68.19	69.89	8,574 - 10,446
651	50.70	51.97	53.27	54.60	55.97	57.37	58.80	60.27	61.78	63.32	64.91	66.53	68.19	69.90	71.64	8,789 - 10,708
652	51.97	53.27	54.60	55.96	57.36	58.80	60.27	61.77	63.32	64.90	66.52	68.19	69.89	71.64	73.43	9,008 - 10,975
653	53.26	54.59	55.96	57.36	58.79	60.26	61.77	63.31	64.89	66.52	68.18	69.88	71.63	73.42	75.26	9,232 - 11,248
654	54.60	55.96	57.36	58.80	60.27	61.77	63.32	64.90	66.52	68.19	69.89	71.64	73.43	75.27	77.15	9,464 - 11,531
655	55.96	57.36	58.79	60.26	61.77	63.31	64.89	66.52	68.18	69.88	71.63	73.42	75.26	77.14	79.07	9,699 - 11,818
656	57.36	58.79	60.26	61.77	63.31	64.90	66.52	68.18	69.89	71.63	73.42	75.26	77.14	79.07	81.05	9,942 - 12,113
657	58.79	60.26	61.77	63.31	64.89	66.52	68.18	69.88	71.63	73.42	75.26	77.14	79.07	81.04	83.07	10,190 - 12,416
658	60.27	61.77	63.32	64.90	66.52	68.19	69.89	71.64	73.43	75.26	77.15	79.07	81.05	83.08	85.15	10,446 - 12,728
659	61.77	63.32	64.90	66.52	68.19	69.89	71.64	73.43	75.26	77.15	79.07	81.05	83.08	85.15	87.28	10,707 - 13,046
660	63.31	64.89	66.52	68.18	69.88	71.63	73.42	75.26	77.14	79.07	81.04	83.07	85.15	87.28	89.46	10,974 - 13,371
661	64.90	66.53	68.19	69.89	71.64	73.43	75.27	77.15	79.08	81.06	83.08	85.16	87.29	89.47	91.71	11,250 - 13,707
662	66.52	68.18	69.88	71.63	73.42	75.26	77.14	79.07	81.04	83.07	85.15	87.28	89.46	91.69	93.99	11,530 - 14,048
663	68.18	69.89	71.63	73.43	75.26	77.14	79.07	81.05	83.07	85.15	87.28	89.46	91.70	93.99	96.34	11,818 - 14,399
664	69.89	71.64	73.43	75.27	77.15	79.08	81.05	83.08	85.16	87.28	89.47	91.70	94.00	96.35	98.75	12,114 - 14,760
665	71.63	73.42	75.26	77.14	79.07	81.04	83.07	85.15	87.28	89.46	91.69	93.99	96.34	98.74	101.21	12,416 - 15,128
666	73.42	75.26	77.14	79.07	81.05	83.07	85.15	87.28	89.46	91.70	9					







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The following page(s) contain the backup material for Agenda Item: [Adopt a Resolution authorizing a policy allowing nonexempt employees to sell back or convert leave to cash during the course of employment; and direct the Executive Director to revise or develop appropriate documents to implement the policy, including any](#)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 4*

**DATE:** June 26, 2017

**RECOMMENDATION:** Adopt a Resolution authorizing a policy allowing nonexempt employees to sell back or convert leave to cash during the course of employment; and direct the Executive Director to revise or develop appropriate documents to implement the policy, including any necessary revisions or restrictions as may be required by applicable by law.

**SUMMARY:** This Resolution will implement a policy allowing nonexempt employees to sell back or convert leave to cash during the course of employment in similar fashion as allowed for exempt employees and authorize the Executive Director to revise or develop appropriate documents to implement the policy, including any necessary revisions or restrictions as may be required by applicable by law.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The San Bernardino County Employees Retirement Association (“SBCERA”) contacted the District on March 6, 2017 and explained implementation of recent pension reform legislation. This implementation impacts District retirees by disallowing certain income in calculations that determines a District employee’s retirement benefit. Certain income that had previously been included in retirement calculations has now been excluded due to pension reform. The change will reduce retirement benefits for at least two current retirees who retired after pension reform took effect, but whose benefits were calculated under the old practice. District staff met with SBCERA on April 12, 2017 to discuss the scope of the problem and assess the impact on current and future retirees. This is further described in Exhibit 1.

The **District’s past practice**, with concurrence from SBCERA, has included accrued leave converted to cash in the compensation earnable calculations for retirement benefits for all employees. This benefit is limited to what an employee is eligible to accrue (for each leave type) and convert to cash during any 12 months of employment.

**MINUTES OF THE GOVERNING BOARD  
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*AGENDA ITEM 4*

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SBCERA has reviewed retirement benefits for employees retired since January 1, 2013 and may have erroneously included items that the law does not allow. They have concluded that while the District's written policy for exempt employees to convert accrued leave to cash during employment allows the inclusion of cashed out leave in retirement calculations for exempt employees the lack of such a policy for nonexempt employees precludes using leave cash out in retirement calculations for nonexempt employees. This action may negatively impact two retirees as well as one employee who has separated from the District but deferred their retirement.

Staff recommends the Governing Board approve a written policy for the nonexempt employees that allows sell-back of accrued vacation and holiday leave using the same language in the MDAQMD Exempt Compensation Plan in sections titled "Vacation Sell-Back" ((Section VI.B.8.a) and b)), and "Holiday Sell Back" ((Section VI.C.2.a) and b)). **This action will allow the District to affirm and continue its past practice** of reporting the conversions of up to 12 months accrued leave to cash as "compensation earnable" during the last year of employment for retirement calculation purposes.

This action will direct the Executive Director to revise or develop appropriate documents to implement the policy, including any necessary revisions or restrictions as may be required by applicable by law; and meet and confer with the employees' representation to the extent needed or required. Pension reform specifically excludes eligibility of cash outs to be included in pensionable compensation for employees hired after January 1, 2013 and subject to PEPRA. Any policies developed need to clearly reflect this exclusion.

**REASON FOR RECOMMENDATION:** Governing Board authorization is required to change employee benefits.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Brad Poiriez, Executive Director on or about June 12, 2017.

**FINANCIAL DATA:** This action is administrative in that it affirms past practice. No increase in appropriation is required.

**PRESENTER:** Jean Bracy, Deputy Director - Administration

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

**AGENDA ITEM 4**

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Exhibit 1

History

When the District formed on July 1, 1993, all employees on that date were former employees of San Bernardino County with specified employment benefits. Employees who were nonexempt and represented while employees of the County voted to retain representation; exempt employees did not act to retain representation. Terms and conditions of employment for nonexempt represented employees were – and have been – negotiated in a Memorandum of Understanding. Terms and conditions of employment for exempt employees were – and continue to be – set into an Exempt Compensation Plan.

Past Practice

The District contracted with San Bernardino County for payroll services through 1998. Employees who retired from the District from 1993 to 1998 received the attention and expertise from County staff including the Retirement Board staff. The District's first retiree after payroll was brought in-house was about 2002.

District staff works with SBCERA when an employee plans a retirement. On the final payout to the employee the District reports to SBCERA gross earnings including the cash value of accruals for Administrative Leave (exempt only), Sick, Vacation, and Holiday leaves. The calculations of the gross earnings applicable for compensation earnable are limited by the amount the employee is eligible to accrue and the accruals banked by the employee; not all employees hold the maximum accrual in the leave accrual bank. Appropriate retirement contributions are calculated and paid for the additional compensation. This practice has been followed for every employee that has separated from the District. Twenty three employees have separated from the District since 2005; twenty of those directly into retirement.

Pension Reform Legislation

As defined in Government Code §31461(b)(2), compensation earnable cannot include the value of accrued leave converted to cash (“cash outs”) on termination or retirement that exceeds that “which may be earned *and payable* in each 12-month period...” SBCERA has determined the application of “and payable” to be the practice of converting accrued leave to cash during active employment as governed by the **employer's written policy**.

Discussions with SBCERA

District staff met with SBCERA on April 12, 2017 to discuss the scope of the problem and develop measures to assess the impact on current and future retirees. For leave cash-outs, SBCERA relies on the employer's policy documents to determine what is allowable for inclusion in a Classic member's “final compensation” under the SBCERA pension plan, **based on what the employer's rules designate** as both “earned and “payable” during the relevant period.

The MDAQMD Exempt Compensation Plan contains a policy allowing exempt employees to sell-back or convert to cash accrued leave during the course of active employment. There is no such written policy for nonexempt employees. However, the **District's past practice** has been,

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

**AGENDA ITEM 4**

**PAGE 4**

with concurrence from SBCERA, to report to SBCERA accrued leave converted to cash in the compensation earnable for retirement benefit calculations for **all retiring employees**, exempt and nonexempt. This reporting and treatment of cash-outs as compensation earnable has historically been limited to what an employee is eligible to accrue (for each leave type) and receive as cash payment in any 12 month period of employment.

SBCERA acknowledged that the reform legislation has been in place since January 2013 and this recent development is part of the ongoing implementation of complex legislation. The District also acknowledged there was no written policy to sell back or convert to cash accrued leave for nonexempt employees, yet such cash outs were reported as compensation earnable within the applicable limits. However, SBCERA has made the determination that they will review retirement benefit calculations for employees retired since January 1, 2013, potentially affecting two retirees and one former employee who deferred retirement.

Recommended Action

Staff recommends that the Governing Board adopt a policy allowing nonexempt employees to sell back or convert leave to cash during the course of active employment. **This action will allow the District to affirm and continue its past practice** of reporting the accrued leave converted to cash as earnable compensation during the last year of employment for those employees hired before January 1, 2013<sup>1</sup>. SBCERA explained that actuarial assumptions used to determine the employer's required retirement contributions include accrual cash outs and indicates taking this action will be at or near cost neutral to the District.

Calculating Retirement Benefits

Calculating retirement benefits is composed of several components. The formula includes an employee's

- years of service,
- "final compensation" for the relevant period
- age; and
- the benefit formula adopted by the employer and/or the retirement/pension plan (e.g. "2% at 55").

The "final compensation" includes a number of income sources which, taken together, is known as "compensation earnable" for "Classic" (or "Tier 1") members. (For "new members" subject to PEPPRA, the corresponding but narrower term is "pensionable compensation.") Case law over time, including the Ventura Decision, has crafted the specific elements of compensation earnable. The most recent definition came through pension reform legislation, including the companion and follow-on cleanup bills, commonly known as PEPPRA. Specifically, changes to the definition of "compensation earnable" were enacted by AB 197 of 2012.

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<sup>1</sup> Pension reform specifically excludes eligibility of cash outs to be included in pensionable compensation for employees hired after January 1, 2013 and subject to PEPPRA.



RESOLUTION \_\_\_\_

1 **A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY**  
2 **MANAGEMENT DISTRICT AUTHORIZING A POLICY ALLOWING NONEXEMPT**  
3 **EMPLOYEES TO SELL BACK OR CONVERT LEAVE TO CASH DURING THE COURSE OF**  
4 **EMPLOYMENT; AND DIRECT THE EXECUTIVE DIRECTOR TO REVISE OR DEVELOP**  
5 **APPROPRIATE DOCUMENTS TO IMPLEMENT THE POLICY.**

6 On June 26, 2017, on motion by Member \_\_\_\_\_, Seconded by Member  
7 \_\_\_\_\_, and carried, the following resolution is adopted:

8 **WHEREAS**, the Mojave Desert Air Quality Management District (District) is a member of San  
9 Bernardino County Employees Retirement Association (“SBCERA”); and

10 **WHEREAS**, the District’s past practice has been, with concurrence from SBCERA, to report  
11 accrued leave converted to cash in the compensation earnable as reported to SBCERA for retirement  
12 benefit calculations for all retiring employees, both exempt and nonexempt; and,

13 **WHEREAS**, the MDAQMD Exempt Compensation Plan contains a policy allowing exempt  
14 employees to sell back or convert to cash accrued leave during the course of active employment but there  
15 is no corresponding policy for the District’s nonexempt employees; and

16 **WHEREAS**, the San Bernardino County Employees Retirement Association (“SBCERA”)  
17 reviewed their practices and the practices of their members against changes in pension reform legislation;  
18 and,

19 **WHEREAS**, they reviewed the past practice of the Mojave Desert Air Quality Management  
20 District’s (“District”) reporting accrued leave converted to cash as part of final compensation and  
21 determined this practice is not supported by the pension reform statutes for the District’s nonexempt  
22 employees; and,

23 **WHEREAS**, SBCERA has now made the determination that, without a written policy that affirms  
24 the past practice, they will review retirement benefit calculations of employees retired since January 1,  
25 2013.

26 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the MDAQMD hereby  
27 authorizes allowing nonexempt employees to sell back or convert leave to cash during the course of  
28 employment in the same manner and to the same extent as set forth in the MDAQMD Exempt  
Compensation Plan in sections titled “Vacation Sell-Back” ((Section VI.B.8.a) and b)), and Holiday Sell  
Back ((Section VI.C.2.a) and b)).

RESOLUTION \_\_\_\_

1           **BET IT FURTHER RESOLVED**, that the Executive Director is directed to revise or develop  
2 appropriate policies and procedures as necessary to fully implement this action, including any necessary  
3 revisions or restrictions as may be required by applicable by law.

4           **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption.

5 **PASSED, APPROVED AND ADOPTED** by the Governing Board of the Mojave Desert Air Quality  
6 Management District by the following vote:

7 AYES:                   MEMBER:

8 NOES:                   MEMBER:

9 ABSENT:               MEMBER:

10 ABSTAIN:              MEMBER:

11 STATE OF CALIFORNIA

12 COUNTY OF SAN BERNARDINO

13  
14  
15           I, \_\_\_\_\_, Clerk of the Governing Board of the Mojave Desert Air  
16 Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the record  
17 of the action as the same appears in the Official Minutes of said Governing Board at its meeting of June  
18 26, 2017.

19 \_\_\_\_\_  
20 Clerk of the Governing Board  
21 Mojave Desert Air Quality Management District

The following page(s) contain the backup material for Agenda Item: [Adopt a Resolution for the Election of Directors to the Special District Risk Management Authority Board of Directors to select Jean Bracy and up to three others as candidates of the Board's selection.](#)  
[Presenter: Brad Poiriez.](#)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 5*

**DATE:** June 26, 2017

**RECOMMENDATION:** Adopt a Resolution for the Election of Directors to the Special District Risk Management Authority Board of Directors to select Jean Bracy and up to three others as candidates of the Board's selection.

**SUMMARY:** As a member agency of the Special District Risk Management Authority (SDRMA), the MDAQMD has the opportunity to select members to that Board of Directors. This item selects Jean Bracy and opens discussion for selecting up to three additional candidates.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The MDAQMD participates in the SDRMA insurance pool with other special districts for liability and workers compensation coverage. As a member agency, the MDAQMD has the opportunity to participate in the election of the members to that Board of Directors. Four of seven seats are up for election for four year terms beginning January 2018.

The Governing Board has already supported the nomination of Jean Bracy, Deputy Director - Administration, as a candidate; therefore, this recommendation includes casting the subsequent vote. The Governing Board has the opportunity of selecting the additional three candidates.

This action recommends re-electing the incumbents: Mike Scheafer, David Aranda, and Jean Bracy. If elected, this will be Jean Bracy's third term on this board. The recommendation for the fourth seat is made considering the candidates' experience, the District where they serve, and their geographic location within the State. Consideration is also given to the expertise they might bring to the existing Board which represents a variety of districts and public service activities.

This action recommends a vote for Tim Unruh, the District Manager from Kern County Cemetery District No. 1. Of the other candidates, one is from Apple Valley, another is from a southern California Cemetery District, and one provided inadequate information for an evaluation.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 5*

**PAGE 2**

**REASON FOR RECOMMENDATION:** The authority to elect officers to this Board of Directors rests with the governing body of each SDRMA member by resolution.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form on or before June 12, 2017.

**FINANCIAL DATA:** This action has no financial impact.

**PRESENTER:** Brad Poiriez, Executive Director/APCO

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE GOVERNING BODY OF THE  
Mojave Desert Air Quality Management District  
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT  
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

**WHEREAS**, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

**WHEREAS**, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

**WHEREAS**, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

**WHEREAS**, SDRMA's Board of Directors approved Policy No. 2017-03 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

**WHEREAS**, Policy No. 2017-03 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the Mojave Desert Air Quality Management District selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



**OFFICIAL 2017 ELECTION BALLOT  
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS**

**VOTE FOR ONLY FOUR (4) CANDIDATES**

Mark each selection directly onto the ballot, voting for no more than four (4) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than four (4) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 4:30 p.m., Tuesday, August 29, 2017. Faxes or electronic transmissions are NOT acceptable.

- TIMOTHY UNRUH**  
District Manager, Kern County Cemetery District No. 1
- JAMES M. HAMLIN (Jim)**  
Board Director, Burney Water District
- MIKE SCHEAFER (INCUMBENT)**  
Director/President, Costa Mesa Sanitary District
- MICHAEL J. KAREN**  
Board Director, Apple Valley Fire Protection District
- DAVID ARANDA (INCUMBENT)**  
General Manager, Mountain Meadows Community Services District
- CINDI BEAUDET**  
General Manager, Temecula Public Cemetery District
- JEAN BRACY, SDA (INCUMBENT)**  
Deputy Director – Administration, Mojave Desert Air Quality Management District

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2017 by the Mojave Desert Air Quality Management District by the following roll call votes listed by name:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST:  
  
\_\_\_\_\_

APPROVED:  
  
\_\_\_\_\_

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate Timothy Unruh  
District/Agency Kern County Cemetery District No.1  
Work Address 18662 Santa Fe Way, PO Box 354, Shafter, CA 93263  
Work Phone 661-746-3921 Home Phone 661-746-6725

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

The work of SDRMA is critical to the everyday operations of a Special District. Knowing that the district and the board is protected gives a 'Peace of Mind' to our daily operations. Sitting on this Board will give me an opportunity to give back to SDRMA and its membership. As a manager of a moderate sized Special District, I am especially interested in maintaining an involvement from that small district perspective. It is imperative that SDRMA maintains cost effective service to the Special District community and it's important that smaller districts have a voice in their insurance needs.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I spent three years as a Director for CSDA including one year as Legislation Committee Chairman. I currently sit on the CSDA Legislation Committee and am a Special District Administrator (SDA). Our District is in its fourth term as a District of Distinction which now includes the Transparency Certification. I currently sit as a Director with a city appointment on Kern Mosquito and Vector board. I have been a Director of the California Association of Public Cemeteries for 15 years and currently am Chairman of the Legislation Committee. I have been involved with the Kern County Special Districts Association since 1995 from when we worked to obtain LAFCo representation for Special Districts.

Most importantly, I have been a manager for the Kern County Cemetery District for 30 years and work daily to keep our cemetery district strong and effective in our community. To that end, I have the SDRMA General Safety Specialist Certification and with that training I work for a compliant, safe and healthy working relationship with our staff.



**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

I feel that community history is very important and am a volunteer with the local Historical Society. I also have sat on the local school board and have been involved with our youth through our church as well as our community through sports and especially by giving our young people a safe and entertaining place to visit after our home football games.

This being said, I feel that I am a committed and thorough person who knows that to get things done you must be involved and be able to think out of the box in difficult situations. You must listen to those around you and sometimes that means keeping one's mouth shut.

I have worked as a Manager for many years and understand the needs of special districts. What SDRMA offers is an integral part of special district operations and I feel that I can bring a passion for the practical needs of Special Districts.

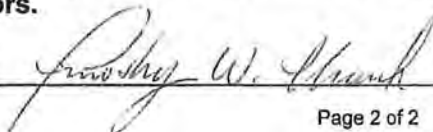
**What is your overall vision for SDRMA? (Response Required)**

SDRMA has shown great concern for the Special Districts in California as is seen in their commitment to meeting our insurance needs. This is done by listening to the membership and continuing to work on being a better and complete insurance stop. I feel that the Health Insurance part of their programs will be the next large growth area. As we deal with PERB's and the needs of our work force, this area will help to meet the needs of our agencies.

Their education is excellent and they have defined their role in local government very well. It will be necessary to maintain this role and work to educate the membership. SDRMA's commitment to be a cost-effective insurance provider has work well in the past and will continue to do so as long as the Board and staff work together to fulfill their mission statement.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date: April 24, 2017

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate James M. Hamlin (Jim)  
District/Agency Burney Water & Sewer District  
Work Address 20541 Burney Court, Burney, Ca. 96013  
Work Phone (530) 335-2040 Home Phone (530) 335-2040

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

Able to look at actuarial evidence. Being able to set adequate rates for both insurance program and districts. SDRMA needs to operate as a business.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

Served on hospital district for 24 1/2 years, California Hospital District board for 8 years, Burney water Sewer board for three years. I had my own insurance brokerage for 43 years. I did not have an E & O Claim.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

see previous question

**What is your overall vision for SDRMA? (Response Required)**

SDRMA must operate as a viable business. Many district carriers and board members are reluctant to raise rates. When I served on Ca. Hospital Board, many of the board members were not willing to operate as a business because it would affect their hospitals bottom line.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature James M. Hamblin Date 4-1-2017

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate **MIKE SCHEAFER**  
District/Agency **COSTA MESA SANITARY DISTRICT**  
Work Address **1551-B BAKER ST, COSTA MESA, CA 92626**  
Work Phone **714-435-0300** Home Phone **714-552-9858**

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

As an incumbent on the SDRMA Board I wish to continue providing the service and knowledge that I have been consistent with during my current term. As an insurance professional for over 44 years I bring the experience needed to manage the risks Districts are faced with. Over my term I have consistently made decisions to provide the protections necessary at the most affordable cost. Districts continue to encounter new challenges to their risk management programs. My years of experience, my continued involvement in insurance education and my desire to protect make me a sound choice to continue on the Board of SDRMA.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

Current SDRMA Board Member. President Costa Mesa Sanitary District Board of Directors. Former City Councilmember for the City of Costa Mesa. Former Parks and Recreation Commissioner for the City of Costa Mesa.

Leadership positions, including Board President for the following: Little League Baseball, Boys and Girls Club of the Harbor Area, Costa Mesa Senior Center, The Albert Dixon Memorial Foundation (non profit providing funds for other non-profit agencies).

Over 30 years experience with Lions Clubs International. Served as District Governor, Club President several times. Chaired the California Convention Committee several times. Membership in the organization continues.

My leadership role in all these organizations gave, and give, me experience in the risks that face each. My insurance experience helps me make prudent decisions when challenged with those risks.



**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

Many of the organizations that I have either been elected to or volunteered for quickly put me in a leadership role. They recognized my ability to handle the risks and challenges the organizations meet. I was able to steer those organizations in a clear path to minimize the risk.

I continue to hold a teaching credential in Insurance Education with the local community college District. Additionally I was a professor of Insurance Continuing Education for many years. I have a passion for passing on the knowledge I have acquired over my career.

I have always faced the risk management challenges of any organization with the confidence that the desired outcomes would be realized.

**What is your overall vision for SDRMA? (Response Required)**

My vision is to continue providing the protection and service to the Special Districts that make them strong in their risk management efforts. I will continue to work for those ends while keeping strong my conviction that rates need to be adequate yet affordable for the Districts.

New technologies, changes in legislation, make it extremely difficult for Districts to keep up with the factors posing new challenges to risk management, insurance, etc. My experience in those areas, my position as an elected official, make me keenly aware of how to protect the Districts.

I will continue to be committed to making SDRMA the leader in protecting the risk management needs of our Special Districts.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature \_\_\_\_\_



Date \_\_\_\_\_

4/25/17

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate    \_\_\_ Michael J. Karen \_\_\_\_\_  
District/Agency     \_\_\_ Apple Valley Fire Board \_\_\_\_\_  
Work Address         \_\_\_ N/A \_\_\_\_\_  
Work Phone          \_\_\_ N/A \_\_\_\_\_ Home Phone \_\_\_ 760-713-3273 \_\_\_\_\_

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

I would be honored to serve on the SDRMA Board of Directors because I am interested in not only risk management, but insurance as well. I have run my own company and have seen first hand how accidents can affect the bottom line.

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**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I was appointed to the Apple Valley Fire Board in February of 2016. I was re-elected the same year. During my time on the board, I have already been a part of many great things. The board and I helped to pass Measure A which funds our district in perpetuity. We also passed and have streamlined the budget. I have also been a part of evaluations as well.

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**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates - no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate David Aranda  
District/Agency Mountain Meadows Community Services District  
Work Address 17980 Highline Rd - Tehachapi CA 93561  
Work Phone 661-822-7616 Home Phone 661-300-1231

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

Working with six other board members and the staff as a team is challenging and rewarding.  
Over the years of my service on the SDRMA Board I hope the members have found my input to be beneficial and it is my desire to continue to look after the members receiving the best service at a fair cost.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

Service on SDRMA  
Service on SOWCA - I was part of the group that consolidate two entities into one entity which was very cost effective  
Service on SDIF  
Past Service on CSDA - current Education Committee member



**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

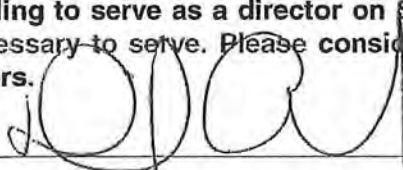
Serving as a General Manager over the past twenty plus years and serving as a Board Member assists me in understanding the proper process that benefits the operation of SDRMA. Eighteen years of experience with SDRMA provides a good knowledge base to benefit the members.

**What is your overall vision for SDRMA? (Response Required)**

- 1) Continue to provide excellent service
- 2) Continue the balance of a financially strong pool that provides great policy coverage at the best pricing possible.
- 3) Serve the members with cutting edge software, customer service, oriented employees and a Board that remembers who we are serving!

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-20-17

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate	Cindi Beaudet		
District/Agency	Temecula Public Cemetery District		
Work Address	41911 C Street, Temecula CA 92592		
Work Phone	(951)699-1630	Home Phone	(951)541-8736

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

As a member of SDRMA, I've learned first hand the risk and challenges that comes with my type of Special District. I think it is important to have an active and knowledgeable voice representing our industry and districts and that understands the role special districts play and their importance. I will bring sound policy principles to the table and work with my fellow board members in the spirit of collaboration to ensure SDRMA continues to be a cost effective, high quality risk management service.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I have played an active role in the cemetery industry in both the private sector and with special districts for almost two decades and was elected in 2006 to the Board of California Association of Public Cemeteries (CAPC). While on the Board for CAPC one of my roles was Education Committee Chair, working with executive staff to identify learning and certification opportunities for our members. This experience has provided me with the skills and knowledge of board development, procedures, protocol and policy development.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

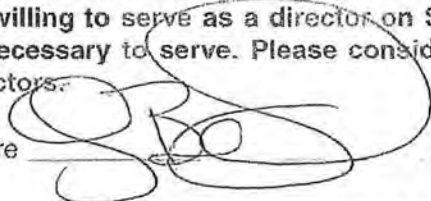
Since 2004 I have served as General Manager to the Temecula Public Cemetery District. I consider myself to be well versed in cemetery leadership, risk mitigation, best management practices and risk reduction. I hold a life insurance license from the State of California. I am an advocate for the cemetery profession, serving as a formal mentor for CAPC. I am engaged and involved heavily in my community and understand first hand the challenges and risk associated with cemetery operations and management.

**What is your overall vision for SDRMA? (Response Required)**

My overall vision for SDRMA is that it appropriately and accurately addresses the risk and mitigation needs of all its members in a thoughtful and deliberate manner, considering the size, scope and nuances of each type of public agency. This thoughtful consideration will provide better service to our members while maintaining the cost effective quality programs SDRMA continues to offer.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date

4/27/17



**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate    Jean Bracy, SDA  
District/Agency      Mojave Desert Air Quality Management District  
Work Address          14306 Park Ave., Victorville, CA 92392  
Work Phone            760-245-1661

**Why do you want to serve on the SDRMA Board of Directors?**

I have served on the SDRMA Board of Directors since 2010. In 2017 I was elected by the Board to be the **Board President**. The Board strives to provide a variety of avenues for members to be successful and has adopted many important programs and policies aimed to provide members **cost effective coverage**. Each year, the Board **carefully considered** rates for services and from 2009 to 2016 voted to hold rates flat for the property/liability program. Through strategic planning SDRMA has a **strong financial base**. SDRMA has included **Cyber Coverage**; provided a **FREE Law Legal Hotline**; established a **multiple-policy discount (5%)** for each member who belongs to both the property/liability and the workers compensation programs; shares investment earnings with members through a **longevity distribution**; established the **loss prevention allowance funds** which reimburses members for safety-related costs up to \$1,000; launched and enhanced the SDRMA **interactive website**; provided **FREE online training** through Target Solutions; launched a **Safety Specialist Certificate** program; and contracted with Company Nurse to provide **FREE screening services** for work-related injury cases. I have worked closely with **SDRMA for 17 years**. I am attracted to its member-focused, pro-active, and positive mission. I would like to see – and be a part of – SDRMA continue this member-centric approach.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)**

I am serving my eighth year on the **SDRMA Board of Directors** and in 2017 I am the Board President. I am serving my fifth year on the Board of Directors for the **Special District Leadership Foundation (SDLF)** and I am the Board Secretary. On this Board I have been part of the continuing expansion of the SDLF programs, including the premier program, **District of Distinction**, also the Special District Administrator Certificate, the Recognition of Special District Governance, and the District Transparency Certificate of Excellence.

My career experience with special districts has helped me to understand the issues specific to smaller organizations. I have learned what it really means for an organization to do more with less. I have also learned that political realities for special districts are distinct from other forms of governments. As the Deputy Director – Administration for the Mojave Desert Air Quality Management District, I am the staff representative to the Governing Board Committees for Budget and Personnel. I am a member of and have chaired the California Air Pollution Control Officers Association (CAPCOA), statewide committees for Fiscal and Human Resource officers. I organized and have chaired the Alternate Fuel Task Force for the Mojave Desert air basin; I have represented the District in the Antelope Valley Clean Cities Coalition.

My working opportunities have crossed several public service types. I served as the Victorville city representative to the Technical Advisory Committee for the Victor Valley Transit Authority and as the City representative and officer on the Executive Committee of the Regional Economic Development Authority. I volunteered four years on the Board of Directors of the Victor Valley Federal Credit Union. For six years, I worked as an adjunct professor at Victor Valley Community College teaching Public Works Administration.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?**

As professional and as a volunteer, I have a wide range of experiences with organizational structures, long term and vision planning, development of staff and volunteers, and resource and program management. My experience of leading organizational activities and implementing change for growth includes bringing together intergenerational and multicultural groups to achieve common goals.

I am an effective manager with expertise in efficient and productive management implementing process improvements in finance, human resources, risk management, and a wide variety of related administrative and organizational functions. I have led highly skilled teams to support the achievement of overall agency goals and objectives.

I earned a Master's Degree in Public Administration from California State University, San Bernardino

I earned the Special District Administrator Certification from the Special Districts Leadership Foundation

I earned the Recognition of Special District Governance from the Special Districts Leadership Foundation

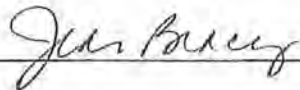
I earned the Masters Certification in Labor Relations from the California Public Employers Labor Relations Association (CALPELRA)

**What is your overall vision for SDRMA?**

I want to continue contributing my experience and expertise to SDRMA's overall function to further strengthen and enhance the lines of services provided by SDRMA. I want to see members educated to be wise in their management to reduce costs and deliver their very important missions to their communities. I want to be part of the mission to enhance the member's experience through claims management and education that leads to loss prevention.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date

2-27-17

The following page(s) contain the backup material for Agenda Item: [Receive and file the Legislative Report for June 8, 2017. Presenter: Brad Poiriez.](#)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 6*

**DATE:** June 26, 2017

**RECOMMENDATION:** Receive and file.

**SUMMARY:** The Legislative Report for June 8, 2017.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** Legislative actions proposed at the federal and state level have the potential to impact the implementation of the District's mission as well as its regulatory operations. An important tool for the District is to monitor the flood of information and its status which allows for comment early in the process and preparation for any changes that may be required. The District contracts this service and receives periodic reports with summaries to help sort the pertinent legislative proposals.

Strategic Partners Group (SPG) is the consultant to the District providing this service to monitor certain legislative and regulatory activities at the state and local level. Staff will direct questions to SPG regarding any of the material presented or follow up on any matter of interest to the Governing Board. Following the table of proposed legislation are several Articles of Interest of relevant information.

**REASON FOR RECOMMENDATION:** This item is provided for information subject to direction of the Governing Board.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel, as to legal form and by Brad Poiriez, Executive Director, on or about June 9, 2017.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Brad Poiriez, Executive Director



*Government Affairs and Communication Consulting*

FRANK T. SHEETS, III  
LAURIE HANSEN SHEETS

## MEMORANDUM

**TO:** Brad Poiriez

**FROM:** Frank Sheets  
Laurie Hansen

**DATE:** June 8, 2017

**RE:** Bill Tracking Report

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Following please find our latest legislative report.

June 2<sup>nd</sup> represented the latest legislative deadline, namely all bills in both houses must move out of their houses of origin to continue in the lawmaking process. Typically, bills that do not clear their house of origin by the cross over deadline become two-year bills, whether voted on or not. Three of the bills in your current bill list have been confirmed as two-year bills, namely AB 771, AB 1342 and SB 53. There are bills however that did not move from their house of origin which to date have not been designated as two-year bills. In this category are AB 151, AB 378, SB 57, and SB 775. We assume these will be designated as two-year bills and could be considered again in 2018. Considering the removal of two-year bills removed since your last report, your bill count is currently at 49.

The District should be aware that AB 1132 has moved from out of the Assembly to the Senate. The bill should be of interest in that it provides for new management protocols for districts dealing with Abatement Orders.

Of the major ongoing issues in Sacramento are attempts to validate the AB 32 Cap and Trade program through new legislation. As we have mentioned previously, three bills, AB 151, AB 378 and SB 775 represent legislation that might have provided sufficient mechanisms to substantiate the future legality of this program. We say this in that some say AB 32 does not provide for the program to continue past 2020. We feel this interpretation can be somewhat substantiated by the Governor's insistence that legislation be passed this year, with a 2/3 majority, to not only confirm the program continuing past 2020, but also, with a 2/3 majority, putting to rest speculation that the program represents an illegal tax.

Of interest is the fact that none of these three bills passed out of their house of origin, missing the June 2<sup>nd</sup> deadline. Therefore, without special consideration, or a "rule waiver", these bills cannot be reconsidered until 2018. So, what to do? The next big deadline is the requirement to pass the budget bill by June 15<sup>th</sup> and many speculate that language will be placed in the Budget Trailer Bill to satisfy the Governor's desire to make sure the program has legal authority to continue past 2020. But we can only speculate in that no language has been made public to confirm whether this might happen. The three bills referenced above all had their problems and did more than simply move the program forward. There were add-ons to the program that made the bills unpalatable to many in both the regulated and regulatory community. So bottom line, we don't know what the Governor might like to see in the Budget Bill. We do hear however that the language of AB 378, prior to its last-minute



amendments on June 1, most likely will be language in the initial drafts, but at this point cannot be confirmed.

Another major subject in the legislature are attempts to implement a single payer health program, with the State taking over responsibility to run a health care system for the entire state. We have provided articles on this subject for your review. Considering the price tag of \$400 billion, even if the bill passed through both houses, there is skepticism that the governor would approve.

Once again, should there be questions or comments, please feel free to contact us at any time.

## **MDAQMD 2017 bills**

### **Thursday, June 08, 2017**

#### [AB 1](#)

([Frazier D](#)) *Transportation funding.*

*Current Text: Introduced: 12/5/2016* [Text](#)

*Introduced: 12/5/2016*

*Status: 1/19/2017-Referred to Coms. on TRANS. and NAT. RES.*

*Location: 1/19/2017-A. TRANS.*

Desk	<b>Policy</b>	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund.*

*Notes 1: This transportation infrastructure rehabilitation bill is designed specifically to fund the repair existing state roads. This bill is primarily funded through increase fuel taxes and increased vehicle registration fees.*

#### [AB 18](#)

([Garcia, Eduardo D](#)) *California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.*

*Current Text: Amended: 2/23/2017* [Text](#)

*Current Analysis: 03/09/2017* [Assembly Floor Analysis \(text 2/23/2017\)](#)

*Introduced: 12/5/2016*

*Last Amend: 2/23/2017*

*Status: 3/20/2017-Read third time. Urgency clause adopted. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.*

*Location: 3/20/2017-S. DESK*

Desk	Policy	Fiscal	Floor	<b>Desk</b>	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Would enact the California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,105,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.*

*Vote Events:*

*03/20/2017 ASM. ASSEMBLY (Y:54 N:19 A:7) (P)*

*02/22/2017 ASM. APPR. (Y:12 N:5 A:0) (P)*

*02/07/2017 ASM. W.,P. & W. (Y:10 N:5 A:0) (P)*

*Notes 1: This bond measure has been amended increasing the proposed amount to \$3.1 billion and has moved from the Assembly to the Senate. The list of entities where moneys will be distributed is extensive.*

#### [AB 20](#)

([Kalra D](#)) *Public employee retirement systems: divestment: Dakota Access Pipeline.*

*Current Text: Amended: 4/24/2017* [Text](#)

*Current Analysis: 05/30/2017* [Assembly Floor Analysis \(text 4/24/2017\)](#)

*Introduced: 12/5/2016*

Last Amend: 4/24/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the boards of administration of the Public Employees' Retirement System and the State Teachers' Retirement System to make a specified report, on or before April 1, 2018, to the Legislature and the Governor regarding investments in the Dakota Access Pipeline, as defined. The bill would require the boards, on or before April 1, 2018, to consider factors related to tribal sovereignty and indigenous tribal rights when selecting or rejecting investments. The bill would provide that it does not require a board to take any action unless the board determines in good faith that the action is consistent with the board's fiduciary responsibilities established in the constitution.

**Vote Events:**

05/31/2017 ASM. ASSEMBLY (Y:50 N:24 A:6) (P)

05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)

04/19/2017 ASM. P.E.,R. & S.S. (Y:4 N:2 A:1) (P)

**Notes 1:** Apparently it is not uncommon for the State legislature to attempt to direct where retirement funds can be invested. We understand that administrators of the retirement fund have objected to the restriction proposed in the bill and apparently have been successful in that 4/24 amendments no longer require the retirement funds to divest from investments in the Dakota Pipeline project.

**AB 33**

**(Quirk D)** Transportation electrification: electric vehicle service equipment: electrical corporations: rates.

**Current Text:** Amended: 5/30/2017 [Text](#)

**Current Analysis:** 05/30/2017 [Assembly Floor Analysis \(text 5/30/2017\)](#)

**Introduced:** 12/5/2016

**Last Amend:** 5/30/2017

**Status:** 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the PUC, by March 30, 2018, in consultation with the state board and the Energy Commission, to consider authorizing electrical corporations to offer programs and investments in electric vehicle service equipment, as defined, installed in residential garages of customers who purchase a used electric vehicle. If authorized by the PUC, the bill would require that the programs and investments be designed to accelerate widespread transportation electrification, achieve ratepayer benefits, reduce dependence on petroleum, meet air quality standards, and reduce emissions of greenhouse gases.

**Vote Events:**

05/31/2017 ASM. ASSEMBLY (Y:58 N:17 A:5) (P)

05/26/2017 ASM. APPR. (Y:12 N:4 A:1) (P)

04/26/2017 ASM. C. & C. (Y:10 N:2 A:1) (P)

**Notes 1:** Quirk's bill has been amended eliminating fees and financial incentives relative to higher emitting vehicles vs. low emissions vehicles and calls for programs to assist in the installation of infrastructure to assist in promoting low emission vehicles.

**AB 36**

**(Nazarian D)** Eligible fuel cell electrical generating facilities: energy metering.

**Current Text:** Amended: 4/4/2017 [Text](#)

**Current Analysis:** 06/02/2017 [Senate Energy, Utilities And Communications \(text 4/4/2017\)](#)

**Introduced:** 12/5/2016

**Last Amend:** 4/4/2017

**Status:** 6/6/2017-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (June 6). Re-referred to Com. on APPR.

**Location:** 6/6/2017-S. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law requires that an electrical corporation file with the Public Utilities Commission a standard tariff providing for this energy metering for eligible fuel cell customer-generators and make the tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches a specified level. This bill would change "eligible fuel cell electrical generating facility" to "eligible electrical

generating facility” and would additionally make eligible a facility that electromechanically converts fuel to electricity for purposes of the above-described energy metering program.

**Vote Events:**

06/06/2017 SEN. E. U., & C. (Y:10 N:0 A:1) (P)  
05/11/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)  
05/03/2017 ASM. APPR. (Y:16 N:0 A:1) (P)  
04/24/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)  
04/19/2017 ASM. U. & E. (Y:14 N:0 A:1) (P)

**AB 79**

**(Levine D)** *Electrical generation: hourly greenhouse gas emissions: electricity from unspecified sources.*

**Current Text:** Amended: 4/24/2017 [Text](#)

**Current Analysis:** 05/30/2017 [Assembly Floor Analysis \(text 4/24/2017\)](#)

**Introduced:** 1/4/2017

**Last Amend:** 4/24/2017

**Status:** 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require, by January 1, 2019, the State Air Resources Board (state board), in consultation with the Independent System Operator (ISO), to update its methodology for the calculation of emissions of greenhouse gases associated with electricity from unspecified sources, a term defined in existing law but revised for this purpose, purchased within California balancing authority areas, as defined, and, distinctly, associated with electricity from unspecified sources imported into California from different subregions of the Western Electricity Coordinating Council.

**Vote Events:**

05/31/2017 ASM. ASSEMBLY (Y:56 N:19 A:5) (P)  
05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)  
04/03/2017 ASM. NAT. RES. (Y:7 N:3 A:0) (P)  
03/15/2017 ASM. U. & E. (Y:10 N:5 A:0) (P)

**Notes 1:** Levine's bill has been significantly amended eliminating future restrictions on the procurement of electricity from coal fired generation and now simply calls for the recording of emissions from electrical generation from sources outside of California that is delivered to the California grid.

**AB 151**

**(Burke D)** *California Global Warming Solutions Act of 2006: market-based compliance mechanisms: scoping plan: report.*

**Current Text:** Amended: 5/2/2017 [Text](#)

**Current Analysis:** 05/30/2017 [Assembly Floor Analysis \(text 5/2/2017\)](#)

**Introduced:** 1/11/2017

**Last Amend:** 5/2/2017

**Status:** 6/5/2017-Action From THIRD READING: To INACTIVE FILE.

**Location:** 6/5/2017-A. THIRD READING

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the State Air Resources Board to report to the appropriate policy and fiscal committees of the Legislature to receive input, guidance, and assistance before adopting guidelines and regulations implementing the scoping plan and a regulation ensuring statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. This bill contains other related provisions and other existing laws.

**Vote Events:**

05/26/2017 ASM. APPR. (Y:12 N:3 A:2) (P)  
04/24/2017 ASM. NAT. RES. (Y:9 N:1 A:0) (P)

**Notes 1:** This bill represents one of several proposing to extend the cap and trade program. The bill proposed continuing the program without major modifications and therefore, compared to other bills, garner some support from the business community. Although the bill reached the Assembly Floor from Appropriations, it never came to a vote on the Floor. We understand that the Speaker stated while considering this bill, he would not choose a favorite while considering AB151 and AB 378 (also dealing with the Cap and Trade program. Rather he concluded either both bills would move to the Senate, or both would fail. Considering AB 378 did not pass, after considerable debate on the Assembly Floor, it was therefore considered unnecessary to actually vote on AB 151. Technically therefore AB

151 could now be considered a two year bill, although it is not, at this point, formally identified as such.

[AB 188](#)

[\(Salas D\)](#) Vehicle retirement and replacement.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/26/2017\)](#)

Introduced: 1/19/2017

Last Amend: 5/26/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law creates the enhanced fleet modernization program to provide compensation for the retirement and replacement of passenger vehicles and light-duty and medium-duty trucks that are high polluters. This bill would require the State Air Resources Board, no later than July 1, 2019, to update the guidelines for the enhanced fleet modernization program to make applicable to light-duty pickup trucks the same standard for miles per gallon that is applicable to minivans, as specified.

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)

05/26/2017 ASM. APPR. (Y:16 N:0 A:1) (P)

03/27/2017 ASM. TRANS. (Y:14 N:0 A:0) (P)

[AB 193](#)

[\(Cervantes D\)](#) Air Quality Improvement Program: Clean Reused Vehicle Rebate Project.

Current Text: Amended: 5/30/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/30/2017\)](#)

Introduced: 1/19/2017

Last Amend: 5/30/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the State Air Resources Board to establish the Clean Reused Vehicle Rebate Project, as a part of the Air Quality Improvement Program, to provide rebates for the acquisition of an eligible used vehicle, as defined; the replacement or refurbishment of an electric vehicle battery and related components for an eligible used vehicle or a vehicle service contract, as defined, for the battery or related components; or a vehicle service contract to cover unexpected vehicle repairs not covered by the manufacturer's warranty related to unique problems in eligible used vehicles, as specified.

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:56 N:20 A:4) (P)

05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)

04/24/2017 ASM. TRANS. (Y:10 N:3 A:1) (P)

[AB 196](#)

[\(Bigelow R\)](#) Greenhouse Gas Reduction Fund: water supply and wastewater systems.

Current Text: Amended: 3/6/2017 [Text](#)

Current Analysis: 05/27/2017 [Assembly Floor Analysis \(text 3/6/2017\)](#)

Introduced: 1/19/2017

Last Amend: 3/6/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state and satisfying other purposes. Current law authorizes specified investments, including water use and supply, if the investment furthers the regulatory purposes of the California Global Warming Solutions Act of 2006 and is consistent with law. This bill would authorize the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)  
 05/26/2017 ASM. APPR. (Y:17 N:0 A:0) (P)  
 04/17/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)  
 03/21/2017 ASM. W.,P. & W. (Y:14 N:0 A:1) (P)

*Notes 1: It is our understanding water supply infrastructure in the State represents one of the largest electrical energy users in California. Upgrading and repairing this infrastructure could represent an efficiency improvement for this large user.*

**AB 246**

**(Santiago D)** Hazardous waste: facilities: permits: fence-line monitoring systems.

Current Text: Amended: 3/9/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 3/9/2017\)](#)

Introduced: 1/30/2017

Last Amend: 3/9/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Would, as a condition for a new hazardous waste facilities permit or a renewal of a hazardous waste facilities permit, require an applicant to install and maintain a fence-line monitoring system to measure and record emissions along the border of the facility. The bill would provide that this requirement applies only for a permit to operate a hazardous waste facility that treats or disposes of hazardous waste. Because a violation of this requirement would be a crime, the bill would impose a state-mandated local program.*

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:48 N:21 A:11) (P)

05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)

03/07/2017 ASM. E.S. & T.M. (Y:5 N:0 A:2) (P)

*Notes 1: This bill as amended calls for the installation of a fence around a hazardous waste treatment facility and calls for the monitoring of emissions from that facility at that fence line.*

**AB 248**

**(Reyes D)** Hazardous waste: facilities: permits.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/27/2017 [Assembly Floor Analysis \(text 5/26/2017\)](#)

Introduced: 1/30/2017

Last Amend: 5/26/2017

Status: 5/30/2017-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

Location: 5/30/2017-S. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Would require, for a hazardous waste facilities permit that will expire on or before July 1, 2020, the owner or operator of a facility intending to extend the term of that permit to submit a Part A and Part B application for a permit renewal at least 6 months before the fixed term of the permit expires. The bill would require, for a hazardous waste facilities permit that will expire after July 1, 2020, the owner or operator to submit a Part A and Part B application for a permit renewal at least 2 years before the fixed term of the permit expires.*

Vote Events:

05/30/2017 ASM. ASSEMBLY (Y:73 N:0 A:7) (P)

04/26/2017 ASM. APPR. (Y:11 N:4 A:2) (P)

03/07/2017 ASM. E.S. & T.M. (Y:5 N:2 A:0) (P)

**AB 262**

**(Bonta D)** Public contracts: bid specifications: Buy Clean California Act.

Current Text: Amended: 5/30/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/30/2017\)](#)

Introduced: 1/31/2017

Last Amend: 5/30/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
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1st House	2nd House	Conc.			
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**Summary:** *The State Contract Act governs the bidding and award of public works contracts by specific state departments and requires an awarding department, before entering into any contract for a project, to prepare full, complete, and accurate plans and specifications and estimates of cost. This bill, the Buy Clean California Act, would, by January 1, 2019, require the Department of General Services to establish, and publish in the State Contracting Manual, a maximum acceptable global warming potential for each category of eligible materials, in accordance with requirements set out in the bill.*

**Vote Events:**

- 05/31/2017 ASM. ASSEMBLY (Y:68 N:3 A:9) (P)
- 05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)
- 04/24/2017 ASM. NAT. RES. (Y:7 N:1 A:2) (P)
- 04/19/2017 ASM. A. & A.R. (Y:4 N:1 A:2) (P)
- 04/05/2017 ASM. A. & A.R. (Y:3 N:1 A:3) (F)

**Notes 1:** *The bill requires contractors winning state bids to submit affidavits detailing the amount of GHG's generated from the making of raw materials used in such projects assuring GHG emissions from products used do not exceed certain GHG limits as established by the State..*

**AB 277**

**(Mathis R)** *Water and Wastewater Loan and Grant Program.*

**Current Text:** Amended: 3/27/2017 [Text](#)

**Current Analysis:** 05/27/2017 [Assembly Floor Analysis \(text 3/27/2017\)](#)

**Introduced:** 2/1/2017

**Last Amend:** 3/27/2017

**Status:** 5/30/2017-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 5/30/2017-S. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** *Would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county or qualified nonprofit organization to apply to the board for a grant to award loans or grants, or both, to an eligible applicant. The bill would authorize the board to use a funding source that is authorized for and consistent with the purposes of the program.*

**Vote Events:**

- 05/30/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)
- 05/26/2017 ASM. APPR. (Y:17 N:0 A:0) (P)
- 03/21/2017 ASM. W.,P. & W. (Y:14 N:0 A:1) (P)

**AB 321**

**(Mathis R)** *Groundwater sustainability agencies.*

**Current Text:** Amended: 4/27/2017 [Text](#)

**Current Analysis:** 05/03/2017 [Assembly Floor Analysis \(text 4/27/2017\)](#)

**Introduced:** 2/7/2017

**Last Amend:** 4/27/2017

**Status:** 5/18/2017-Referred to Com. on N.R. & W.

**Location:** 5/18/2017-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** *Sustainable Groundwater Management Act requires a groundwater sustainability agency to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans, including, among other interests, holders of overlying groundwater rights, including agricultural users and domestic well owners. This bill would specifically include farmers, ranchers, and dairy professionals in the agricultural users whose interests a groundwater sustainability agency is required to consider.*

**Vote Events:**

- 05/04/2017 ASM. ASSEMBLY (Y:75 N:1 A:4) (P)
- 04/25/2017 ASM. W.,P. & W. (Y:14 N:0 A:1) (P)

**Notes 1:** *Although not an air issue, the management of groundwater supplies is of vast importance for the State and therefore we feel it appropriate to include this bill in the Districts bill list.*

**AB 378**

**(Garcia, Cristina D)** *Greenhouse gases, criteria air pollutants, and toxic air contaminants.*

Current Text: Amended: 5/30/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/30/2017\)](#)

Introduced: 2/9/2017

Last Amend: 5/30/2017

Status: 6/1/2017-Read third time. Refused passage. Motion to reconsider on the next legislative day made by Assembly Member Cristina Garcia. (FAILED)

Location: 5/30/2017-A. RECONSIDERATION

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The California Global Warming Solutions Act requires the State Air Resources Board, when adopting rules and regulations to achieve greenhouse gas emissions reductions beyond the statewide greenhouse gas emissions limit and to protect the state's most impacted and disadvantaged communities, to follow specified requirements, consider the social costs of the emissions of greenhouse gases, and prioritize specified emission reduction rules and regulations. This bill would require the state board to consider and account for the social costs of the emissions of greenhouse gases when adopting those rules and regulations.

**Vote Events:**

06/01/2017 ASM. ASSEMBLY (Y:35 N:39 A:6) (F)

05/26/2017 ASM. APPR. (Y:11 N:6 A:0) (P)

04/24/2017 ASM. NAT. RES. (Y:7 N:3 A:0) (P)

**Notes 1:** As with AB 151, this bill failed to move on to the Senate and therefore technically is a two year bill although it's status is not so reflected. In efforts to achieve passage, the bill was amended which, if reconsidered, would not call for a GHG cap based on historical emission levels. The amendments did not remove however the requirement to integrate criteria pollutant emissions and GHG emissions. Although the author proposed amendments that would allow for increases in GHG emissions from historical levels, however did not remove the consi

This bill not only promotes the continuation of the cap and trade program with increased reductions by 2030, but also calls for facility GHG emission caps based on previous years averages. The bill as amended continues to call for programs to integrate criteria emissions, currently managed by local air districts, with the state run cap and trade program.

### [AB 388](#)

([Mullin D](#)) Greenhouse Gas Reduction Fund: wetland restoration projects.

Current Text: Amended: 3/23/2017 [Text](#)

Current Analysis: 04/13/2017 [Assembly Floor Analysis \(text 3/23/2017\)](#)

Introduced: 2/9/2017

Last Amend: 3/23/2017

Status: 6/5/2017-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 5/10/2017-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** This bill would authorize the use of the moneys in the Greenhouse Gas Reduction Fund for the reuse of dredged material for wetland restoration projects, as specified, if the investment furthers the regulatory purposes of the California Global Warming Solutions Act of 2006 and is consistent with law.

**Vote Events:**

04/27/2017 ASM. ASSEMBLY (Y:73 N:0 A:7) (P)

04/05/2017 ASM. APPR. (Y:17 N:0 A:0) (P)

03/20/2017 ASM. NAT. RES. (Y:9 N:0 A:1) (P)

### [AB 398](#)

([Garcia, Eduardo D](#)) Air pollution.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/26/2017\)](#)

Introduced: 2/9/2017

Last Amend: 5/26/2017

Status: 6/5/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/5/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution, and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. This bill

would require the state board to appoint a dedicated ombudsman to respond to requests for data and analyses that are not readily available to the public and would require those requests to be processed in a timely manner.

**Vote Events:**

06/01/2017 ASM. ASSEMBLY (Y:75 N:0 A:5) (P)

05/26/2017 ASM. APPR. (Y:16 N:0 A:1) (P)

04/03/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)

**Notes 1:** As significantly amended, AB 398 now calls for the state board and air districts to coordinate efforts to compile data on the emissions of air pollution, including the emissions of greenhouse gases. This may be a new requirement of the Air Districts and as such, we feel it important for Mojave APCD to be aware of these developments.

**AB 419**

**(Salas D)** Zero net energy residential buildings: report.

**Current Text:** Amended: 4/19/2017 [Text](#)

**Current Analysis:** 05/01/2017 [Assembly Appropriations \(text 4/19/2017\)](#)

**Introduced:** 2/9/2017

**Last Amend:** 4/19/2017

**Status:** 5/24/2017-Referred to Com. on RLS.

**Location:** 5/24/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Current law requires the State Resources Conservation and Development Commission to develop and implement a comprehensive program to achieve greater energy savings in current residential and nonresidential building stock. This bill would require the commission, no later than July 1, 2019, to report to the appropriate fiscal and policy committees of the Legislature on the commission's progress in implementing the New Residential Zero Net Energy Action Plan 2015–2020, as specified.

**Vote Events:**

05/11/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)

05/03/2017 ASM. APPR. (Y:16 N:0 A:1) (P)

04/17/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)

**AB 582**

**(Garcia, Cristina D)** Vehicles: emissions: surveillance.

**Current Text:** Amended: 3/22/2017 [Text](#)

**Current Analysis:** 05/30/2017 [Assembly Floor Analysis \(text 3/22/2017\)](#)

**Introduced:** 2/14/2017

**Last Amend:** 3/22/2017

**Status:** 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the State Air Resources Board to enhance its surveillance of emissions from new motor vehicles to detect defeat devices or other software used to evade the surveillance of emissions, as specified. The bill would authorize the state board to impose a fee on the manufacturers of new motor vehicles to cover the state board's costs associated with the enhanced surveillance. By expanding an existing continuous appropriation, this bill would make an appropriation.

**Vote Events:**

05/31/2017 ASM. ASSEMBLY (Y:62 N:13 A:5) (P)

05/26/2017 ASM. APPR. (Y:13 N:2 A:2) (P)

03/27/2017 ASM. TRANS. (Y:12 N:1 A:1) (P)

03/20/2017 ASM. NAT. RES. (Y:8 N:1 A:1) (P)

**Notes 1:** This bill has been added to the Districts list and calls for the creation of a surveillance program to monitor emission standards for new vehicles.

**AB 733**

**(Berman D)** Enhanced infrastructure financing districts: projects: climate change.

**Current Text:** Amended: 3/23/2017 [Text](#)

**Current Analysis:** 06/07/2017 [Senate Governance And Finance \(text 3/23/2017\)](#)

**Introduced:** 2/15/2017

**Last Amend:** 3/23/2017

**Status:** 6/7/2017-From committee: Do pass and re-refer to Com. on EQ. (Ayes 5. Noes 2.) (June 7). Re-referred to Com. on EQ.



Location: 6/7/2017-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance, and makes related findings and declarations. This bill would additionally authorize the financing of projects that enable communities to adapt to the impacts of climate change, including, but not limited to, extreme weather events, sea level rise, flooding, heat waves, wildfire, and drought, and would make conforming changes to the Legislature's findings and declarations.

Vote Events:

06/07/2017 SEN. GOV. & F. (Y:5 N:2 A:0) (P)

05/04/2017 ASM. ASSEMBLY (Y:56 N:17 A:7) (P)

04/05/2017 ASM. L. GOV. (Y:5 N:3 A:1) (P)

[AB 771](#)

([Quirk D](#)) Burning of forest lands: forest land owners.

Current Text: Introduced: 2/15/2017 [Text](#)

Current Analysis: 04/25/2017 [Assembly Appropriations \(text 2/15/2017\)](#)

Introduced: 2/15/2017

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 5/26/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Department of Forestry and Fire Protection, by July 1, 2018, in consultation with the State Air Resources Board, local air districts, and other relevant organizations and individuals, to develop an Internet Web site that provides the public certain information relating to prescribed burns, including information on the regulations that govern prescribed burns for forest fuel treatment, and to develop a uniform prescribed burn template for forest landowners that provides standardized procedures associated with planning and implementation of a prescribed burn and meets specified objectives.

Vote Events:

04/03/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)

[AB 797](#)

([Irwin D](#)) Solar thermal systems.

Current Text: Amended: 4/26/2017 [Text](#)

Current Analysis: 06/02/2017 [Senate Energy, Utilities And Communications \(text 4/26/2017\)](#)

Introduced: 2/15/2017

Last Amend: 4/26/2017

Status: 6/8/2017-Action From APPR.: Read second time and amended.Re-referred to APPR..

Location: 6/8/2017-S. APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Solar Water Heating and Efficiency Act of 2007, until August 1, 2018, requires the Public Utilities Commission, if it determines that a solar water heating program is cost effective for ratepayers and in the public interest, to implement a program to promote the installation of 200,000 solar water heating systems. This bill would revise the program to, among other things, promote the installation of solar thermal systems throughout the state, reserve 50% of the total program budget for the installation of solar thermal systems in low-income residential housing or in buildings in disadvantaged communities, require an assessment of the cost-effectiveness of the entire program through July 31, 2019, to be completed by December 31, 2019, and extend operation of the program through July 31, 2020.

Vote Events:

06/06/2017 SEN. E. U., & C. (Y:9 N:1 A:1) (P)

05/15/2017 ASM. ASSEMBLY (Y:54 N:24 A:2) (P)

05/10/2017 ASM. APPR. (Y:12 N:5 A:0) (P)

04/19/2017 ASM. U. & E. (Y:9 N:5 A:1) (P)

Notes 1: This bill is new to the Districts, and call for a program to assist in the installation of solar power hot water heaters in low income communities. We thought this may be of interest.

**AB 798**

**(Garcia, Eduardo D)** Local government: counties: consolidation of offices.

Current Text: Amended: 6/7/2017 [Text](#)

Current Analysis: 05/01/2017 [Assembly Appropriations \(text 3/23/2017\)](#)

Introduced: 2/15/2017

Last Amend: 6/7/2017

Status: 6/7/2017-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.

Location: 5/24/2017-S. N.R. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law authorizes the boards of supervisors of specified counties to provide, by ordinance, that the public administrator be appointed by the board. Current law also authorizes the boards of supervisors of specified counties, by ordinance, to, at any time, separate the consolidated offices of district attorney and public administrator, as specified. This bill would apply these provisions to Imperial County.

Vote Events:

05/11/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)

05/03/2017 ASM. APPR. (Y:16 N:0 A:1) (P)

04/25/2017 ASM. W.,P. & W. (Y:15 N:0 A:0) (P)

**AB 964**

**(Gomez D)** Economic development: Capital Access Loan Program: low-emission vehicles.

Current Text: Amended: 5/30/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/30/2017\)](#)

Introduced: 2/16/2017

Last Amend: 5/30/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, until January 1, 2027, create the California Affordable Clean Vehicle Program to assist low-income individuals in the purchase or lease of zero emission or plug-in vehicles for personal or commercial use, and other eligible projects. The bill would require the authority to administer the program in consultation with the State Air Resources Board and consistent with the requirements of the Capital Access Loan Program and other related programs related to financing of clean energy vehicles.

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:52 N:23 A:5) (P)

05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)

04/24/2017 ASM. NAT. RES. (Y:7 N:3 A:0) (P)

04/17/2017 ASM. TRANS. (Y:10 N:3 A:1) (P)

**AB 1014**

**(Cooper D)** Diesel backup generators: health facility.

Current Text: Amended: 4/17/2017 [Text](#)

Current Analysis: 05/01/2017 [Assembly Appropriations \(text 4/17/2017\)](#)

Introduced: 2/16/2017

Last Amend: 4/17/2017

Status: 5/24/2017-Referred to Coms. on HEALTH and EQ.

Location: 5/24/2017-S. HEALTH

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. This bill would require a health facility, as defined, to conduct specified tests and maintenance of its diesel backup generators and standby systems. By adding to the duties of air districts, this bill would impose a state-mandated local program.

Vote Events:

05/11/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)

05/03/2017 ASM. APPR. (Y:16 N:0 A:1) (P)

04/24/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)

04/04/2017 ASM. HEALTH (Y:14 N:0 A:1) (P)

[AB 1036](#)

([McCarty D](#)) *Organic waste: composting.*

*Current Text: Introduced: 2/16/2017 [Text](#)*

*Current Analysis: 04/25/2017 [Assembly Appropriations \(text 2/16/2017\)](#)*

*Introduced: 2/16/2017*

*Status: 6/5/2017-In committee: Set, first hearing. Hearing canceled at the request of author.*

*Location: 5/18/2017-S. E.Q.*

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Current law requires the California Environmental Protection Agency and the Department of Food and Agriculture, with the Department of Resources Recycling and Recovery, the State Water Resources Control Board, and the State Air Resources Board, to, among other things, assess the state’s progress toward developing the organic waste processing and recycling infrastructure necessary to meet the state goals specified in certain state laws and documents. This bill would require those entities to assess the state’s progress towards developing the organic waste processing and recycling infrastructure necessary to meet the state goals specified in an additional state law, as provided, and would make other changes in these provisions.*

*Vote Events:*

*05/04/2017 ASM. ASSEMBLY (Y:76 N:0 A:4) (P)*

*04/26/2017 ASM. APPR. (Y:16 N:0 A:1) (P)*

*04/03/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)*

*Notes 1: We have added this bill to MDAQMD’s list in that it adds new responsibilities to CARB, and hence the Districts, regarding the monitoring of composting facilities and the progress required by the State to recycle organic wastes.*

[AB 1073](#)

([Garcia, Eduardo D](#)) *California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.*

*Current Text: Introduced: 2/16/2017 [Text](#)*

*Current Analysis: 05/01/2017 [Assembly Appropriations \(text 2/16/2017\)](#)*

*Introduced: 2/16/2017*

*Status: 5/24/2017-Referred to Coms. on T. & H. and EQ.*

*Location: 5/24/2017-S. T. & H.*

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Would require the State Air Resources Board, when funding a specified class of projects, to allocate, until January 1, 2023, no less than 20% of that available funding to support the early commercial deployment or existing zero- and near-zero-emission heavy-duty truck technology. This bill contains other existing laws.*

*Vote Events:*

*05/11/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)*

*05/03/2017 ASM. APPR. (Y:16 N:0 A:1) (P)*

*04/24/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)*

*04/03/2017 ASM. TRANS. (Y:13 N:0 A:1) (P)*

[AB 1132](#)

([Garcia, Cristina D](#)) *Nonvehicular air pollution: order for abatement.*

*Current Text: Amended: 6/5/2017 [Text](#)*

*Current Analysis: 05/03/2017 [Assembly Floor Analysis \(text 4/24/2017\)](#)*

*Introduced: 2/17/2017*

*Last Amend: 6/5/2017*

*Status: 6/5/2017-From committee chair, with author’s amendments: Amend, and re-refer to Com. on EQ. Read second time and amended.*

*Location: 6/1/2017-S. E.Q.*

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

*Summary: Current law regulates the emission of air pollutants by stationary sources and authorizes the regional air quality management districts and air pollution control districts (air districts) to enforce those requirements. Current law authorizes the governing boards and the hearing boards of air districts to issue an order for abatement, after notice and an abatement hearing, whenever they find a violation of those requirements. This bill would authorize the air pollution control officer, if the officer finds that any person is causing an imminent and substantial endangerment to the public health or welfare, or the environment, by violating those requirements, to issue an interim order for abatement pending an abatement hearing before the hearing board of the air district.*

*Vote Events:*

*05/22/2017 ASM. ASSEMBLY (Y:55 N:13 A:12) (P)*

Notes 1: This bill as originally written generated significant industry concerns but as amended is considered acceptable.

**AB 1274**

(**O'Donnell D**) Smog check: exemption.

Current Text: Amended: 5/30/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 5/30/2017\)](#)

Introduced: 2/17/2017

Last Amend: 5/30/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, except as provided, exempt motor vehicles that are 8 or less model-years old from being inspected biennially upon renewal of registration. The bill would assess an annual smog abatement fee of \$24 on motor vehicles that are 7 or 8 model-years old. The bill would require a certain amount of the fee to be deposited into the Air Pollution Control Fund and to be available for expenditure, upon appropriation by the Legislature, to fund the Carl Moyer Memorial Air Quality Standards Attainment Program. The bill would require the balance of the fee to be deposited into the Vehicle Inspection and Repair Fund.

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:55 N:15 A:10) (P)

05/26/2017 ASM. APPR. (Y:12 N:5 A:0) (P)

04/24/2017 ASM. TRANS. (Y:11 N:2 A:1) (P)

Notes 1: Although the title of this bill originally referenced the Carl Moyer program and does not now, the bill still proposes to support the program thru the creation of a Smog Abatement fee on older vehicles to assist in funding the program.

**AB 1317**

(**Gray D**) Carl Moyer Memorial Air Quality Standards Attainment Program.

Current Text: Amended: 4/17/2017 [Text](#)

Current Analysis: 05/01/2017 [Assembly Appropriations \(text 4/17/2017\)](#)

Introduced: 2/17/2017

Last Amend: 4/17/2017

Status: 5/24/2017-Referred to Coms. on T. & H. and EQ.

Location: 5/24/2017-S. T. & H.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which is administered by the State Air Resources Board, to provide grants to offset the incremental cost of eligible projects that reduce emissions of air pollutants from covered sources. Current law defines the term "covered source" for purposes of the program. This bill would revise the definition of "covered source" to include stationary irrigation or water conveyance engines.

Vote Events:

05/11/2017 ASM. ASSEMBLY (Y:77 N:0 A:3) (P)

05/03/2017 ASM. APPR. (Y:16 N:0 A:1) (P)

04/17/2017 ASM. TRANS. (Y:13 N:0 A:1) (P)

**AB 1342**

(**Flora R**) Greenhouse Gas Reduction Fund: healthy forest programs, organic waste projects, and recycling projects.

Current Text: Amended: 4/27/2017 [Text](#)

Current Analysis: 05/15/2017 [Assembly Appropriations \(text 4/27/2017\)](#)

Introduced: 2/17/2017

Last Amend: 4/27/2017

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-A. 2 YEAR

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would make moneys from the Greenhouse Gas Reduction Fund, upon appropriation, available to the



Department of Forestry and Fire Protection for healthy forest programs that reduce greenhouse gas emissions caused by uncontrolled wildfires, as specified; to the Department of Resources Recycling and Recovery for instate organic waste recycling projects that reduce greenhouse gas emissions, as specified; and to the Department of Resources Recycling and Recovery for instate recycling projects that reduce greenhouse gas emissions and help achieve the state's policy goal that not less than 75% of solid waste generated be source reduced, recycled, or composted by the year 2020.

Vote Events:

04/24/2017 ASM. NAT. RES. (Y:10 N:0 A:0) (P)

**AB 1433**

**(Wood D)** Climate Adaptation and Resilience Based on Nature Act.

Current Text: Amended: 4/27/2017 [Text](#)

Current Analysis: 05/30/2017 [Assembly Floor Analysis \(text 4/27/2017\)](#)

Introduced: 2/17/2017

Last Amend: 4/27/2017

Status: 6/1/2017-In Senate. Read first time. To Com. on RLS. for assignment.

Location: 6/1/2017-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would create the Climate Adaptation and Resilience Based on Nature Account in the Greenhouse Gas Reduction Fund and would, upon appropriation by the Legislature in the annual Budget Act, make available the moneys in the account to the Wildlife Conservation Board for grants and programs that facilitate actions to protect and improve the resilience of natural and working land systems and enhance habitat, while reducing emissions of greenhouse gases and increasing sequestration.

Vote Events:

05/31/2017 ASM. ASSEMBLY (Y:62 N:12 A:6) (P)

05/26/2017 ASM. APPR. (Y:13 N:4 A:0) (P)

04/24/2017 ASM. NAT. RES. (Y:9 N:1 A:0) (P)

**Notes 1:** This bill has been added to the District's list and is another call for funds from the Greenhouse gas reduction fund.

**SB 1**

**(Beall D)** Transportation funding.

Current Text: Chaptered: 4/30/2017 [Text](#)

Current Analysis: 04/06/2017 [Assembly Floor Analysis \(text 4/3/2017\)](#)

Introduced: 12/5/2016

Last Amend: 4/3/2017

Status: 4/28/2017-Approved by the Governor. Chaptered by Secretary of State. Chapter 5, Statutes of 2017.

Location: 4/28/2017-S. CHAPTERED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program.

Vote Events:

04/06/2017 ASM. ASSEMBLY (Y:54 N:26 A:0) (P)

04/06/2017 SEN. Senate 3rd Reading (Y:27 N:11 A:2) (P)

04/03/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

03/08/2017 SEN. GOV. & F. (Y:5 N:1 A:1) (P)

02/22/2017 SEN. E.Q. (Y:4 N:2 A:1) (P)

02/14/2017 SEN. T. & H. (Y:8 N:3 A:2) (P)

**Notes 1:** SB 1, although convoluted, represents an increases in fuel taxes and registration fees to assisting in the funding of repairs to existing transportation infrastructure in the state. Being a tax bill, we assume it would require a 2/3 majority for passage. The bill seems to be moving right along through the Senate. Interestingly however we have recently heard speculation on increases in gasoline and diesel costs associated with the ongoing implementation of AB 32. Some estimate costs of gasoline could increase between \$.16 and \$.63/ gallon over the next several years. The bill passed with a 2/3 majority subsequent to considerable negotiations providing funding to specific projects in several legislative districts.

**SB 4**

**(Mendoza D)** Goods Movement and Clean Trucks Bond Act.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/30/2017 [Senate Environmental Quality \(text 12/5/2016\)](#)

Introduced: 12/5/2016

Last Amend: 5/26/2017

Status: 6/1/2017-Read third time. Passed. (Ayes 27. Noes 13.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 6/1/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, subject to voter approval at the June 5, 2018, statewide primary election, enact the Goods Movement and Clean Trucks Bond Act to authorize \$500,000,000 of state general obligation bonds as follows: \$200,000,000 to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program; and \$300,000,000 to the State Air Resources Board for projects and programs to expand the use of zero- and near-zero-emission trucks in specified areas of the state.

Vote Events:

06/01/2017 SEN. Senate 3rd Reading (Y:27 N:13 A:0) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/15/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

04/19/2017 SEN. GOV. & F. (Y:5 N:1 A:1) (P)

03/29/2017 SEN. E.Q. (Y:4 N:2 A:1) (P)

03/07/2017 SEN. T. & H. (Y:8 N:4 A:1) (P)

[SB 5](#) ([De León D](#)) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/27/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 12/5/2016

Last Amend: 5/26/2017

Status: 5/31/2017-In Assembly. Read first time. Held at Desk.

Location: 5/30/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,500,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.

Vote Events:

05/30/2017 SEN. Senate 3rd Reading (Y:31 N:9 A:0) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/15/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

03/22/2017 SEN. GOV. & F. (Y:5 N:1 A:1) (P)

03/07/2017 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

Notes 1: Senator DeLeon's \$3.5 billion bond measure will now be taken up by the Assembly.

[SB 30](#) ([Lara D](#)) California-Mexico border: federally funded infrastructure.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/30/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 12/5/2016

Last Amend: 5/26/2017

Status: 6/1/2017-Read third time. Passed. (Ayes 23. Noes 16.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 6/1/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the border between the United States and Mexico, which includes the southern border of California. This bill would make findings and declarations related to a wall on the border between California and Mexico. This bill contains other related provisions and other current laws.

Vote Events:

06/01/2017 SEN. Senate 3rd Reading (Y:23 N:16 A:1) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)  
05/15/2017 SEN. APPR. (Y:7 N:0 A:0) (P)  
04/25/2017 SEN. G.O. (Y:8 N:3 A:2) (P)

*Notes 1: We include this bill only because we find it of interest the State is considering federally funded projects in the State require an approval by California voters if the funds exceed \$1 billion.*

**SB 49**

**(De León D)** California Environmental, Public Health, and Workers Defense Act of 2017.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/27/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 12/5/2016

Last Amend: 5/26/2017

Status: 5/31/2017-In Assembly. Read first time. Held at Desk.

Location: 5/30/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

*Summary: The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species and generally prohibits the taking of those species. The Protect California Air Act of 2003 prohibits air quality management districts and air pollution control districts from amending or revising their new source review rules or regulations to be less stringent than those rules or regulations that existed on December 30, 2002. This bill would prohibit state or local agencies from amending or revising their rules and regulations implementing the above state laws to be less stringent than the baseline federal standards, as defined, and would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species.*

Vote Events:

05/30/2017 SEN. Senate 3rd Reading (Y:24 N:13 A:3) (P)  
05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)  
05/15/2017 SEN. APPR. (Y:7 N:0 A:0) (P)  
04/25/2017 SEN. JUD. (Y:5 N:2 A:0) (P)  
04/05/2017 SEN. E.Q. (Y:5 N:2 A:0) (P)  
03/14/2017 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

**SB 51**

**(Jackson D)** Professional licensees: environmental sciences and climate change: whistleblower and data protection.

Current Text: Amended: 5/3/2017 [Text](#)

Current Analysis: 05/27/2017 [Senate Floor Analyses \(text 5/3/2017\)](#)

Introduced: 12/5/2016

Last Amend: 5/3/2017

Status: 5/31/2017-In Assembly. Read first time. Held at Desk.

Location: 5/30/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

*Summary: Current law provides for the licensure and regulation of various professions and vocations by certain entities within state government. Current law establishes various grounds upon which these entities may take disciplinary action against a licensee to suspend or revoke a license. This bill would prohibit these licensing entities, except the State Bar of California, from taking disciplinary action, including suspension, loss of credential, registration, or other professional privilege, against a public employee or employee of a government contractor, subcontractor, or grantee, as defined to include those persons working in the environmental sciences and climate-change-related fields, in connection with actions taken by that person to report improper governmental action or communicate the results of or information about scientific or technical research in a scientific or a public forum or with the media.*

Vote Events:

05/30/2017 SEN. Senate 3rd Reading (Y:28 N:11 A:1) (P)  
05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)  
05/15/2017 SEN. APPR. (Y:7 N:0 A:0) (P)  
04/25/2017 SEN. JUD. (Y:5 N:2 A:0) (P)  
04/05/2017 SEN. E.Q. (Y:5 N:2 A:0) (P)  
03/27/2017 SEN. B., P. & E.D. (Y:8 N:1 A:0) (P)

**SB 53**

**(Hueso D)** Natural gas vehicles.

Current Text: Amended: 4/26/2017 [Text](#)

Current Analysis: 05/15/2017 [Senate Appropriations \(text 4/26/2017\)](#)

Introduced: 12/5/2016

Last Amend: 4/26/2017

Status: 5/26/2017-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/25/2017)(May be acted upon Jan 2018)

Location: 5/26/2017-S. 2 YEAR

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current federal law authorizes a vehicle operated by an engine fueled primarily by natural gas to exceed these weight limits, up to a specified maximum, by an amount equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system. This bill would authorize a vehicle operated by an engine fueled primarily by natural gas to exceed these weight limits by an amount, up to a specified maximum, equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system.

Vote Events:

05/15/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

04/18/2017 SEN. T. & H. (Y:11 N:0 A:2) (P)

**SB 57**

**(Stern D)** Natural gas storage: moratorium.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/31/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 12/8/2016

Last Amend: 5/26/2017

Status: 5/30/2017-Read third time. Urgency clause refused adoption. (Ayes 24. Noes 9.) Motion to reconsider made by Senator Stern. Reconsideration granted. (Ayes 40. Noes 0.)

Location: 5/26/2017-S. THIRD READING

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Public Utilities Commission under current law, is authorized to supervise and regulate every public utility in the state. Current law requires the commission, no later than July 1, 2017, to open a proceeding to determine the feasibility of minimizing or eliminating use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region, and to consult with specified entities in making its determination. This bill would require the supervisor to continue that prohibition until a specified root cause analysis of the natural gas leak from the facility that started approximately October 23, 2015, has been completed and released in its entirety to the public.

Vote Events:

05/30/2017 SEN. Senate 3rd Reading (Y:40 N:0 A:0) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/22/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

04/04/2017 SEN. E. U., & C. (Y:9 N:1 A:1) (P)

02/09/2017 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

Notes 1: This bill proposes additional steps be taken by Southern California Gas Co. before the company can once store natural gas at its Aliso Canyon facility.

**SB 71**

**(Wiener D)** Electricity: solar energy systems.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/30/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 1/9/2017

Last Amend: 5/26/2017

Status: 6/1/2017-In Assembly. Read first time. Held at Desk.

Location: 5/31/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Regulations on building standards adopted by the Energy Commission require certain residential and nonresidential buildings to have a solar zone, as defined, on the roof of the building that is designated and reserved



for solar electric or solar thermal systems and that meets certain specifications relating to minimum area, orientation, and shading, among other things. This bill would require the Energy Commission to consider requiring, and would authorize the Energy Commission to update the building efficiency standards to require, a rooftop solar energy generation system, appropriately sized to be cost effective, to be installed in the solar zone of those buildings, during the construction of those buildings, by January 1, 2020, for residential buildings and by January 1, 2023, for nonresidential buildings.

**Vote Events:**

05/31/2017 SEN. Senate 3rd Reading (Y:24 N:13 A:3) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/22/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

05/09/2017 SEN. T. & H. (Y:9 N:3 A:1) (P)

04/04/2017 SEN. E. U., & C. (Y:8 N:3 A:0) (P)

**Notes 1:** This bill seems to establish a mandate that the Energy Commission consider solar generation be installed on all new construction after a certain date. From the bill analysis: "This bill requires installation of a solar energy generating system on each newly constructed building, with some exceptions."

**SB 80**

([Wieckowski D](#)) California Environmental Quality Act: notices.

Current Text: Amended: 2/14/2017 [Text](#)

Current Analysis: 04/19/2017 [Senate Floor Analyses \(text 2/14/2017\)](#)

Introduced: 1/11/2017

Last Amend: 2/14/2017

Status: 5/18/2017-Referred to Com. on NAT. RES.

Location: 5/18/2017-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agencies offer to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

**Vote Events:**

04/24/2017 SEN. Senate 3rd Reading (Y:27 N:7 A:6) (P)

04/17/2017 SEN. APPR. (Y:5 N:0 A:2) (P)

03/29/2017 SEN. E.Q. (Y:5 N:0 A:2) (P)

**Notes 1:** Usually, it is our understanding, land use agencies typically are lead agencies for projects. In the event however that an Air District becomes a lead agency under CEQA, these new notice provisions would be applicable to the District.

**SB 100**

([De León D](#)) California Renewables Portfolio Standard Program: emissions of greenhouse gases.

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/27/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 1/11/2017

Last Amend: 5/26/2017

Status: 6/1/2017-In Assembly. Read first time. Held at Desk.

Location: 5/31/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** The Legislature has found and declared that its intent in implementing the California Renewables Portfolio Standard Program is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the above-described legislative findings and declarations to state that the goal of the program is to achieve that 50% renewable resources target by December 31, 2026, to achieve a 60% target by December 31, 2030, and for all electricity sold at retail to be generated by eligible renewable energy resources by December 31, 2045.

**Vote Events:**

05/31/2017 SEN. Senate 3rd Reading (Y:25 N:13 A:2) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/22/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

05/09/2017 SEN. E. U., & C. (Y:8 N:2 A:1) (P)

**Notes 1:** This bill is another new for the Districts and is another iteration by Senator DeLeon to move the state to

[SB 249](#)

([Allen D](#)) *Off-highway motor vehicle recreation.*

Current Text: Amended: 5/26/2017 [Text](#)

Current Analysis: 05/27/2017 [Senate Floor Analyses \(text 5/26/2017\)](#)

Introduced: 2/7/2017

Last Amend: 5/26/2017

Status: 6/1/2017-Read third time. Passed. (Ayes 22. Noes 15.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Location: 6/1/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would revise and recast various provisions of the Off-Highway Motor Vehicle Recreation Act of 2003. The bill would expand the duties of the Division of Off-Highway Motor Vehicle Recreation. The bill would require the division to take specified measures to protect natural and cultural preserves within state vehicular recreation areas, including measures to mitigate harmful impacts to these areas and to protect them from off-highway vehicle recreation use, as specified.

**Vote Events:**

06/01/2017 SEN. Senate 3rd Reading (Y:22 N:16 A:2) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/01/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

04/18/2017 SEN. T. & H. (Y:8 N:2 A:3) (P)

03/14/2017 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

**Notes 1:** This bill now has amendments providing details how the author intends to further manage Off Road Vehicle state parks. The bill also proposes to use some of the funds generated by the new state gas tax to help future management efforts.

[SB 563](#)

([Lara D](#)) *Residential wood smoke.*

Current Text: Amended: 3/28/2017 [Text](#)

Current Analysis: 05/27/2017 [Senate Floor Analyses \(text 3/28/2017\)](#)

Introduced: 2/17/2017

Last Amend: 3/28/2017

Status: 6/1/2017-In Assembly. Read first time. Held at Desk.

Location: 5/31/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would establish the Woodsmoke Reduction Program to be administered by the State Air Resources Board, in coordination with air districts, to replace old wood-burning stoves with cleaner and more efficient alternatives in order to achieve short- and long-term climate benefits and localized public health benefits, as specified. The bill would authorize moneys from the Greenhouse Gas Reduction Fund to be allocated for incentives offered as part of the program.

**Vote Events:**

05/31/2017 SEN. Senate 3rd Reading (Y:27 N:12 A:1) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/01/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

04/19/2017 SEN. E.Q. (Y:5 N:2 A:0) (P)

**Notes 1:** This bill is new to the Districts watch list. The bill proposes a new program to mitigate emissions from wood burning fireplaces. We are now sure whether this has not been done previously in various Air Districts, however felt it was appropriate to include for informational purposes.

[SB 615](#)

([Hueso D](#)) *Salton Sea restoration.*

Current Text: Amended: 5/1/2017 [Text](#)

Current Analysis: 05/03/2017 [Senate Floor Analyses \(text 5/1/2017\)](#)

Introduced: 2/17/2017

Last Amend: 5/1/2017

Status: 6/6/2017-June 13 set for first hearing canceled at the request of author.

Location: 5/26/2017-A. W.,P. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would require the Natural Resources Agency, by January 1, 2018, to develop a 10-year plan to implement the memorandum of understanding between the agency and the United States Department of the Interior entered into on August 31, 2016, and its addendum, entered into on January 18, 2017, and would require the agency to address certain issues in the plan. The bill would rename the Salton Sea Restoration Act as the “John J. Benoit Salton Sea Restoration Act.” This bill contains other related provisions.

**Vote Events:**

05/08/2017 SEN. Senate 3rd Reading (Y:37 N:0 A:3) (P)

04/17/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

03/28/2017 SEN. N.R. & W. (Y:8 N:0 A:1) (P)

**SB 701**

**(Hueso D)** Salton Sea Obligations Act of 2018.

**Current Text:** Amended: 5/17/2017 [Text](#)

**Current Analysis:** 05/27/2017 [Senate Floor Analyses \(text 5/17/2017\)](#)

**Introduced:** 2/17/2017

**Last Amend:** 5/17/2017

**Status:** 6/1/2017-In Assembly. Read first time. Held at Desk.

**Location:** 5/31/2017-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** Would enact the Salton Sea Obligations Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$500,000,000 pursuant to the State General Obligation Bond Law to finance a program to comply with specified state obligations relating to the Salton Sea. This bill would provide for the submission of these provisions to the voters at the November 6, 2018, statewide general election.

**Vote Events:**

05/31/2017 SEN. Senate 3rd Reading (Y:30 N:10 A:0) (P)

05/25/2017 SEN. APPR. (Y:5 N:2 A:0) (P)

05/22/2017 SEN. APPR. (Y:7 N:0 A:0) (P)

05/10/2017 SEN. GOV. & F. (Y:4 N:2 A:1) (P)

03/28/2017 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

**Notes 1:** This bond proposal is another new bill for the District's list. We don't believe we have seen this before but felt some members of the District would find it of interest. The Bill proposes a Bond measure of \$500,000,000 to be used for issues associated with the demise of the Salton Sea.

**SB 775**

**(Wieckowski D)** California Global Warming Solutions Act of 2006: market-based compliance mechanisms.

**Current Text:** Amended: 5/1/2017 [Text](#)

**Introduced:** 2/17/2017

**Last Amend:** 5/1/2017

**Status:** 5/8/2017-May 10 hearing postponed by committee.

**Location:** 5/1/2017-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:** 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 use of market-based compliance mechanisms. Current law prohibits a state agency from linking a market-based compliance mechanism with any other state, province, or country unless the state agency notifies the Governor. Current law requires the Governor to issue specified findings within 45 days of receiving that notice from a state agency and to provide those findings to the Legislature. This bill would add to the findings required to be issued by the Governor and provided to the Legislature in those circumstances.

**Notes 1:** SB 775 provides for continuance of the cap and trade program and suggests increases in carbon prices which many opponents complain are not sustainable for regulated entities. The bill also calls for a broad boarder carbon adjustment program that it is our understanding is consider unachievable. Some are saying this bill will not be heard and any formal legislation legitimizing the cap and trade program will be taken up in the budget process.

**Total Measures: 49**

**Total Tracking Forms: 49**

## Articles of Interest:

### **Measuring the Gas Tax Increase Backlash**

**By Joel Fox**

*Editor of Fox & Hounds and President of the Small Business Action Committee*

Friday, May 19th, 2017

How hot is the anger over the gas tax increase?

It may be a bit early to measure in full the backlash on the gas tax increase since the tax won't be collected until November. Even then the size of the increase may be muted some since in California gas prices tend to drop a bit when the winter fuel blends are manufactured and the demand for gasoline for summer driving drops off. In other words, the price of gas will drop about the time the tax is added.

However, there are signs that a protest against the recently passed gas tax and vehicle fee has staying power.

Sources say that polling shows opposition to the gas tax increase and strong support for the potential recall effort against freshman Sen. Josh Newman. The Orange County Democrat was targeted because he holds a swing seat and removing him from office with a Republican successor would reduce the Democratic majority to below two-thirds of the Senate, the magic number needed to pass taxes.

The pro-recall group is said to be successful raising funds for the recall attempt and the Howard Jarvis Taxpayers Association has set up a committee in support of the effort. Significantly, Governor Jerry Brown said he would help raise funds to defend Sen. Newman. Democrats understand there is heat over this issue.

As I [reported earlier](#), a Democratic senate staffer told me many angry phone calls came into the district office after the tax was passed.

In fact, after the gas tax vote Democrats made sure that discipline was meted out to keep members in line on future votes when the one Assembly Democrat, Rudy Salas and the one Senate Democrat, Steve Glazer, were removed from committee chairmanships after voting against the tax and vehicle fees.

Ironically, Senate President Pro Tem Kevin de León in accepting Glazer's "resignation" praised him as "a man of integrity" for taking that step. Didn't Glazer really show integrity by bucking the demands of party leaders and siding with his constituents whom Glazer said opposed the tax increases?

The idea of enforcing party discipline is not new, of course. But the prospects of a tax backlash brewing in the home of the modern day tax revolt cannot be ignored. Indeed, the Associated Press coverage of Glazer's firing—excuse me—"resignation," was picked up by the [US News](#) nationally, and oddly, even the Wichita (Kansas) [Eagle newspaper](#).

If the backlash grows it could affect future lawmaking. While removing the gas tax by initiative (one has been [filed by Assemblyman Travis Allen](#)) will be a steep climb, a severe reaction against the gas tax would give legislators pause when considering many of the other tax increase measures that are circulating under the capitol dome.

### **Single-payer healthcare in California? Time to take a cold shower and return to the real world**

A state-run universal healthcare system? California only? It's fantasy.

Current legislation in Sacramento is fatally flawed and foolhardy.

Why? It would be astronomically expensive, politically impossible and beyond state government's competence.

But it's a rallying cry for many liberal followers of Bernie Sanders. And some Democratic legislators are seriously pursuing the idea, urged on by the politically powerful California Nurses Assn.

The nurses were marching and shouting at last weekend's Democratic Party state convention in Sacramento. Their hero is Lt. Gov. Gavin Newsom, whom the nurses have endorsed to replace the termed-out Gov. Jerry Brown in next year's election.

They like Newsom because he installed a local universal healthcare system as San Francisco's mayor.

The activist nurses have also endorsed state Sen. Ricardo Lara (D-Bell Gardens) for California insurance commissioner. He and Sen. Toni Atkins (D-San Diego) are sponsoring the universal healthcare legislation. It's called "single payer" because the state would pay for all healthcare in California.

Lara is chairman of the Senate Appropriations Committee, where his bill, SB 562, is expected to be approved and sent to the Senate floor. It's up against a June 2 deadline for Senate passage to the Assembly.

But Lara's own committee staff may have dealt the bill a mortal blow Monday with a candid analysis of the legislation.

The annual cost was eye-popping: \$400 billion. Of that, \$200 billion would come from existing federal, state and local funding for healthcare. The remaining \$200 billion would have to be raised from higher taxes.

OK, let's put those dollars in perspective. The governor is proposing total spending of \$290 billion for everything — schools, prisons, healthcare etc. — in the next fiscal year. That includes about \$107 billion from the federal government and \$183 billion from the state.

Spending on Medi-Cal healthcare for the poor is projected at about \$106 billion. It covers a third of Californians. Of the spending, \$68 billion is expected from the Trump administration. Yeah, right! The state general fund is down for just \$18.6 billion. Still, that's 15% of the \$124-billion general fund.

The game plan of universal healthcare activists is to convince President Trump and the Republican-controlled Congress to transfer all the Medi-Cal billions to help leftist California finance a single-payer system, something they'd fear and deride as socialized medicine. A non-starter.

In fact, Trump proposed Tuesday to chop Medicaid — the national umbrella of Medi-Cal — by \$616 billion over 10 years. So it's doubtful California will be able to even hold on to all the federal Medi-Cal dollars it has.

Moreover, California's Trump-bashing Democratic leaders aren't exactly on genial negotiating terms with the White House or Congress.

But that aside, there's the matter of finding the remaining \$200 billion to be raised.

The committee analysis assumed a 15% payroll tax on income. This in a state that already suffers from the highest income tax rates in the nation. To raise them even higher would require a two-thirds legislative vote. And taxes would be hiked, in part, to provide healthcare for roughly 2 million people who migrated here illegally. Not a good political scenario.

Actually, the number-crunchers theorized, companies would probably increase employees' salaries because they'd be freed from paying for healthcare premiums and have spare money for compensation. So that would help workers pay the higher taxes. Sure, of course. They'd be more likely to buy a corporate jet.

But if all this dream-world stuff happened, there'd still be between \$50 billion and \$100 billion in new money needed to fund a single-payer healthcare system. There'd be no premiums, co-pays or deductibles — and therefore no self controls. So who knows how steep new medical costs would climb?

Supporters point out, however, that the idea is to eliminate insurance company profits and reduce overall healthcare costs. A good argument.

Don't get me wrong. I'm all for national Medicare for everybody of all ages. You don't hear many gripes about Medicare. But this wouldn't be Medicare. It would be a program run by one state. And whether it's up to the job is questionable.

Anyway, Brown would probably veto the bill.

“Where do you get the extra money?” he asked rhetorically when queried by reporters in March.

The governor totally dismissed the idea and lapsed into Latin: “This is called *ignotum per ignotius*.... In other words, you take a problem and say, ‘I'm going to solve it by something that's even a bigger problem,’ which makes no sense.”

The legislative committee's analysis shocked the Capitol.

“People are running around with their hair on fire because of the numbers,” one Democratic aide told me.

Supporters took refuge in the report's opening line that the dollar estimates “are subject to enormous uncertainty.”

Lara and the nurses association said they are awaiting a more comprehensive report from the University of Massachusetts, Amherst. “It will identify potential funding sources and savings that will allow California to reach universal coverage,” the senator predicted.

“We’re not deterred,” asserted Michael Lighty, public policy director for the nurses union. He said the aim is to pass a bill by the end of summer.

Forget it. Don’t waste the effort. Take a cold shower and return to the real world. Focus on what’s doable.

## **Where bills go to die: Lawmakers begin clearing the 'suspense file' with hundreds of measures in limbo**

John Myers

From a sales tax exemption on tampons to healthcare rules and marijuana regulation, a massive stack of proposed laws faces a major deadline Friday morning at the state Capitol.

To survive, they must clear what's known as the "suspense file" -- the place where bills that would cost taxpayers money are held in legislative limbo.

By law, bills with a fiscal impact must be sent to the floor of the Assembly and Senate by the close of business on Friday. That means it's decision time for more than 800 pieces of legislation.

The Senate's fiscal committee will decide the fate of bills on Thursday; the Assembly will do so on Friday. Bills are generally sent to the "suspense file" if their projected cost to the state is \$150,000 or more. The procedural move was widely used during California's deficit years as a way for lawmakers to weigh the pros and cons of proposals in light of limited resources.

But government watchdog groups have long pointed out that the clearing of the "suspense file" ends up hiding some of the legislative sausage-making from public view.

That's because bills that don't clear Friday's hurdle are essentially killed without a recorded vote.

And neither chamber offers any explanation for why those bills were killed. Decisions on the fate of the "suspense file" are made in private, hours or days before the public hearing.

In the Assembly, the appropriations committee chairperson will simply tell the public that a decision has been made to "hold" the bill. In the Senate committee, killed legislation won't even be mentioned during Thursday's hearing.

That means that no one will know for sure whether a bill is really killed because of its price tag or its politics.

## **New advertising campaign targets lawmakers over votes for climate change policies**

A coalition of California businesses launched a new advertising campaign on Saturday to pressure lawmakers against enacting tighter policies on climate change and air pollution.

The campaign includes online videos and television advertising that warn of higher costs for business and residents. It arrives as Gov. Jerry Brown and lawmakers are debating whether to extend the cap-and-trade program, which requires companies to buy permits to release greenhouse gases, and how restrictive the system should be.

The first lawmaker being targeted is Assemblyman Ken Cooley (D-Rancho Cordova), accusing him of allowing "unelected state employees" to raise "hidden taxes" on gasoline and electricity because he voted last year for a tougher target to reduce emissions by 2030. Other lawmakers could face similar advertisements.

“We’re locked, loaded and ready to go statewide,” said Rob Lapsley, president of the California Business Roundtable, which is funding the campaign through an advocacy group called Californians for Affordable and Reliable Energy.

The roundtable represents the state’s largest corporations, including oil refineries and manufacturers who have been critical of climate policies.

A dollar figure was not disclosed for the advertising campaign, which will represent a balancing act for the roundtable. It supports the cap-and-trade program as an alternative to more restrictive regulations, but it opposes some of the current proposals to extend it.

One measure would tie the program to air quality, targeting a wider range of pollutants than just greenhouse gases, and another would make it function more like a tax and charge higher prices for emission permits.

"We're at a tipping point here," Lapsley said. "We need to get this information out into the public in order to try and create balanced policies."

Although polls show broad support for fighting global warming in California, concerns about higher costs for constituents could be influential with some lawmakers who recently passed legislation to raise gas taxes to fund road repairs. Sen. Josh Newman (D-Fullerton) is facing a recall campaign over his vote.

Nonpartisan legislative analysts have said cap and trade could boost the price of gasoline by 24 cents to 73 cents by 2030. Environmentalists have said it's inaccurate to tie any single policy to fluctuations in gas prices.

## **Brown Moving "Heaven And Earth" To Get Legislature To Extend Cap And Trade**

Ben Adler and Ben Bradford

Wednesday, May 31, 2017 | Sacramento, CA

On the eve of his departure for China, where he'll hold meetings on climate change, Gov. Jerry Brown is imploring California lawmakers to extend the state's "cap-and-trade" greenhouse gas reduction program.

In fact, the governor wants to reach agreement with the Legislature by the end of June. And he's demanding a two-thirds vote to protect against a possible legal challenge.

In an interview with Capital Public Radio, Brown said he's moving "heaven and earth" to pass an extension.

"If California gives up on its cap-and-trade program, then we're certainly not the climate leader. And I do think our leaders in the Legislature want to be the climate leader," Brown told CapRadio's Ben Bradford Wednesday.

But there appears to be little willingness among Democratic leaders to act on the governor's time frame. They believe it will be hard to find supermajority support for such a controversial vote so soon after raising the gas tax.

Some Republicans, on the other hand, have expressed interest in joining negotiations to help the governor reach a two-thirds vote. That reflects the desire of the oil industry and business groups to reach a cap-and-trade deal – since the alternative to that market-based system would be new "command and control" rules set by state regulators.

## **California sees a rebound in cap-and-trade auction, bolstering key climate change program**

Chris Megerian

State regulators announced strong results from California's cap-and-trade program on Wednesday, spurring analysts and supporters to say the system remains solid despite questions about its political future.

The program requires oil refineries, food processors, power plants and other facilities to buy permits to release greenhouse gas emissions. Nearly all of the permits offered by the state in its latest auction were purchased, generating an estimated \$500 million in revenue.

That's a shift from other recent auctions, where most of the permits went unsold, reducing revenue that state leaders have counted on for environmental and infrastructure projects.

But rules governing how the market for permits operates are helping to stabilize the system, said Chris Busch, research director at Energy Innovation. He called it "a triumph of policy design."



Previous auction results also had been weakened by legal and political troubles involving cap and trade. The state received some relief from the legal problem when an appeals court in Sacramento rejected arguments from business groups that the program functions as an unconstitutional tax.

However, lawmakers are still debating whether to extend the program past 2020. One of the proposals, SB 775, would dramatically overhaul cap and trade, an idea the Environmental Defense Fund opposes. "California has a strong carbon market design that can weather legal challenges and the inevitable bumps of the political process," said Erica Morehouse, a senior attorney at the organization.

## **A delay on cap-and-trade vote would be a victory for Donald Trump, Gov. Jerry Brown's office says**

Chris Megerian

Despite hesitance and resistance from state lawmakers, Gov. Jerry Brown is refusing to budge from his goal of reaching a deal next month to extend California's cap-and-trade program.

The latest tug-of-war on the issue came this week in an email exchange circulated among Capitol staff members and advocates working on climate change policies.

Kip Lipper, an environmental advisor for Senate leadership, wrote in a Thursday email that there were "no plans to take up a cap and trade reauthorization bill anytime soon."

Echoing concerns that have percolated among lawmakers, Lipper said senators were "gas tax weary" about the possibility of another difficult vote after deciding to raise gas taxes to pay for road repairs earlier this year.

The cap-and-trade program, which is a cornerstone of California's fight against global warming, requires companies to buy permits to release greenhouse gas emissions and could boost the price of gasoline.

With votes hard to come by, Lipper wrote, the issue "should not be rushed."

Camille Wagner, Brown's legislative secretary, responded on Friday saying there was no reason to delay.

"We've all been meeting for months on this issue," she wrote. "We know the areas of agreement and disagreement – now is the time to work through those."

She added that "NOTHING is more important" than getting a deal as soon as possible.

"This is not a time for retreat or a time to give aid and comfort to Donald Trump by undermining a pillar of California's bold program to arrest climate change," Wagner wrote. "If California's Cap and Trade falls because we fail to act, climate denial wins."

Brown had already faced resistance to his push to reach a deal on cap and trade in June, when the state budget is due. Assembly Speaker Anthony Rendon (D-Paramount) previously said "we don't have to extend it this year."

The disagreement over the timeline for reaching a deal is only one of the disputes surrounding cap and trade.

Assembly leaders have raised the possibility of pushing legislation with only a majority vote, an idea the governor's office rejected. Brown wants a two-thirds vote to insulate cap and trade from legal challenges.

There are also varied ideas about how the program should function in the future. Assembly legislation would modify cap and trade so it also targets local pollution, rather than just greenhouse gases. Senate legislation would make the program function more like a carbon tax.

## **A new proposal on California's cap-and-trade program emerges as vote is delayed**

Chris Megerian, Liam Dillon and Melanie Mason

A coalition of business-friendly Democrats is detailing their own ideas for cap and trade, a centerpiece of California's fight against global warming, the latest bid in a crowded field of efforts to extend the program.

Cap and trade requires polluting companies to buy permits to release greenhouse gas emissions, and lawmakers have been considering a push from Gov. Jerry Brown to extend the program beyond 2020.

The new plan would force the program to sunset in 2025, earlier than previous proposals from other lawmakers. It would also direct revenue from the program toward improving air quality and helping agricultural and trucking companies lower their emissions by replacing aging equipment.

The plan is also aimed at keeping costs down for industries regulated by cap and trade, allowing them to support green projects known as offsets instead of reducing their own emissions.

"California must continue to lead the world by implementing a strong climate policy that ensures both a healthy environment for future Californians and growth in all sectors of our economy," Assemblyman Adam Gray (D-Merced) said in a statement.

The pro-business Democrats' plan is the fourth such effort announced by various factions within the state's ruling Democratic Party this year with two others emerging from the Assembly and one from the Senate. The plans offer varying degrees of changes to the existing program, either to prioritize pollution reductions in disadvantaged communities or eliminate offsets. Republican lawmakers also have said they want to be part of the cap-and-trade debate.

Brown has pushed for a two-thirds supermajority vote of the Legislature to extend the program by the state budget deadline next month. But Senate President Pro Tem Kevin de León (D-Los Angeles) said at a Wednesday news conference that that wasn't going to happen.

"Cap-and-trade is a very complex issue," De León said. "It's very arcane. We want to make sure we get it right."

De León said he hoped for a deal by the end of the year.

## **What price are Californians paying to fight climate change?**

**BY DALE KASLER**  
[dkasler@sacbee.com](mailto:dkasler@sacbee.com)

Californians pay about 15 cents a gallon extra at the pump to fight climate change.

Here's what they're getting for their money: continued progress in the effort to curb carbon.

Greenhouse gas emissions fell by 1.5 million tons in California in 2015, state officials announced Wednesday. The reduction was the equivalent of pulling 300,000 cars off the road for a year, according to the California Air Resources Board. The agency said emissions dropped 0.3 percent compared with 2014, and have fallen a total of 10 percent since 2004. The state is on target to meet 2020 benchmarks established in a landmark climate change law passed in 2006.

The results come as the political debate intensifies about climate change and the cost of taking carbon out of the air. Last week President Donald Trump withdrew from the Paris climate accord, saying the pact was harming the U.S. economy. On Tuesday, in a clear rebuke to the president, California Gov. Jerry Brown signed an agreement with Chinese leaders to work together to reduce carbon.

The China accord emphasizes working together on developing "green technologies" that could boost job creation. Air Resources Board officials, in releasing the latest carbon statistics, were eager to push the notion that economic growth can coexist with carbon reductions.

"These numbers clearly indicate that the state is on track to achieve its 2020 emission reduction goals and that California can grow its economy while continuing to fight climate change," said Air Board Chairwoman Mary Nichols in a prepared statement. She said California has added 2.3 million jobs since 2010 while reducing unemployment.

Critics said, however, that California's climate change initiatives have put a dent into economic growth, and the impact will

magnify as new, more stringent carbon targets imposed by the Legislature take effect in the coming years.

“There’s been no free lunch,” said Jeremy Carl, an energy specialist at the conservative Hoover Institution at Stanford University.

It starts at the corner gas station. California’s cap-and-trade program requires fuel wholesalers, along with other big industrial firms, to purchase emissions allowances in order to generate carbon. In addition, fuel producers – from giant oil refiners to ethanol manufacturers – must purchase a separate type of credits to comply with the state’s “low carbon fuel standard,” which penalizes companies that spew lots of carbon during the production process.

Those costs get passed along to motorists. The total impact is about 15 cents a gallon, according to figures compiled by UC Berkeley energy economist Severin Borenstein.

The expenses go beyond gas and diesel. Food processors, cement manufacturers and others that are required to participate in the cap-and-trade market have spent more than \$5 billion on carbon allowances since the program began in 2012, according to Air Resources Board data. Carl of the Hoover Institution said the requirements placed on businesses have created “substantial dead weight” on the California economy.

Californians also will likely pay some premium on their power bills to fight carbon. Electric utilities must adhere to the state’s “renewable portfolio standard,” which requires them to generate one-third of their power with solar and other renewable sources by 2020. Half of their power must come from renewables by 2030.

Solar and wind power costs have declined significantly in recent years, but the price of traditional gas-fired electricity has dropped even further because of plunging natural gas prices, Borenstein said. So Californians are also paying more for electricity, although he couldn’t put a figure on it.

“It’s definitely more expensive than if we had just stuck with coal and gas,” Borenstein said. Californians pay an average of 15.42 cents per kilowatt hour of electricity, nearly 50 percent above the national average, according to the U.S. Department of Energy.

Californians seem comfortable with the higher costs, at least for now. A January poll by the Public Policy Institute of California found 56 percent of Californians are willing to pay more for electricity to reduce carbon emissions, for instance. Yet Loren Kaye, who tracks energy issues for the California Chamber of Commerce, said the economic impact of climate initiatives has only begun to hit home. The chamber has been part of a group that – so far unsuccessfully – has been trying to overturn the cap and trade program’s state-run emissions auctions in the courts.

Kaye said California is making good progress toward its original carbon-reduction goals largely because the economic recession depressed industrial activity dramatically. As the economy continues to recover, and carbon targets become more ambitious, Kaye said the costs will hit consumers and businesses more forcefully.

The first climate law, in 2006, required Californians to reduce carbon emissions to 1990 levels by 2020. SB 32, which Brown signed into law last fall, will require carbon emissions to fall another 40 percent by 2030. Kaye said meeting SB 32’s mandates will cause significant impact to the economy.

“It’s going to be a combination of painful and unknown exactly how it’s going to get done,” Kaye said.

## **Democratic lawmakers and Jerry Brown have tentative budget deal, assemblyman says**

**BY JIM MILLER, ALEXEI KOSEFF AND TARYN LUNA**

**[jmiller@sacbee.com](mailto:jmiller@sacbee.com)**

Majority Democrats and the Brown administration have reached a tentative deal on a new state budget that expands a tax credit for the poor, includes more money for Medi-Cal doctors, and preserves a college scholarship plan the governor’s office had wanted to end, the Assembly’s budget leader said Thursday.

Assemblyman Phil Ting, D-San Francisco, described a “tentative, broad-stroke agreement” to reporters that will be ironed out by the Legislature’s budget-writing panel at its next meeting. The budget conference committee, which had been scheduled to meet at 1 p.m. today, now has no scheduled time to meet.

“I think the winners are the people of California,” Ting said.

The comments appeared to catch the governor's office and Senate leaders by surprise. And at about 12:40 p.m., Nancy McFadden, a top adviser to Brown, posted on Twitter: "I can confirm No budget deal yet. And I should know."

I can confirm No budget deal yet. And I should know.

Senators, meanwhile, hurriedly returned to session following Ting's comments, with some canceling scheduled flights back to their districts. They took a procedural vote accepting any committee amendments, which would keep the Senate to a timeline of having the budget bill in print for at least 72 hours if the Legislature's budget-writing committee meets later today and finalizes an agreement.

Next Thursday is the constitutional deadline for lawmakers to pass a spending plan for the year beginning July 1.

Ting said the tentative pact reflects the estimated revenue in the revised budget proposal Gov. Jerry Brown released May 11.

It also would set aside more money to expand the state earned income tax credit to the self-employed, something that some advocates for the poor have called for.

The Brown administration had stated its opposition to the self-employment expansion during the conference committee's Saturday session.

Similarly, Brown's revised budget included the elimination of the Middle Class Scholarship Act, a program that emerged several years ago and championed by then-Assembly Speaker John A. Pérez. "We saved it," Ting told reporters.

The budget package also includes allocating \$1.3 billion generated by last November's Proposition 56 that increased tobacco taxes.

Some of the money would go to higher rates for doctors and dentists, Ting said, adding that the details remain to be worked out. Brown's proposal allocates all of the money to Medi-Cal's overall costs, angering medical and dental professionals who said voters meant for the money to increase chronically low provider reimbursement rates.

"I think it was very important for all of us to agree to support the will of the voters," he said.

The following page(s) contain the backup material for Agenda Item: [Conduct a Continued Public Hearing to receive comments and staff presentation for the proposed MDAQMD Budget for FY 2017-18: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a resolution appr](#)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

***AGENDA ITEM 9***

**DATE:** June 26, 2017

**RECOMMENDATION:** Conduct a Continued Public Hearing to receive comments and staff presentation for the proposed MDAQMD Budget for FY 2017-18: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a resolution approving and adopting the budget for FY 2017-18.

**SUMMARY:** The MDAQMD Budget for Fiscal Year 2017-18 is presented to the Governing Board for adoption effective July 1, 2017.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The proposed MDAQMD Budget for Fiscal Year 2017-18 is a spending plan to perform the District's services, activities, and projects and identifies the revenues estimated to be available to the District for those purposes. A proposed budget summary and supporting documentation was prepared and made available in accordance with the 30 day Public Notice Requirement of Health and Safety Code §40131(a)(1). All persons within the Mojave Desert AQMD jurisdiction who were subject to fees during the prior fiscal year were properly notified of the availability of the information (pursuant to H&S §40131(a)(2)). A separate Public Hearing for the exclusive purpose of reviewing the budget and taking public comment, as required by H&S § 40131(a)(3), was held June 12, 2017.

**FY 18 Budget Summary:**

- The Proposed General Fund Budget is \$7,152,950 fully utilizing the anticipated revenue.
- The Proposed Budget for Operating Expense (General Fund) is increased from FY 17 budget by \$188,034 for costs related to personnel.
- The Proposed Budget for Revenue (General Fund) is projected to increase \$207,042 due in part to a proposed 2% increase on fees and other sources.
- The Proposed Budget for all funds (including grant revenue and expenses) is \$8,678,758 dollars anticipating \$15,100 to be undesignated (relating to grant funds).

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 9*

**PAGE 2**

**REASON FOR RECOMMENDATION:** Health and Safety Code §40130 et seq. requires that Districts adopt an annual budget which enables the District to administer the services, activities and projects according to plans set forth in the budget for the fiscal year.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Brad Poiriez, Executive Director on or about June 12, 2017.

**FINANCIAL DATA:** The FY 2017-18 Budget for expenses (all funds) totals \$8,678,758 with anticipated revenues (all funds) of \$8,693,858. The General Fund Balance has been designated for Operating Cash Reserves \$700,000; for Building Improvement Reserves \$200,000; Legal and Litigation Reserves \$300,000; and Retirement Reserves \$500,000; Budget Stabilization \$250,000; and Compensated Absences \$200,000.

**PRESENTER:** Jean Bracy, Deputy Director - Administration

**RESOLUTION NO.**

**A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT APPROVING AND ADOPTING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2017-18.**

On June 26, 2017, on motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, and carried, the following resolution is adopted:

**WHEREAS**, the Air Pollution Control Officer has submitted to the Governing Board an annual budget for the Mojave Desert Air Quality Management District (MDAQMD) for the fiscal year 2017-18; and

**WHEREAS**, a proposed budget summary and supporting documentation were prepared and made available in accordance with the 30 day Public Notice requirement (Health and Safety Code §40131 (a)(1)); and

**WHEREAS**, all persons within the District area who were subject to fees during the prior fiscal year were properly notified of the availability of the information (Health and Safety Code §40131 (a)(2)); and

**WHEREAS**, a separate Public Hearing for the exclusive purpose of reviewing the budget and taking public comment, as required by Health and Safety Code §40131(a)(3), was held on June 12, 2017 and continued to June 26, 2017; and

**WHEREAS**, the annual budget contains estimates of the services, activities and programs comprising the budget, and contains expenditure requirements and their resources available to the MDAQMD; and

**WHEREAS**, the projected expenses for all funds for fiscal year 2017-18 are \$8,678,758.00 (Eight Million, Six Hundred Seventy Eight Thousand, Seven Hundred Fifty Eight Dollars);

**WHEREAS**, the revenue projected from all funds for fiscal year 2016-17 is \$8,693,858.00 (Eight Million, Six Hundred Ninety Three Thousand, Eight Hundred Fifty Eight Dollars); and

**WHEREAS**, the annual budget will enable the MDAQMD Governing Board to make adequate financial plans and will ensure that the MDAQMD officers can administer their respective functions in accordance with such plans,



**RESOLUTION NO.**

1           **NOW, THEREFORE, BE IT RESOLVED**, by the Governing Board of the Mojave  
2 Desert Air Quality Management District, the following:

3           The annual budget for the MDAQMD for the fiscal year 2017-18 is hereby approved  
4 and adopted, and the amounts of proposed expenditure and revenue, as specified, are  
5 appropriate for the account classifications as herein specified.

6           A. The 2017-18 Budget (all funds) for expenses is hereby adopted, establishing the  
7 following:

<u>ACCOUNT CLASSIFICATION</u>	<u>2017-18 ADOPTED BUDGET</u>
Personnel Expenses	\$6,123,679
Operating Expenses	2,362,579
Capital Expenses	<u>192,500</u>
<b>TOTAL EXPENSE BUDGET</b>	<b>\$8,678,758</b>

13           B. The 2017-18 Budget for revenue is hereby adopted, establishing a revenue base for the  
14 expenditures noted above:

<u>ACCOUNT CLASSIFICATION</u>	<u>2017-18 ADOPTED BUDGET</u>
Permit Fees	\$4,400,000
Application Fees	81,000
Federal Revenue	132,900
Fine & Penalties	82,000
Interest Income	82,900
Other Revenue	1,313,050
Revenue from Programs	2,424,008
State Revenue	<u>178,000</u>
<b>TOTAL REVENUE BUDGET</b>	<b>\$8,693,858</b>

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**RESOLUTION NO.**

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**FUND BALANCE DESIGNATIONS**

**COMMITTED FUND BALANCE**

Operating Cash Reserve	700,000
Building Improvement Reserves	200,000
Legal and Litigation Reserves	300,000
Retirement Reserves	500,000

**ASSIGNED FUND BALANCE**

Budget Stabilization	250,000
Compensated Absences	200,000

Pursuant to Section 53901 of the California Government Code, the Clerk of the Board shall file a copy of this resolution with the Auditor of the County of San Bernardino, as required.

The Air Pollution Control Officer, or designee, is authorized and hereby directed to execute the initial and final applications for potential State subvention funds for Fiscal Year 2017-18.

**BE IT FURTHER RESOLVED**, that this Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED AND ADOPTED** by the Governing Board of the Mojave Desert Air Quality Management District by the following vote:

AYES:	MEMBER:
NOES:	MEMBER:
ABSENT:	MEMBER:
ABSTAIN:	MEMBER:

STATE OF CALIFORNIA )  
) )  
) ss:  
COUNTY OF SAN BERNARDINO )

**RESOLUTION NO.**

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I, \_\_\_\_\_, Clerk of the Governing Board of the Mojave Desert Air Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same appears in the Official Minutes of said Governing Board at its meeting of June 26, 2017.

\_\_\_\_\_,  
Clerk of the Governing Board  
Mojave Desert Air Quality Management District.

# Proposed Budget

## Fiscal Year 2017-18

May 12, 2017



*"Clean Air is Everybody's Business"*

Mojave Desert Air Quality Management District  
14306 Park Avenue, Victorville, CA 92392-2310  
760.245.1661 • fax 760.245.2699  
<http://www.mdaqmd.ca.gov>

Brad Poiriez, Executive Director

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## Mojave Desert Air Quality Management District

14306 Park Avenue, Victorville, CA 92392-2310

760.245.1661 • fax 760.245.2699

Visit our web site: <http://www.mdaqmd.ca.gov>

Brad Poiriez, Executive Director

May 12, 2017

Governing Board of the  
Mojave Desert Air Quality Management District

This is the proposed budget of the Mojave Desert Air Quality Management District for Fiscal Year 2017-18. This document recommends uses of resources for the required, necessary and desired services as established by this Governing Board and various Federal, State, and local regulations. A budget is designed to provide the Board and staff the tool from which sound fiscal management decisions may be made.

A Public Hearing will be held June 12, 2017, and will be continued to June 26, 2017 to receive public comments concerning this proposed budget.

The Consolidated Budget (accounting for all funds) includes projected revenues and proposed expenses for all MDAQMD activity, including the grant programs. Specifically, the General Fund revenue is projected to be \$7,152,950, nearly three percent (2.98%) increase from the prior fiscal year. This budget includes a recommended increase to Regulation III, Fees, proposing a 2.0% fee increase effective January 1, 2018. As presented this budget is balanced and is expected to perform required services with the projected resources.

The General Fund expenses projected for operations and capital expenditures are \$7,152,950. This amount reflects an overall increase of 2.55% from the budget for the prior fiscal year imposing cuts to operational expenditures. The budgeted expenditures include continuing projects to help streamline government and regulatory functions.

The MDAQMD is a service agency in which personnel expenses will comprise about 87% of the operations budget. The Table of Organization for FY 18 includes the total of 39 positions of full time employees. The budget for Personnel Expenses includes a 1.49% increase for retirement contributions made for District employees during next fiscal year.

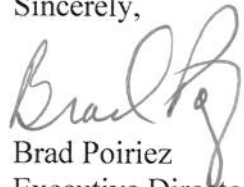
Governing Board Policy 02-01 requires adequate reserves for operating expenses. This budget funds the Operating Reserves to the policy limit. This budget assigns a portion of the fund balance for building improvements, for anticipated legal and litigation costs associated with ongoing CEQA challenges, and budget stabilization. It also assigns a portion to be used to address the District's future retirement obligations.

The District is in negotiations with the Teamsters Local 1932 for a successor agreement. The final outcome of those meetings may impact the budget which will be addressed at that time.

Page 2

This budget represents a financial plan to meet this year's obligations and challenges and is proposed to be effective July 1, 2017. On behalf of the management and staff of the District, this budget is presented for consideration for the Fiscal Year 2017-18.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Poiriez", written in a cursive style.

Brad Poiriez  
Executive Director/APCO

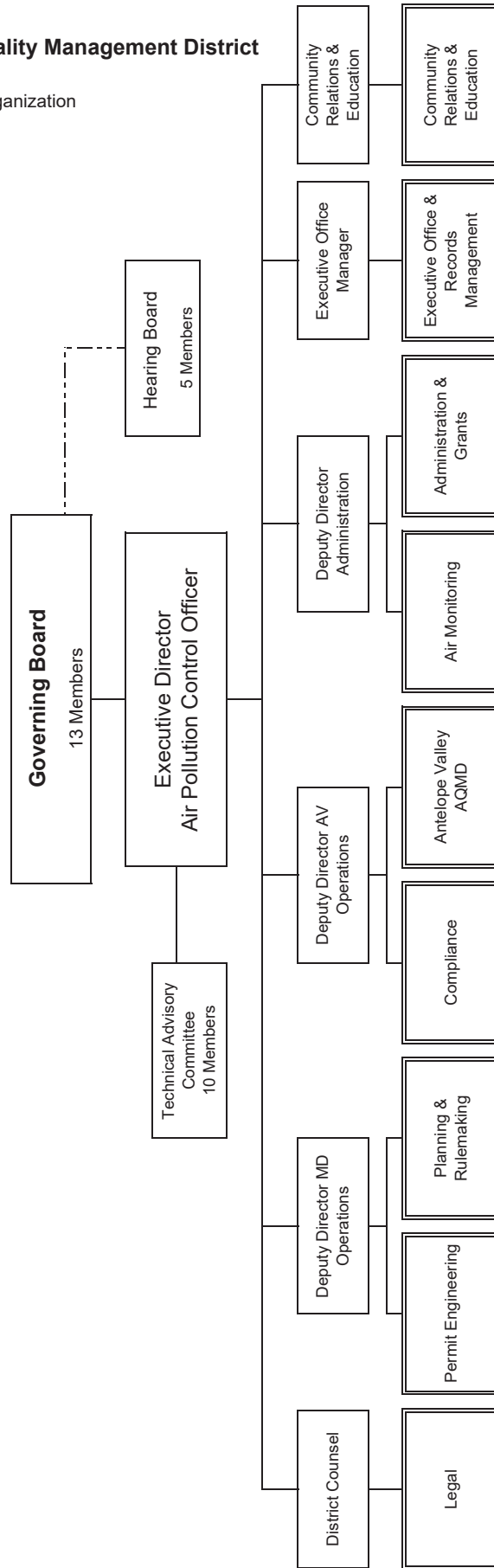
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# Mojave Desert Air Quality Management District

## District Organization





# *Governing Board*

## *2017*

James L. Cox, *Chair*  
City of Victorville

Jeff Williams, *Vice Chair*  
City of Needles

Ed Camargo,  
City of Adelanto

Barb Stanton  
Town of Apple Valley

Carmen Hernandez  
City of Barstow

Joseph "Joey" DeConinck  
City of Blythe

John Cole  
City of Twentynine Palms

Robert Leone  
Town of Yucca Valley

Paul Russ  
City of Hesperia

Barbara Cram Riordan  
Public Member

Marion Ashley, *Supervisor*  
County of Riverside

James Ramos, *Supervisor*  
County of San Bernardino

Robert Lovingood, *Chair*  
*Supervisor*  
County of San Bernardino

### ***Executive Staff***

Brad Poiriez  
Executive Director

Karen K. Nowak  
District Counsel

Jean Bracy, Deputy Director  
Administration

Alan De Salvio, Deputy Director  
Mojave Desert Operations

Bret Banks, Deputy Director  
Antelope Valley Operations

Deanna Hernandez  
Executive Office Manager

## Mojave Desert Air Quality Management District Jurisdiction

Our district encompasses the desert portion of northern San Bernardino County, as well as the Palo Verde Valley in Riverside County. Our boundaries cover the area from the summit of Cajon Pass to Inyo County, east to the Colorado River and the Arizona and Nevada state lines, and westward to Los Angeles and Kern County Lines. In all, our district covers approximately 21,000 square miles.

*Map not to scale*

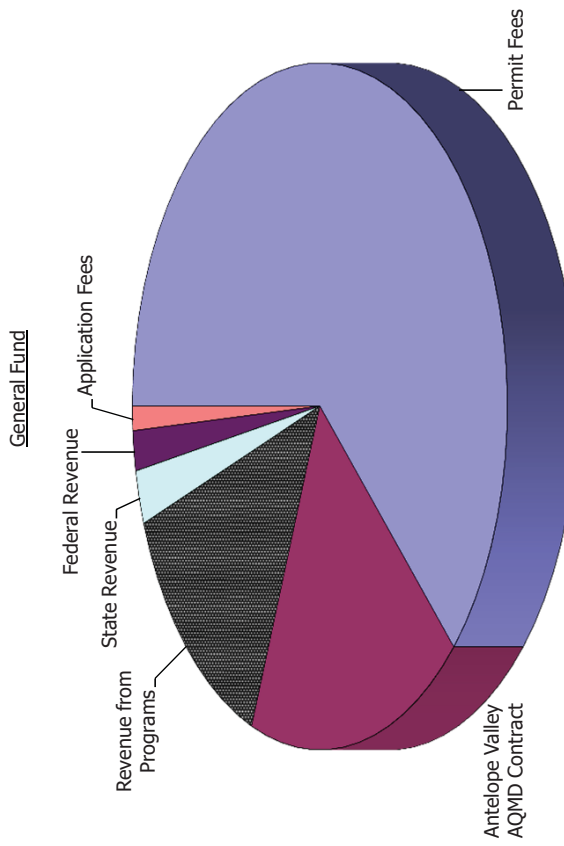
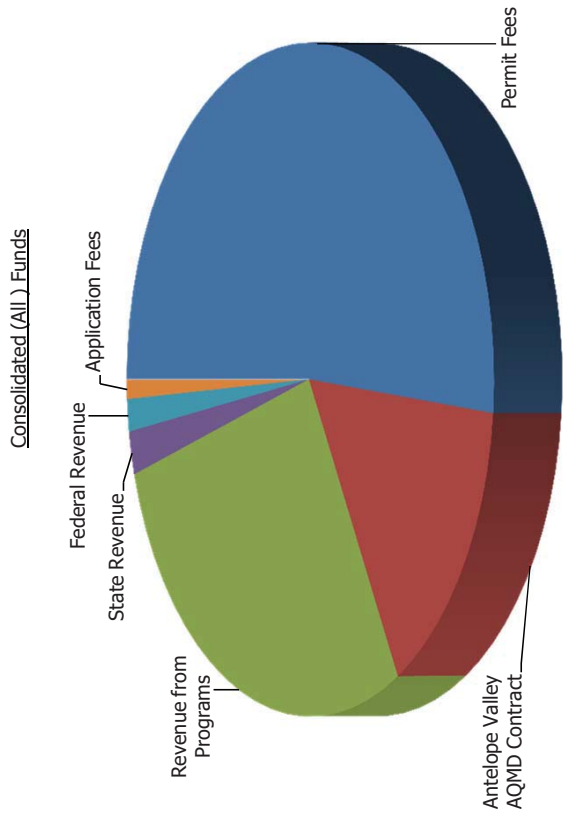


# Mojave Desert AQMD

## General Fund Consolidated Budget

	Adopted Budget FY 2017	End-of-Year Estimates FY 2017	Proposed Budget FY 2018
<b>Revenues</b>			
Permit Fees	4,320,000	4,300,000	4,400,000
Application Fees	104,768	81,000	81,000
Federal Revenue	130,950	126,917	132,900
Fines & Penalties	45,000	40,000	82,000
Interest Income	8,700	12,000	12,000
Other Revenue	1,300,000	1,290,000	1,313,050
Revenue from Programs	847,000	942,000	954,000
State Revenue	189,490	178,000	178,000
<b>Total Revenues</b>	<b>6,945,908</b>	<b>6,969,917</b>	<b>7,152,950</b>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Salaries & Wages	3,575,453	3,644,617	3,582,516
Payroll Taxes	86,428	100,164	122,766
Benefits	593,631	561,680	645,723
Retirement	1,608,354	1,675,248	1,742,674
<b>Total Personnel Expenses</b>	<b>5,863,866</b>	<b>5,981,709</b>	<b>6,093,679</b>
<b>Operating Expenses</b>			
Communications	58,460	85,625	95,375
Dues & Subscriptions	48,100	40,500	42,350
Non-Depreciable Inventory	24,500	18,145	20,700
Legal	45,000	89,700	61,096
Maintenance & Repairs	75,925	76,950	87,350
Training & Travel	82,600	62,980	75,750
Vehicles	85,400	73,045	67,250
Office Expenses	206,025	182,905	222,900
Program Expenses	146,600	145,000	90,500
Professional Services	129,400	95,345	99,500
Miscellaneous Expenses	6,540	5,050	4,000
<b>Total Operating Expenses</b>	<b>908,550</b>	<b>875,245</b>	<b>866,771</b>
<b>Capital Expenses</b>			
Buildings	15,000	13,900	30,000
Equipment	60,000	34,000	60,000
Vehicles	25,000	25,000	50,000
Computers	40,000	0	0
Software	63,000	21,315	52,500
<b>Total Capital Expenses</b>	<b>203,000</b>	<b>94,215</b>	<b>192,500</b>
<b>Total Expenses</b>	<b>6,975,416</b>	<b>6,951,169</b>	<b>7,152,950</b>
<b>Due To (From) Reserves</b>	<b>(29,508)</b>	<b>18,748</b>	<b>0</b>

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT**  
**Budgeted Sources of Revenue**



Consolidated (All Funds) Revenue		FY 2018	
REVENUE TYPES	AMOUNT	AMOUNT	% of Total
Permit Fees	4,400,000	4,400,000	50.61%
Antelope Valley AQMD Contract	1,313,050	1,313,050	15.10%
Revenue from Programs	2,424,008	2,424,008	27.88%
State Revenue	178,000	178,000	2.05%
Federal Revenue	132,900	132,900	1.53%
Application Fees	81,000	81,000	0.93%
Fines & Penalties	82,000	82,000	0.94%
Interest Revenue	82,900	82,900	0.95%
<b>TOTAL</b>	<b>8,693,858</b>	<b>8,693,858</b>	<b>100.00%</b>

General Fund Revenue		FY 2018	
REVENUE TYPES	AMOUNT	AMOUNT	% of Total
Permit Fees	4,400,000	4,400,000	61.51%
Antelope Valley AQMD Contract	1,313,050	1,313,050	18.36%
Revenue from Programs	954,000	954,000	13.34%
State Revenue	178,000	178,000	2.49%
Federal Revenue	132,900	132,900	1.86%
Application Fees	81,000	81,000	1.13%
Fines & Penalties	82,000	82,000	1.15%
Interest Revenue	12,000	12,000	0.17%
<b>TOTAL</b>	<b>7,152,950</b>	<b>7,152,950</b>	<b>100.00%</b>

# Mojave Desert AQMD

## General Fund Budget Revenue Detail

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b><u>Revenues</u></b>			
<u>Permit Fees</u>			
Permit Fees Rev	4,010,000	4,000,000	4,100,000
Asbestos Demo/Reno Rev	25,000	27,000	27,000
Title V Rev	285,000	273,000	273,000
	<u>4,320,000</u>	<u>4,300,000</u>	<u>4,400,000</u>
<u>Application Fees</u>			
ERC Application Fees	575	500	500
New Source Review Fees	6,500	6,500	6,500
Permit Application Fees	96,093	74,000	74,000
AG Application Fees	1,600	0	0
	<u>104,768</u>	<u>81,000</u>	<u>81,000</u>
<u>Federal Revenue</u>			
ARB PM 2.5 Section 103	21,200	17,000	23,000
Section 105 (PSD)	84,850	85,017	85,000
Federal Contracts & Agreements	24,900	24,900	24,900
	<u>130,950</u>	<u>126,917</u>	<u>132,900</u>
<u>Fines &amp; Penalties</u>			
Notice of Violations Fee	45,000	40,000	82,000
	<u>45,000</u>	<u>40,000</u>	<u>82,000</u>
<u>Interest Income</u>			
Interest Revenue	8,700	12,000	12,000
	<u>8,700</u>	<u>12,000</u>	<u>12,000</u>
<u>Other Revenue</u>			
Contracts	1,300,000	1,140,000	1,100,000
Contracts Administrative	0	150,000	213,050
	<u>1,300,000</u>	<u>1,290,000</u>	<u>1,313,050</u>
<u>Revenue from Programs</u>			
Administrative Funding	0	56,000	68,000
AB2766 Program	762,000	796,000	796,000
California Clean Air Act	70,000	66,000	66,000
Hot Spots	15,000	24,000	24,000
	<u>847,000</u>	<u>942,000</u>	<u>954,000</u>
<u>State Revenue</u>			
PERP	51,690	40,000	40,000
State Subvention	137,800	138,000	138,000
	<u>189,490</u>	<u>178,000</u>	<u>178,000</u>
<b>Total General Fund Revenues</b>	<b><u>6,945,908</u></b>	<b><u>6,969,917</u></b>	<b><u>7,152,950</u></b>

## **INTRODUCTION**

The District's approach to air quality regulations is to be responsible and approachable with attention to customer service. Growth and new programs demand that the District continue to strive to streamline government, become more efficient, and conserve resources without limiting or decreasing the service provided to the regulated community and the public at large.

### **DISTRICT PROGRAMS AND PROJECTS**

- **Community Outreach**

Through community events, school education programs, publications, and business opportunity forums, the District promotes the motto: "*Clean Air is Everybody's Business.*" Raising public awareness is a primary District responsibility in order to foster community behaviors that protect local air quality. The District will continue to provide direct support and in-kind services to **MEEC – Mojave Environmental Education Consortium**, a public-private non-profit partnership providing environmental education support to local schools.

- **Daily Air Quality Status & Forecasts:**

The District's website, <http://www.mdaqmd.ca.gov/>, continues to provide the public with daily information on ozone, PM<sub>10</sub> and PM<sub>2.5</sub> levels within the MDAQMD's jurisdictional boundaries, in a user-friendly format.

- **The District Website**

Providing information to the general public may be the most important investment the District can make to impact the future of air quality for the region. Using the internet allows the District to provide the public with the latest version of the District rule book, forms, and air quality information. The District's website is <http://www.mdaqmd.ca.gov/>.

- **Small Business Assistance Program**

Through the Breathe Easy Program, small businesses can obtain individualized help regarding compliance with District rules. This program also provides no-fault compliance audits, permitting assistance, training, produces informative brochures, and advocates small business concerns for proposed regulations. The Business Assistance Hotline is available for personalized assistance related to compliance without fear of reprisals.

- **Mobile Emissions Reduction Program**

This grant program encourages projects sponsored by private or public agencies that will reduce the impact of pollution generated by mobile emissions in the Mojave Desert air basin. Funded by fees assessed on motor vehicle registration in the District more than three million dollars has been awarded to various public agencies and private entities for projects that will reduce mobile emissions such as through the use of alternate fuels, equipment and other related projects.

Carl Moyer Memorial Air Quality Standards Attainment Program (known as the Carl Moyer Program) funds the incremental cost of cleaner-than-required engines, equipment, and other sources of air pollution. Implementing the State-funded Carl Moyer Program, the District has received and awarded more than four million dollars to local agencies and private entities' eligible projects.

- **Technology Improvements** bring together an overall plan that strives to streamline government and efficiently deliver services. The **CAPS** (Compliance and Permit System) Database is the application that holds all of the information related to every source responsible to the District's Rules and Regulations. The **Records Management** program manages the content management system which images, indexes and stores District records. Another component electronically develops the Governing Board agenda. **AccuFund** serves our accounting needs through use of cost accounting methodology and appropriate reporting on the use of restricted funds. Our **Video Tele-conferencing** delivers high performance multi-point video conferencing for small and large groups.
- **Training and Development**  
Emphasis is on educating staff and the Governing Board about the work and mission of the District. District staff will participate in on site educational opportunities and off-site educational tours and are encouraged to continue their technical and professional development.
- **Antelope Valley AQMD**  
The Antelope Valley Air Quality Management District is an independent special district based in Lancaster with a jurisdiction covering north Los Angeles County. The AVAQMD contracts most of its services from the MDAQMD. Six full time staff on site support the office in Lancaster, and staff at the Victorville office contribute additional support.



## **AIR QUALITY PROGRAMS**

### **AIR MONITORING**

The Air Monitoring section administers programs for maintaining, repairing, and calibrating the ambient air monitoring analyzers and system equipment, data acquisition, and meteorological system components. The section also operates and maintains an extensive database from which collected data is analyzed providing information on air quality trends to the District and the public.

Air monitoring stations are located in Barstow, Hesperia, Lucerne Valley, Phelan, Trona, Twentynine Palms, and Victorville. The stations are part of the State and Local Air Monitoring System (SLAMS) network. A data acquisition system collects daily and real time levels of pollutants from each of the stations. These data are reported to the California Air Resources Board (CARB), Federal Environmental Protection Agency (EPA), regulated industry, and the general public. This information is used to show compliance with ambient air quality standards, to determine attainment status for criteria pollutants, in addition to providing pollution episode forecasts and notification to school systems and the general population of harmful levels of pollution. Air quality conditions are tracked to monitor exceedances to standards that may be caused by exceptional events, such as wild fires or sustained high winds.

**Ozone Mapping Program.** The Ozone Mapping project polls the ambient air monitoring network on an hourly basis and electronically transfers these data to the ARB for viewing from a web site. This data is also presented on the District's web site.

**Monitoring PM<sub>10</sub> and PM<sub>2.5</sub>** Particulate Matter is measured in units of micrograms/cubic meter. The PM<sub>10</sub> and PM<sub>2.5</sub> programs sample ambient air 24 hours/day, seven days/week through Beta Attenuation Mass Monitors (BAMMs). This data is available for viewing on the website usually within two hours.

### **ASSIGNED POSITIONS**

Air Monitoring Supervisor  
Air Quality Instrument Technician (3)

**Mojave Desert AQMD**  
**General Fund Air Monitoring Personnel Expense Budget Detail**

	<u>Approved Budget FY 2017</u>	<u>Estimated Actuals FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Personnel Expenses</b>			
Salaries	153,567	349,500	315,150
<u>Payroll Taxes</u>			
Medicare Tax	2,464	5,775	5,080
Workers Compensation	2,340	5,500	6,215
	<u>4,804</u>	<u>11,275</u>	<u>11,295</u>
<u>Benefits</u>			
Section 125	27,300	47,700	58,942
Employee Assistance Plan	400	315	315
Vision Insurance	0	209	260
Life Insurance	240	386	480
Disability Insurance	225	989	1,050
	<u>28,165</u>	<u>49,599</u>	<u>61,047</u>
<u>Retirement</u>			
Employer Pick-up	11,896	22,895	22,445
Employer Contribution SBCERA	56,167	125,800	129,173
Survivor Match	90	160	180
401(a) Matching Contribution	20	38	1,700
Retirement Cash	0	1,880	2,160
	<u>68,173</u>	<u>150,773</u>	<u>155,658</u>
<b>Total Personnel Expenses</b>	<b><u>254,709</u></b>	<b><u>561,147</u></b>	<b><u>543,150</u></b>

**Mojave Desert AQMD**  
**General Fund Air Monitoring Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	2,500	1,400	1,500
Long Distance Charges	275	100	150
Cellular Phones	150	150	500
Video/Teleconference	50	60	100
Internet	6,000	6,700	7,000
Web Hosting	150	7,300	6,700
Tech Support	1,800	0	500
Cable	60	60	100
	<u>10,985</u>	<u>15,770</u>	<u>16,550</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	500	550	750
Publications & Subscriptions	100	55	250
Professional Dues	0	0	500
	<u>600</u>	<u>605</u>	<u>1,500</u>
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	0	250	500
Machinery & Equipment Exp	6,500	8,000	10,000
Safety Equipment Exp	300	400	500
	<u>6,800</u>	<u>8,650</u>	<u>11,000</u>
<b>Legal</b>			
<b>Professional Services</b>			
Payroll Contract	100	130	150
Consulting Fees	5,000	0	0
	<u>5,100</u>	<u>130</u>	<u>150</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	9,000	12,750	12,500
Custodial Services	6,250	5,700	6,250
Landscaping	850	765	850
Equipment Repair	15,000	8,200	15,000
	<u>31,100</u>	<u>27,415</u>	<u>34,600</u>

**Mojave Desert AQMD**  
**General Fund Air Monitoring Expense Budget Detail**

	Adopted Budget FY 2017	End-of-Year Estimates FY 2017	Proposed Budget FY 2018
<b>Training &amp; Travel</b>			
Training	10,000	11,700	10,000
Travel	1,000	4,800	2,500
Recruitment	0	190	0
	11,000	16,690	12,500
<b>Vehicles</b>			
Vehicle Lease	9,000	8,900	9,500
Vehicle Gas & Oil	3,750	3,300	4,500
Vehicle Maintenance	1,500	250	500
Vehicle Repairs	0	465	500
Vehicle Insurance	2,000	1,800	2,500
	16,250	14,715	17,500
<b>Office Expenses</b>			
Software	6,500	7,000	7,500
Utilities	9,500	8,400	9,500
Supplies	6,500	2,500	3,500
Facility Leases	3,500	2,900	6,000
Equipment Lease	1,800	1,600	1,800
Postage	50	25	50
Courier	1,000	900	1,000
Printing/Shredding Services	150	260	300
Security	600	300	500
Liability Insurance	6,750	8,000	11,000
Meeting Expenses	100	60	100
	36,450	31,945	41,250
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
Miscellaneous Expense	0	550	0
	0	550	0
<b>Total Operating Expenses</b>	<b>118,285</b>	<b>116,470</b>	<b>135,050</b>
<b>Capital Expenses</b>			
Equipment	50,000	34,000	60,000
Vehicles	0	0	25,000
<b>Total Capital Expenses</b>	<b>50,000</b>	<b>34,000</b>	<b>85,000</b>
<b>Total Expenses</b>	<b>422,994</b>	<b>711,617</b>	<b>763,200</b>

## **AIR QUALITY PROGRAMS**

### **PLANNING & RULEMAKING**

One of the District's primary responsibilities is to promulgate rules and plans in accordance with State and Federal attainment and maintenance planning requirements, to achieve and maintain regional compliance with the various ambient air quality standards. Related functions include rule adoptions and revisions.

Planning staff serve as the District liaison with regional, State and Federal governments, ensuring District compliance with applicable requirements and significant developments. Planning staff also perform California Environmental Quality Act (CEQA) review and comment functions in the District's role as the expert agency for air quality. Staff in Planning and Rulemaking implement and maintain the following programs.

- California ambient air quality standards attainment planning, as codified in the California Clean Air Act and subsequent state legislation. This program currently focuses on the California ozone standard.
- National ambient air quality standards attainment planning, as codified in the Federal Clean Air Act and subsequent Federal legislation. This program currently focuses on the Federal ozone and PM10 standards.
- Federal General and Transportation Conformity, involving regional project review and comment
- California Environmental Quality Act, requiring local and regional project review
- National Environmental Protection Act, requiring local and regional project review

### **ASSIGNED POSITIONS**

Deputy Director – Mojave Desert Operations  
Air Quality Specialist (2)

### **COMPLIANCE**

The District's responsibility is to protect the health and welfare of the public by assisting the regulated community in complying with Federal, State and Local regulatory requirements. This responsibility is carried out through various programs and activities including comprehensive annual inspections performed to verify compliance with air quality regulations; investigation of citizen complaints pertaining to air related matters; legal case development when necessary to address non-complying situations; Federal Asbestos Demolition and Renovation Program; State-mandated Variance Program; Continuous Emissions Monitoring Programs; reporting to the Environmental Protection Agency's AIRS and Significant Violator programs; and source testing. Legal assistance is provided by District Counsel regarding enforcement related activities, such as civil actions, case development, penalty negotiations, and variance hearing board support.

### **ASSIGNED POSITIONS**

Compliance Supervisor  
Air Quality Specialist (5)

# Mojave Desert AQMD

## General Fund Planning / Rule Making / Compliance Personnel Expense Budget Detail

	Approved Budget FY 2017	Estimated Actuals FY 2017	Proposed Budget FY 2018
<b>Personnel Expenses</b>			
Salaries	799,017	575,937	653,821
<u>Payroll Taxes</u>			
Medicare Tax	12,653	9,000	11,302
Workers Compensation	9,478	8,690	13,745
Unemployment Insurance	0	6,000	4,500
	22,131	23,690	29,547
<u>Benefits</u>			
Section 125	122,700	100,930	117,825
Employee Assistance Plan	1,400	1,120	1,080
Vision Insurance	450	139	415
Life Insurance	1,080	869	840
Disability Insurance	1,600	1,327	777
Tuition Reimbursement	0	175	0
	127,230	104,560	120,937
<u>Retirement</u>			
Employer Pick-up	61,084	35,440	59,598
Employer Contribution SBCERA	288,406	221,830	252,440
Survivor Match	405	337	315
Retirement for Exempt (>30Y)	0	0	6,710
401(a) Matching Contribution	2,000	2,081	6,055
Retirement Cash	4,560	2,377	2,160
	356,455	262,065	327,278
<b>Total Personnel Expenses</b>	<b>1,304,833</b>	<b>966,252</b>	<b>1,131,583</b>

**Mojave Desert AQMD**  
**General Fund Planning / Rule Making / Compliance Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	3,500	3,200	4,250
Long Distance Charges	150	40	100
Cellular Phones	150	125	1,000
Video/Teleconference	100	180	300
Internet	9,000	10,300	11,000
Web Hosting	400	7,700	8,000
Tech Support	1,000	0	0
Cable	250	200	250
	<u>14,550</u>	<u>21,745</u>	<u>24,900</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	1,750	2,700	3,000
Publications & Subscriptions	100	300	500
Professional Dues	0	275	400
	<u>1,850</u>	<u>3,275</u>	<u>3,900</u>
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	500	1,000	1,000
Machinery & Equipment Exp	500	850	1,000
Safety Equipment Exp	500	900	1,000
	<u>1,500</u>	<u>2,750</u>	<u>3,000</u>
<b>Legal</b>			
Legal Notices	1,500	0	0
Legal Services	0	14,400	15,000
	<u>1,500</u>	<u>14,400</u>	<u>15,000</u>
<b>Professional Services</b>			
Payroll Contract	375	450	450
	<u>375</u>	<u>450</u>	<u>450</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	4,750	6,500	6,500
Custodial Services	3,800	4,100	4,500
Landscaping	500	550	600
Equipment Repair	0	15	100
	<u>9,050</u>	<u>11,165</u>	<u>11,700</u>

**Mojave Desert AQMD**  
**General Fund Planning / Rule Making / Compliance Expense Budget Detail**

	<b>Adopted Budget FY 2017</b>	<b>End-of-Year Estimates FY 2017</b>	<b>Proposed Budget FY 2018</b>
<b>Training &amp; Travel</b>			
Training	4,000	4,000	6,500
Travel	12,000	4,000	5,000
Mileage	0	2,000	2,000
	<u>16,000</u>	<u>10,000</u>	<u>13,500</u>
<b>Vehicles</b>			
Vehicle Lease	34,000	29,000	20,000
Vehicle Gas & Oil	7,500	5,350	6,000
Vehicle Maintenance	1,500	2,150	1,500
Vehicle Repairs	500	4,100	2,500
Vehicle Insurance	7,500	5,500	6,000
	<u>51,000</u>	<u>46,100</u>	<u>36,000</u>
<b>Office Expenses</b>			
Software	2,900	3,000	3,500
Utilities	6,750	5,050	6,750
Supplies	4,500	4,900	5,000
Facility Leases	2,250	1,500	1,500
Equipment Lease	7,000	5,500	6,000
Postage	1,000	1,000	1,000
Courier	500	300	500
Printing/Shredding Services	1,750	1,050	1,500
Security	400	300	400
Liability Insurance	3,500	4,600	6,000
Meeting Expenses	350	900	1,000
	<u>30,900</u>	<u>28,100</u>	<u>33,150</u>
<b>Program Expenses</b>			
Program Expenditures	56,600	55,000	0
	<u>56,600</u>	<u>55,000</u>	<u>0</u>
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<u><b>183,325</b></u>	<u><b>192,985</b></u>	<u><b>141,600</b></u>
<b>Capital Expenses</b>			
Software	50,000	10,000	50,000
<b>Total Capital Expenses</b>	<u><b>50,000</b></u>	<u><b>10,000</b></u>	<u><b>50,000</b></u>
<b>Total Expenses</b>	<u><u><b>1,538,158</b></u></u>	<u><u><b>1,169,237</b></u></u>	<u><u><b>1,323,183</b></u></u>



## **AIR QUALITY PROGRAMS**

### **PERMIT ENGINEERING**

One of the District's primary responsibilities is to process applications for permits in accordance with all applicable local, State and Federal regulations. These applications are required for projects which propose industrial and/or commercial processes that have a potential to emit an air contaminant into the atmosphere. The requirements differ widely depending on the type and size of the proposed equipment.

District air quality engineers provide technical reviews of official documents, such as test reports, risk assessments, environmental impact statements and environmental impact report, as well as technical assistance to permit applicants, other agencies, and manufacturers. The District implements and maintains various State and Federal mandated programs:

- **Title III & V Programs.** The Title III program is the federal toxic program for Title V facilities. Title V is a Federal Operating Permits Program required by the 1990 Clean Air Act. This program requires the District to maintain a Federal Permitting Program approved by the Environmental Protection Agency (EPA).
- **Emissions Inventory.** The purpose of this program is to inventory sources of criteria air pollutants within the District which is used as a yardstick to determine progress towards attainment and maintaining compliance with National and State Ambient Air Quality Standards. This program is required by State and Federal Law.
- **Toxic Emissions Inventory.** (Air Toxic "Hot Spot" Information and Assessment Act of 1987) The purpose of this program is to assess the amounts, types and health impacts of air toxics from stationary sources. This program occasionally sponsors a part time intern to assist with the program documentation.
- **AB 3205.** This program is required by the State, and its purpose is to implement a program to notify parents of school children when a new or modified source will be located within one mile of elementary, middle, or high schools.

### **ASSIGNED POSITIONS**

Permit Engineering Supervisor  
Air Quality Engineer (4)

# Mojave Desert AQMD

## General Fund Permit Engineering Personnel Expense Budget Detail

	Approved Budget FY 2017	Estimated Actuals FY 2017	Proposed Budget FY 2018
<b>Personnel Expenses</b>			
Salaries	603,351	640,570	618,535
<u>Payroll Taxes</u>			
Medicare Tax	9,461	9,271	10,465
Workers Compensation	4,963	4,267	6,180
	<u>14,424</u>	<u>13,538</u>	<u>16,645</u>
<u>Benefits</u>			
Section 125	82,000	83,140	88,443
Employee Assistance Plan	1,000	755	765
Vision Insurance	300	403	580
Life Insurance	720	720	720
Disability Insurance	561	1,684	1,450
	<u>84,581</u>	<u>86,702</u>	<u>91,958</u>
<u>Retirement</u>			
Employer Pick-up	45,678	50,236	45,418
Employer Contribution SBCERA	215,668	237,230	261,385
Survivor Match	270	280	270
401(a) Matching Contribution	1,800	1,600	6,500
Retirement Cash	2,160	4,598	6,720
	<u>265,576</u>	<u>293,944</u>	<u>320,293</u>
<b>Total Personnel Expenses</b>	<b><u>967,932</u></b>	<b><u>1,034,754</u></b>	<b><u>1,047,431</u></b>

**Mojave Desert AQMD**  
**General Fund Permit Engineering Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	1,750	1,850	2,500
Long Distance Charges	100	50	100
Cellular Phones	100	75	750
Video/Teleconference	100	125	250
Internet	4,500	7,500	7,500
Web Hosting	250	5,100	5,000
Tech Support	700	0	0
Cable	150	150	150
	<u>7,650</u>	<u>14,850</u>	<u>16,250</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	1,200	1,700	1,500
Publications & Subscriptions	250	170	250
Professional Dues	1,200	625	1,200
	<u>2,650</u>	<u>2,495</u>	<u>2,950</u>
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	3,000	675	1,000
Machinery & Equipment Exp	1,000	175	500
Safety Equipment Exp	500	450	500
	<u>4,500</u>	<u>1,300</u>	<u>2,000</u>
<b>Legal</b>			
Legal Notices	0	600	1,000
	<u>0</u>	<u>600</u>	<u>1,000</u>
<b>Professional Services</b>			
Payroll Contract	250	275	350
	<u>250</u>	<u>275</u>	<u>350</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	3,000	4,500	5,000
Custodial Services	2,500	2,900	3,000
Landscaping	350	390	400
Equipment Repair	750	0	400
	<u>6,600</u>	<u>7,790</u>	<u>8,800</u>

**Mojave Desert AQMD**  
**General Fund Permit Engineering Expense Budget Detail**

	<b>Adopted Budget FY 2017</b>	<b>End-of-Year Estimates FY 2017</b>	<b>Proposed Budget FY 2018</b>
<b>Training &amp; Travel</b>			
Training	3,000	6,000	6,500
Travel	7,000	8,300	9,000
Recruitment	0	190	0
	10,000	14,490	15,500
<b>Vehicles</b>			
Vehicle Lease	1,200	1,200	0
Vehicle Gas & Oil	1,700	1,500	1,700
Vehicle Maintenance	1,600	1,600	2,000
Vehicle Repairs	0	0	500
Vehicle Insurance	1,300	1,250	1,750
	5,800	5,550	5,950
<b>Office Expenses</b>			
Software	2,000	50	2,500
Utilities	4,000	3,600	4,000
Supplies	2,500	3,500	4,500
Facility Leases	1,250	1,000	1,250
Equipment Lease	4,200	3,600	4,200
Postage	1,500	2,200	2,500
Courier	100	25	100
Printing/Shredding Services	150	350	500
Security	150	200	250
Liability Insurance	2,800	3,300	4,500
Meeting Expenses	50	125	250
	18,700	17,950	24,550
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<b>56,150</b>	<b>65,300</b>	<b>77,350</b>
<b>Capital Expenses</b>			
<b>Total Expenses</b>	<b>1,024,082</b>	<b>1,100,054</b>	<b>1,124,781</b>

## **SUPPORT PROGRAMS**

### **COMMUNITY RELATIONS AND EDUCATION PROGRAM**

The Mojave Desert Air Quality Management District conducts public outreach and education programs in order to fulfill the requirement of the California Clean Air Act of 1988, Health and Safety Code Section 40918(a): "Each district. . . shall . . . include the following measures in its attainment plan . . . (6) Provisions for public education programs to promote actions to reduce emissions from transportation and area-wide sources."

District-sponsored public outreach and education programs are designed to inform the community about air pollution, its sources, health effects on humans, and damage to the environment. Education is essential in raising public awareness on methods of control and encouraging individual means of reducing air pollution. These programs target many audiences including academia, the general adult population, educators and students from pre-school to college level, as well as businesses and industries via pamphlets, brochures, newsletters, public workshops, conferences, presentations, exhibits, and other multimedia promotions. The District's award-winning Community Relations & Education Office also administers *MEEC, the Mojave Environmental Education Consortium*, a public-private nonprofit organization which provides STEM-based environmental education support to local schools. CRE is also responsible for coordinating the annual *California Desert Air Working Group Conference*, a regional effort which brings together regulators, environmental and permitted source representatives, and state legislative representatives for training/development opportunities on emerging air quality regulations and topics affecting California's desert regions and beyond.

Media relations through press releases, press conferences and air quality forecasts and health advisories are provided to the local media on an ongoing basis by CRE as a means of keeping the public informed. CRE also participates with High Desert schools on the MDAQMD's annual Clean Air Month Poster Contest; with the regulated community on the annual Exemplar Awards and the Mojave Green Business Program; High Desert Opportunity, and various environmental fairs community awareness activities and the District's Outstanding Environmental Science Fair program.

## **ASSIGNED POSITIONS**

Community Relations & Education Manager  
Community Relations & Education Specialist

**Mojave Desert AQMD**  
**General Fund Community Relations & Education Personnel Expense Budget Detail**

	<u>Approved Budget FY 2017</u>	<u>Estimated Actuals FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Personnel Expenses</b>			
Salaries	167,554	159,145	172,425
<u>Payroll Taxes</u>			
Medicare Tax	2,667	2,525	2,756
Workers Compensation	1,147	1,125	1,935
	<u>3,814</u>	<u>3,650</u>	<u>4,691</u>
<u>Benefits</u>			
Section 125	27,400	25,525	29,502
Employee Assistance Plan	400	315	315
Vision Insurance	450	410	413
Life Insurance	240	240	240
Disability Insurance	700	810	657
	<u>29,190</u>	<u>27,300</u>	<u>31,127</u>
<u>Retirement</u>			
Employer Pick-up	12,879	14,360	12,115
Employer Contribution SBCERA	60,810	67,035	67,833
Survivor Match	90	91	90
Retirement for Exempt (>30Y)	0	0	5,090
401(a) Matching Contribution	625	591	2,575
Retirement Cash	2,160	2,213	2,160
	<u>76,564</u>	<u>84,290</u>	<u>89,863</u>
<b>Total Personnel Expenses</b>	<b><u>277,122</u></b>	<b><u>274,385</u></b>	<b><u>298,106</u></b>

**Mojave Desert AQMD**  
**General Fund Community Relations & Education Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	1,000	775	800
Long Distance Charges	50	15	50
Cellular Phones	150	500	600
Video/Teleconference	50	100	100
Internet	3,200	3,500	3,500
Web Hosting	100	2,200	2,000
Tech Support	750	0	0
Cable	75	60	75
	<u>5,375</u>	<u>7,150</u>	<u>7,125</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	500	900	1,000
Publications & Subscriptions	100	475	500
Professional Dues	500	450	500
	<u>1,100</u>	<u>1,825</u>	<u>2,000</u>
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	1,000	280	300
Machinery & Equipment Exp	2,500	80	100
Safety Equipment Exp	0	275	300
	<u>3,500</u>	<u>635</u>	<u>700</u>
<b>Legal</b>			
<b>Professional Services</b>			
Payroll Contract	125	2,850	150
	<u>125</u>	<u>2,850</u>	<u>150</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	4,000	5,000	5,250
Custodial Services	3,200	3,100	3,250
Landscaping	450	410	450
Equipment Repair	250	250	250
	<u>7,900</u>	<u>8,760</u>	<u>9,200</u>

**Mojave Desert AQMD**  
**General Fund Community Relations & Education Expense Budget Detail**

	Adopted Budget FY 2017	End-of-Year Estimates FY 2017	Proposed Budget FY 2018
<b>Training &amp; Travel</b>			
Training	1,000	650	1,000
Travel	4,500	3,000	3,000
Mileage	0	150	150
	5,500	3,800	4,150
<b>Vehicles</b>			
Vehicle Lease	700	0	0
Vehicle Gas & Oil	1,000	700	700
Vehicle Maintenance	1,500	900	1,000
Vehicle Repairs	500	500	500
Vehicle Insurance	1,350	1,900	2,500
	5,050	4,000	4,700
<b>Office Expenses</b>			
Software	500	0	1,000
Utilities	5,000	4,200	4,200
Supplies	1,200	1,500	1,500
Facility Leases	700	700	700
Equipment Lease	1,800	1,500	1,500
Postage	500	65	100
Courier	100	0	100
Printing/Shredding Services	4,600	925	1,000
Security	325	175	200
Liability Insurance	3,000	4,100	5,200
Meeting Expenses	850	80	100
Community Relations	17,500	12,500	17,500
	36,075	25,745	33,100
<b>Program Expenses</b>			
Contributions to Other Agencies	90,000	90,000	90,000
	90,000	90,000	90,000
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<b>154,625</b>	<b>144,765</b>	<b>151,125</b>
<b>Capital Expenses</b>			
<b>Total Expenses</b>	<b>431,747</b>	<b>419,150</b>	<b>449,231</b>



## **SUPPORT PROGRAMS**

### **EXECUTIVE OFFICES**

The Executive Office is responsible to the Governing Board for the general administration and coordination of all District operations and programs, including but not limited to: program planning and streamlining, compliance program oversight, public information, inter and intra agency coordination, committee representation, as well as being responsible for fostering a positive working relationship with the regulated community. The Air Pollution Control Officer has statutorily assigned enforcement authority as well as personnel appointment powers as designated in Health and Safety Code §§40750 et seq. The responsibilities of this office include those programs mandated by the Federal Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) and developing, implementing, and enforcing State and Federally mandated programs designed to attain and maintain ambient air quality standards as they pertain to industrial and commercial stationary (non-mobile) sources. This office monitors state and federal legislation affecting the District and advises the Governing Board on actions required to protect the interests of the District. This office coordinates the digitalization of District records into an electronic storage and retrieval system. It also oversees programs for staff development include off-site educational tours of local permitted agencies; planning meetings for management staff; technical training for field staff, and professional development training for management staff.

This office has oversight of the production of agendas and official minutes of all meetings of the District Boards, including the Governing Board, the Hearing Board, Technical Advisory Committee, and any other committees created by Governing Board or the Chair of the Board. This office maintains the official records for all actions of the boards and distributes copies of orders and directives to appropriate agencies and members of the public as required and/or directed by the respective Board or Committee.

The Governing Board, with 13 members, meets monthly and members may receive \$100 stipend per meeting. The Hearing Board, with 5 members, meets as needed and members may receive \$100 stipend per meeting. The Technical Advisory Committee, with 10 members, meets as needed and members may receive \$35 stipend per meeting.

### **DISTRICT COUNSEL**

The position of District Counsel serves as general legal counsel to the District providing legal advice and opinions on general laws applicable to the District as well as to air district specific mandates including but not limited to; the Federal Clean Air Act, California Clean Air Act, other applicable State and Federal laws, and the regulations promulgated thereunder. This position also provides official legal interpretations of district adopted rules and regulations for the APCO and staff use. The District Counsel reviews District rules and regulations for compliance with applicable State and Federal laws and regulations, and to ensure proper notice and procedures are followed. The District Counsel has the authority to bring civil actions in the name of people of State of California for violations of various air quality laws and regulations. It also provides legal support for District presentations, Hearing Board proceedings, and supports the permitting and other activities of the District. The District Counsel analyzes legislative bills proposed in the California Legislature that impact the District and provides information to the District Governing Board regarding such legislation.

The Governing Board may engage "Special Counsel" to provide specialized legal services in particular instances and areas. The scope of the specialized legal services will be forth in the individual contracts for such services.

**ASSIGNED POSITIONS:** Executive Director/APCO, District Counsel, Executive Office Manager, Records Management Specialist, Office Assistant

# Mojave Desert AQMD

## General Fund Executive Offices Personnel Expense Budget Detail

	Approved Budget FY 2017	Estimated Actuals FY 2017	Proposed Budget FY 2018
<b>Personnel Expenses</b>			
Salaries	717,878	714,692	598,419
<u>Payroll Taxes</u>			
Medicare Tax	11,243	11,269	9,405
Workers Compensation	4,300	4,601	5,710
Unemployment Insurance	0	4,500	9,000
	<u>15,543</u>	<u>20,370</u>	<u>24,115</u>
<u>Benefits</u>			
Section 125	95,900	92,035	83,630
Employee Assistance Plan	815	655	630
Vision Insurance	1,700	1,438	1,240
Life Insurance	5,715	2,457	1,900
Disability Insurance	3,150	2,851	2,225
Other Benefits	11,500	0	12,000
	<u>118,780</u>	<u>99,436</u>	<u>101,625</u>
<u>Retirement</u>			
Employer Pick-up	54,279	46,056	40,923
Employer Contribution SBCERA	256,275	275,920	235,512
Survivor Match	315	278	225
401(a) Matching Contribution	13,700	11,975	17,175
Retirement Cash	15,600	13,648	11,280
	<u>340,169</u>	<u>347,877</u>	<u>305,115</u>
<b>Total Personnel Expenses</b>	<b><u>1,192,370</u></b>	<b><u>1,182,375</u></b>	<b><u>1,029,274</u></b>

**Mojave Desert AQMD**  
**General Fund Executive Offices Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	2,100	1,500	1,700
Long Distance Charges	100	35	50
Cellular Phones	60	800	2,000
Video/Teleconference	50	0	100
Internet	6,000	6,800	6,250
Web Hosting	250	3,400	4,400
Tech Support	1,000	0	0
Cable	140	125	200
	<u>9,700</u>	<u>12,660</u>	<u>14,700</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	8,000	6,500	7,000
Publications & Subscriptions	18,500	17,200	18,500
Professional Dues	0	1,300	1,500
	<u>26,500</u>	<u>25,000</u>	<u>27,000</u>
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	1,000	2,500	1,000
Machinery & Equipment Exp	1,000	160	200
Safety Equipment Exp	100	250	300
	<u>2,100</u>	<u>2,910</u>	<u>1,500</u>
<b>Legal</b>			
Legal Notices	8,500	7,700	8,500
Legal Services	25,000	17,000	5,000
	<u>33,500</u>	<u>24,700</u>	<u>13,500</u>
<b>Professional Services</b>			
Payroll Contract	25,000	21,000	30,000
Consulting Fees	40,000	33,000	35,000
Stipends	12,000	11,000	12,000
	<u>77,000</u>	<u>65,000</u>	<u>77,000</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	5,000	6,875	7,000
Custodial Services	3,900	3,800	4,000
Landscaping	525	425	500
Equipment Repair	500	0	0
	<u>9,925</u>	<u>11,100</u>	<u>11,500</u>

**Mojave Desert AQMD**  
**General Fund Executive Offices Expense Budget Detail**

	<b>Adopted Budget FY 2017</b>	<b>End-of-Year Estimates FY 2017</b>	<b>Proposed Budget FY 2018</b>
<b>Training &amp; Travel</b>			
Training	7,000	1,000	3,000
Travel	13,000	10,500	13,000
Mileage	4,000	3,700	3,000
	<u>24,000</u>	<u>15,200</u>	<u>19,000</u>
<b>Vehicles</b>			
Vehicle Lease	1,500	0	0
Vehicle Gas & Oil	400	200	200
Vehicle Maintenance	500	360	500
Vehicle Insurance	1,500	1,200	1,200
	<u>3,900</u>	<u>1,760</u>	<u>1,900</u>
<b>Office Expenses</b>			
Software	21,700	24,825	24,000
Utilities	6,000	4,750	5,500
Supplies	4,100	5,300	5,500
Facility Leases	1,500	1,300	1,500
Equipment Lease	4,000	3,200	3,000
Postage	300	520	500
Courier	125	150	200
Printing/Shredding Services	175	375	500
Security	400	250	250
Liability Insurance	4,500	4,800	5,000
Meeting Expenses	1,000	1,475	1,000
	<u>43,800</u>	<u>46,945</u>	<u>46,950</u>
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
Miscellaneous Expense	1,500	0	0
	<u>1,500</u>	<u>0</u>	<u>0</u>
<b>Total Operating Expenses</b>	<b>231,925</b>	<b>205,275</b>	<b>213,050</b>
<b>Capital Expenses</b>			
Software	0	2,700	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>2,700</b>	<b>0</b>
<b>Total Expenses</b>	<b><u>1,424,295</u></b>	<b><u>1,390,350</u></b>	<b><u>1,242,324</u></b>

## ***SUPPORT PROGRAMS***

### ***ADMINISTRATIVE SERVICES***

Administrative Services provides financial, personnel management and administrative services to the operating sections of the District. Accounts payable and warrants are issued by staff using local banking services. Funds to these accounts are replenished by the San Bernardino County Auditor-Controller's Office at the request of the District; payroll functions are performed by District staff. The office prepares the annual budget and controls expenditures by providing information regarding expenditures and the availability of budgeted funds; purchases equipment and supplies; invoices for required fees are issued, collected, deposited and accounted for through the CAPS – Compliance and Permit System.

The office also manages the District's technology platforms and related information systems, risk management, fleet, facility, fixed assets, and web site administration.

Grants Administration is also a function of Administrative Services including the Mobile Emissions Reduction Program using State and Federal grant programs with direct and pass through funding. Grant resources are obtained from the District's General Fund, the California Carl Moyer Program, and the fees collected under Health & Safety Code §44220 (also known as "AB 2766").

### ***ASSIGNED POSITIONS***

Deputy Director – Administration  
Finance Manager  
Human Resources Specialist  
Information Systems Specialist (2)  
Grants Specialist  
Fiscal Specialist  
Fiscal Technician

## Mojave Desert AQMD

### General Fund Administrative Services Personnel Expense Budget Detail

	Approved Budget FY 2017	Estimated Actuals FY 2017	Proposed Budget FY 2018
<b>Personnel Expenses</b>			
Salaries	612,176	740,256	714,451
<u>Payroll Taxes</u>			
Medicare Tax	9,709	10,878	11,513
Workers Compensation	3,463	4,918	7,910
	<u>13,172</u>	<u>15,796</u>	<u>19,423</u>
<u>Benefits</u>			
Section 125	95,700	110,240	122,670
Employee Assistance Plan	1,000	755	765
Vision Insurance	850	884	840
Life Insurance	840	996	960
Disability Insurance	2,000	2,539	2,100
	<u>100,390</u>	<u>115,414</u>	<u>127,335</u>
<u>Retirement</u>			
Employer Pick-up	46,871	47,007	50,827
Employer Contribution SBCERA	221,301	263,952	250,700
Survivor Match	315	365	360
401(a) Matching Contribution	500	367	5,200
Retirement Cash	8,880	9,338	8,880
	<u>277,867</u>	<u>321,029</u>	<u>315,967</u>
<b>Total Personnel Expenses</b>	<b><u>1,003,605</u></b>	<b><u>1,192,495</u></b>	<b><u>1,177,176</u></b>

**Mojave Desert AQMD**  
**General Fund Administrative Services Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	2,000	0	2,000
Long Distance Charges	100	35	100
Cellular Phones	100	1,850	1,000
Video/Teleconference	100	125	100
Internet	6,000	7,500	7,500
Web Hosting	250	3,800	5,000
Tech Support	1,500	0	0
Cable	150	140	150
	<u>10,200</u>	<u>13,450</u>	<u>15,850</u>
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	1,200	1,900	2,000
Publications & Subscriptions	1,200	4,700	1,000
Professional Dues	13,000	700	2,000
	<u>15,400</u>	<u>7,300</u>	<u>5,000</u>
<b>Non-Depreciable Inventory</b>			
Machinery & Equipment Exp	1,000	1,600	2,000
Safety Equipment Exp	100	300	500
	<u>1,100</u>	<u>1,900</u>	<u>2,500</u>
<b>Legal</b>			
Legal Services	10,000	50,000	31,596
	<u>10,000</u>	<u>50,000</u>	<u>31,596</u>
<b>Professional Services</b>			
County Services	1,000	1,000	1,000
Payroll Contract	250	4,400	250
Financial Services	20,000	21,000	20,000
	<u>21,250</u>	<u>26,400</u>	<u>21,250</u>
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	7,000	6,300	7,000
Custodial Services	3,800	3,900	4,000
Landscaping	550	520	550
	<u>11,350</u>	<u>10,720</u>	<u>11,550</u>

**Mojave Desert AQMD**  
**General Fund Administrative Services Expense Budget Detail**

	<b>Adopted Budget FY 2017</b>	<b>End-of-Year Estimates FY 2017</b>	<b>Proposed Budget FY 2018</b>
<b>Training &amp; Travel</b>			
Training	3,000	1,800	5,000
Travel	10,000	1,000	5,000
Mileage	100	0	100
	<u>13,100</u>	<u>2,800</u>	<u>10,100</u>
<b>Vehicles</b>			
Vehicle Lease	1,600	0	0
Vehicle Gas & Oil	400	220	250
Vehicle Maintenance	500	325	400
Vehicle Insurance	400	375	550
	<u>2,900</u>	<u>920</u>	<u>1,200</u>
<b>Office Expenses</b>			
Software	10,000	12,000	12,500
Utilities	6,300	4,700	5,000
Supplies	6,500	3,800	7,500
Facility Leases	1,400	1,100	1,200
Equipment Lease	4,000	3,500	4,000
Postage	1,200	1,300	1,300
Courier	100	70	100
Printing/Shredding Services	300	400	500
Security	0	250	500
Liability Insurance	4,000	4,700	6,100
Meeting Expenses	100	400	500
	<u>33,900</u>	<u>32,220</u>	<u>39,200</u>
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<u><b>119,200</b></u>	<u><b>145,710</b></u>	<u><b>138,246</b></u>
<b>Capital Expenses</b>			
Software	0	8,615	0
<b>Total Capital Expenses</b>	<u><b>0</b></u>	<u><b>8,615</b></u>	<u><b>0</b></u>
<b>Total Expenses</b>	<u><u><b>1,122,805</b></u></u>	<u><u><b>1,346,820</b></u></u>	<u><u><b>1,315,422</b></u></u>



## ***SUPPORT PROGRAMS***

### ***DISTRICT WIDE***

Shared expenses that are not easily categorized across all cost centers are identified as "District wide." Also included are expenses related to the contract with Antelope Valley Air Quality Management District.

### ***ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT***

The AVAQMD contracts all of its services from the MDAQMD. The contract provides employees for the Lancaster office in addition to specific expertise to support work to the Antelope Valley office and allow for a complete, full service agency. If needed, services and supplies purchased for the AVAQMD are charged at cost. MDAQMD provides all accounting services and financial reporting. Certain administrative functions and support of the AVAQMD is performed in Victorville such as accounting, legal, risk management, and technology support.

### ***ASSIGNED POSITIONS***

Deputy Director – Antelope Valley Operations  
Air Quality Engineer  
Air Quality Specialist (3)  
Administrative Secretary

# Mojave Desert AQMD

## General Fund District Wide Personnel Expense Budget Detail

	Approved Budget FY 2017	Estimated Actuals FY 2017	Proposed Budget FY 2018
<b>Personnel Expenses</b>			
Salaries	521,910	464,517	509,715
<u>Payroll Taxes</u>			
Medicare Tax	7,920	7,000	8,800
Workers Compensation	4,620	4,845	8,250
	<u>12,540</u>	<u>11,845</u>	<u>17,050</u>
<u>Benefits</u>			
Section 125	81,800	76,550	88,380
Employee Assistance Plan	815	250	630
Vision Insurance	0	2	0
Life Insurance	720	680	720
Disability Insurance	1,260	1,187	1,264
Tuition Reimbursement	20,700	0	20,700
	<u>105,295</u>	<u>78,669</u>	<u>111,694</u>
<u>Retirement</u>			
Employer Pick-up	38,220	35,650	38,525
Employer Contribution SBCERA	180,500	175,800	180,000
Survivor Match	270	260	270
401(a) Matching Contribution	0	0	5,145
Retirement Cash	4,560	3,560	4,560
	<u>223,550</u>	<u>215,270</u>	<u>228,500</u>
<b>Total Personnel Expenses</b>	<b><u>863,295</u></b>	<b><u>770,301</u></b>	<b><u>866,959</u></b>

**Mojave Desert AQMD**  
**General Fund District Wide Expense Budget Detail**

	<u>Adopted Budget FY 2017</u>	<u>End-of-Year Estimates FY 2017</u>	<u>Proposed Budget FY 2018</u>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
<b>Dues &amp; Subscriptions</b>			
<b>Non-Depreciable Inventory</b>			
Safety Equipment Exp	5,000	0	0
	<u>5,000</u>	<u>0</u>	<u>0</u>
<b>Legal</b>			
<b>Professional Services</b>			
Payroll Contract	300	240	150
Research Studies	25,000	0	0
	<u>25,300</u>	<u>240</u>	<u>150</u>
<b>Maintenance &amp; Repairs</b>			

**Mojave Desert AQMD**  
**General Fund District Wide Expense Budget Detail**

	Adopted Budget FY 2017	End-of-Year Estimates FY 2017	Proposed Budget FY 2018
<b>Training &amp; Travel</b>			
Training	1,000	0	500
Travel	1,000	0	500
Mileage	1,000	0	0
	3,000	0	1,000
<b>Vehicles</b>			
Vehicle Gas & Oil	500	0	0
	500	0	0
<b>Office Expenses</b>			
Software	5,000	0	3,450
Supplies	100	0	150
Postage	1,000	0	1,000
Printing/Shredding Services	0	0	100
Meeting Expenses	100	0	0
	6,200	0	4,700
<b>Program Expenses</b>			
Program Expenditures	0	0	500
	0	0	500
<b>Miscellaneous Expenses</b>			
Bank Fees	5,040	4,500	4,000
	5,040	4,500	4,000
<b>Total Operating Expenses</b>	<b>45,040</b>	<b>4,740</b>	<b>10,350</b>
<b>Capital Expenses</b>			
Buildings	15,000	13,900	30,000
Equipment	10,000	0	0
Vehicles	25,000	25,000	25,000
Computers	40,000	0	0
Software	13,000	0	2,500
<b>Total Capital Expenses</b>	<b>103,000</b>	<b>38,900</b>	<b>57,500</b>
<b>Total Expenses</b>	<b>1,011,335</b>	<b>813,941</b>	<b>934,809</b>

## OPERATING EXPENSES

Communications - Services for telephone, internet, video teleconferencing, web hosting, cloud backup and disaster recovery solutions; and related tech support.

Dues & Subscriptions, Memberships - Cal/EPA Newsletters, local newspapers, West Group (legal research), technical and educational materials. Memberships – California Air Pollution Control Officers Association (CAPCOA) California Special Districts Association (CSDA); Air & Waste Management Association (A&WMA); California Climate Action Registry; National Association Clean Air Agencies (NACAA); Western Regional Air Partnership (WRAP); Rotary Club; American Bar Association; California State Bar Association, Victor Valley College Foundation; professional dues for various organizations.

Non-Depreciable Inventory - Small office equipment, desktop PCs and tablets, office furniture, replace clerical and Board chambers seating; safety equipment, all under \$5,000.

Legal - Specialized Legal Services – Costs associated with outsourced legal services for Governing Board and Hearing Board support, administrative issues such as personnel and labor relations, support for certain enforcement actions; publication of public notices, as required.

Professional Services – Various third party and/or consulting services including San Bernardino County, annual fiscal audit, actuarial studies, extra or temporary help, annual executive physical services, outsourced technology and application support, language translator for public materials and air monitoring data analysis support. Research Studies - Funds reserved for greenhouse gas studies, or targeted environmental study projects. Stipends - Board member stipend based on estimated number of meetings (Governing Board, Hearing Board, and Technical Advisory Committee).

Maintenance & Repairs – Building and maintenance expenses: custodial, landscaping, HVAC service; pest control, fire extinguisher maintenance, parking lot sweeping, building maintenance services, and general building repair and maintenance. Equipment repair: Air Monitoring station and equipment maintenance and minor repairs (seven stations), office equipment.

Training & Travel - CARB Fundamentals of Enforcement Series, New Source Review, Air Resources Training; Air Toxics Workshop. Staff professional development and training through Special Districts Risk Management Authority and California Special District Association (attendance provides discounts to agency wide premiums), management, team building, and professional development. Board Member Training events, as available. American Records Management Association Annual Conference, Questys and AccuFund users groups. Staff development in graphics design, news writing, public outreach campaigns. Staff training in accounting, personnel, web site development, network and computer systems, safety and training meetings.

Vehicles - Vehicle Replacement Program (vehicle replacements have been leased through the Enterprise Fleet Maintenance Agreement; beginning FY 18 the District will purchase vehicle replacements). This budget includes replacing two vehicles in the District-owned fleet, costs for fuel, maintenance, and insurance.

Office Expenses - Includes: Supplies, Postage and Courier expenses, Printing and Shredding services, Security, Liability Insurance, Meeting Expenses, and Facility Leases (including equipment leases), Utilities, Community Relations.

Software – Licenses and maintenance for software, network, and equipment; such as operating systems, office suites, anti-virus, program or activity-specific software such as Questys, Taleo (performance evaluation software), and Air Vision; software upgrade purchases. Printing Services – Includes costs for promotional information, District data sheets, annual report, newsletters, poster contest calendars, etc. Liability Insurance - The District is a member of the Special District Risk Management Authority (SDRMA), a risk management pool for liability insurance and related coverage. Rents & Leases - Equipment – Digital Copier/Scanner Systems, metered postage machine; Structures – Air Monitoring Stations rent (Hesperia and Phelan); Vehicles – Rentals used during the course of travel. Community Relations - Community and public service recognition awards such Exemplar (MDAQMD), Outstanding Science Project Awards. Promotional items for community outreach events and poster contest expenses. Special event registration fees such as High Desert Opportunity. Management-Supervisory Planning Meetings, Employee Appreciation and events; public employee service recognition awards.

Program Expenses - Program Expenditures - Funds designated from the General Fund for specific local area grants. Program Expenses directly attributable to a funding source supporting the corresponding program (AB 2766, Carl Moyer, reimbursing contracts, Title V, PERP program, etc.) are allocated to those specific funding sources. Contributions to other Agencies - Mojave Environmental Education Consortium (MEEC).

#### CAPITAL EXPENSES

Buildings – Building improvements and capital projects; safety related improvements. Equipment Purchases - Replace and upgrade equipment located at air monitoring stations. Replace and upgrade the Board Chambers' sound system. Software – CAPS (programming for permit tracking system). Vehicles - replace two vehicles (\$50,000).

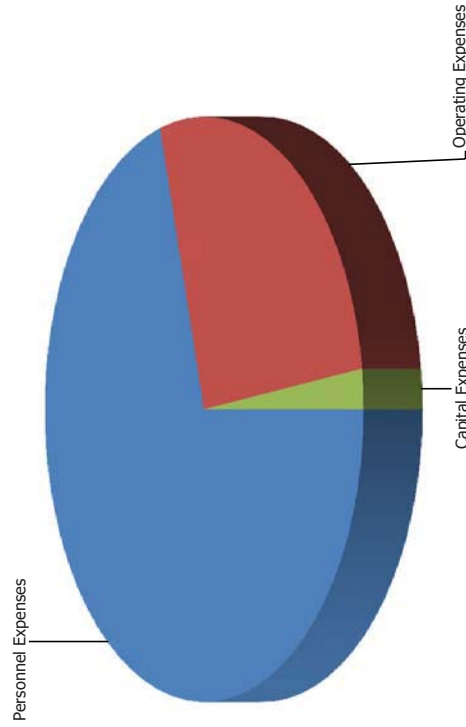
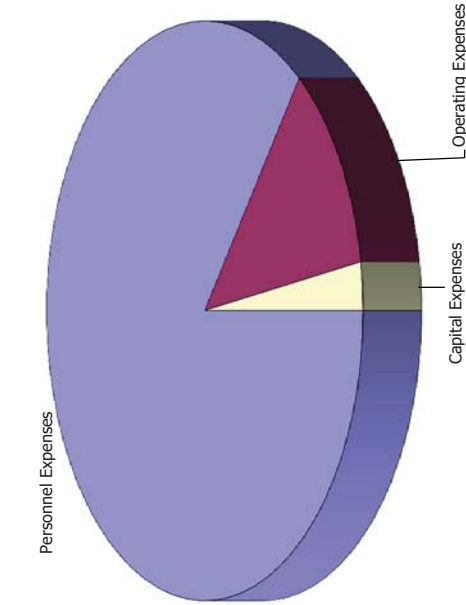
**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT**

**Budgeted Expense Analysis**

Fiscal Year 2017-18

General Fund

Consolidated (All Funds)



General Fund

EXPENSE CATEGORY	AMOUNT	% of Total	% of Operating Costs only (sum total of Personnel and Operating Expenses)
Personnel Expenses	6,093,679	87.55%	72.16%
Operating Expenses	866,771	12.45%	27.84%
Capital Expenses	192,500	2.69%	2.69%
<b>TOTAL</b>	<b>7,152,950</b>		

EXPENSE CATEGORY	AMOUNT	% of Total	% of Operating Costs only (sum total of Personnel and Operating Expenses)
Personnel Expenses	6,123,679	72.16%	72.16%
Operating Expenses	2,362,579	27.84%	27.84%
Capital Expenses	192,500	2.69%	2.69%
<b>TOTAL</b>	<b>8,678,758</b>		

**Mojave Desert AQMD**  
**General Fund Consolidated Expense Budget Detail**

	<b>Adopted Budget FY 2017</b>	<b>End-of-Year Estimates FY 2017</b>	<b>Proposed Budget FY 2018</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	2,887,103	2,824,541	2,864,414
Overtime	0	445	0
Longevity Pay	0	25,345	24,830
Vacation	281,793	291,881	272,965
Sick	126,670	174,243	145,030
Holiday	197,882	228,184	202,895
Admin	82,005	94,799	72,382
Jury Duty	0	4,654	0
Compensatory	0	525	0
Salaries & Wages	3,575,453	3,644,617	3,582,516
<b>Payroll Taxes</b>			
Medicare Tax	56,117	55,718	59,321
	56,117	55,718	59,321
<b>Benefits</b>			
Section 125	532,800	536,120	589,392
Employee Assistance Plan	5,830	4,165	4,500
Vision Insurance	3,750	3,485	3,748
Life Insurance	9,555	6,348	5,860
Disability Insurance	9,496	11,387	9,523
Tuition Reimbursement	20,700	175	20,700
Other Benefits	11,500	0	12,000
Workers Compensation	30,311	33,946	49,945
Unemployment Insurance	0	10,500	13,500
	623,942	606,126	709,168
<b>Retirement</b>			
Employer Pick-up	270,907	251,644	269,851
Employer Contribution SBCERA	1,279,127	1,367,567	1,377,043
Survivor Match	1,755	1,771	1,710
Retirement for Exempt (>30Y)	0	0	11,800
401(a) Matching Contribution	18,645	16,652	44,350
Retirement Cash	37,920	37,614	37,920
	1,608,354	1,675,248	1,742,674
<b>Total Personnel Expenses</b>	<b>5,863,866</b>	<b>5,981,709</b>	<b>6,093,679</b>



**Mojave Desert AQMD**  
**General Fund Consolidated Expense Budget Detail**

	<b>Adopted Budget FY 2017</b>	<b>End-of-Year Estimates FY 2017</b>	<b>Proposed Budget FY 2018</b>
<b>Operating Expenses</b>			
<b>Communications</b>			
Telephones	12,850	8,725	12,750
Long Distance Charges	775	275	550
Cellular Phones	710	3,500	5,850
Video/Teleconference	450	590	950
Internet	34,700	42,300	42,750
Web Hosting	1,400	29,500	31,100
Tech Support	6,750	0	500
Cable	825	735	925
	58,460	85,625	95,375
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	13,150	14,250	15,250
Publications & Subscriptions	20,250	22,900	21,000
Professional Dues	14,700	3,350	6,100
	48,100	40,500	42,350
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	5,500	4,705	3,800
Machinery & Equipment Exp	12,500	10,865	13,800
Safety Equipment Exp	6,500	2,575	3,100
	24,500	18,145	20,700
<b>Legal</b>			
Legal Notices	10,000	8,300	9,500
Legal Services	35,000	81,400	51,596
	45,000	89,700	61,096
<b>Professional Services</b>			
County Services	1,000	1,000	1,000
Payroll Contract	26,400	29,345	31,500
Financial Services	20,000	21,000	20,000
Research Studies	25,000	0	0
Consulting Fees	45,000	33,000	35,000
Stipends	12,000	11,000	12,000
	129,400	95,345	99,500
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	32,750	41,925	43,250
Custodial Services	23,450	23,500	25,000
Landscaping	3,225	3,060	3,350
Equipment Repair	16,500	8,465	15,750
	75,925	76,950	87,350

**Mojave Desert AQMD**  
**General Fund Consolidated Expense Budget Detail**

	Adopted Budget FY 2017	End-of-Year Estimates FY 2017	Proposed Budget FY 2018
<b>Training &amp; Travel</b>			
Training	29,000	25,150	32,500
Travel	48,500	31,600	38,000
Mileage	5,100	5,850	5,250
Recruitment	0	380	0
	82,600	62,980	75,750
<b>Vehicles</b>			
Vehicle Lease	48,000	39,100	29,500
Vehicle Gas & Oil	15,250	11,270	13,350
Vehicle Maintenance	7,100	5,585	5,900
Vehicle Repairs	1,000	5,065	4,000
Vehicle Insurance	14,050	12,025	14,500
	85,400	73,045	67,250
<b>Office Expenses</b>			
Software	48,600	46,875	54,450
Utilities	37,550	30,700	34,950
Supplies	25,400	21,500	27,650
Facility Leases	10,600	8,500	12,150
Equipment Lease	22,800	18,900	20,500
Postage	5,550	5,110	6,450
Courier	1,925	1,445	2,000
Printing/Shredding Services	7,125	3,360	4,400
Security	1,875	1,475	2,100
Liability Insurance	24,550	29,500	37,800
Meeting Expenses	2,550	3,040	2,950
Community Relations	17,500	12,500	17,500
	206,025	182,905	222,900
<b>Program Expenses</b>			
Program Expenditures	56,600	55,000	500
Contributions to Other Agencies	90,000	90,000	90,000
	146,600	145,000	90,500
<b>Miscellaneous Expenses</b>			
Bank Fees	5,040	4,500	4,000
Miscellaneous Expense	1,500	550	0
	6,540	5,050	4,000
<b>Total Operating Expenses</b>	<b>908,550</b>	<b>875,245</b>	<b>866,771</b>
<b>Capital Expenses</b>			
Buildings	15,000	13,900	30,000
Equipment	60,000	34,000	60,000
Vehicles	25,000	25,000	50,000
Computers	40,000	0	0
Software	63,000	21,315	52,500
<b>Total Capital Expenses</b>	<b>203,000</b>	<b>94,215</b>	<b>192,500</b>
<b>Total Expenses</b>	<b>6,975,416</b>	<b>6,951,169</b>	<b>7,152,950</b>

# Mojave Desert AQMD

## Special Funds Consolidated Fund Budget Detail

	Adopted Budget FY 2017	End-of-Year Estimates FY 2017	Proposed Budget FY 2018
<b><u>Revenues</u></b>			
Administrative Funding	68,758	68,758	94,120
AB2766 Program	760,000	796,000	760,000
Carl Moyer Program	618,820	618,820	615,888
Interest Revenue	96,200	70,900	70,900
<b>Total Consolidated Program Revenue</b>	<b>1,543,778</b>	<b>1,554,478</b>	<b>1,540,908</b>
<b><u>Expenses</u></b>			
Program Expenditures	1,395,020	1,434,820	1,396,888
Administrative Expenditures	14,000	68,758	94,120
OPEB	18,000	30,000	30,000
Financial Services	10,000	4,800	4,800
<b>Total Consolidated Program Expenses</b>	<b>1,437,020</b>	<b>1,538,378</b>	<b>1,525,808</b>

## **Mojave Desert Air Quality Management District**

### Summary of Board Policy and Standard Practice

#### **Treasurer and Controller**

*(Health & Safety Code § 41245 and § 41246)*

California statutes require the Mojave Desert Air Quality Management District Governing Board to appoint a treasurer as the custodian and a controller as the accounting officer of district funds. The law specifically authorizes the appointment of the county treasurer and the county auditor to serve as the district treasurer and district controller. On July 1, 1993, the Governing Board appointed San Bernardino County elected treasurer and elected auditor respectively to serve as district treasurer and district controller. The Governing Board intention in making these two appointments was to maintain the integrity and control over District funds that is achieved by elected officers being custodian and controller of government treasury.

#### **Management and Budget**

*(Governing Board Policy 94-1; H & S Code §§ 40750 et seq.; and § 41260)*

The Governing Board has delegated various management and financial authorities to the Executive Director/Air Pollution Control Officer. Additionally, statutory law grants certain administrative, permitting and enforcement authorities to the air pollution control officers of air districts in California. The board delegated authorities includes the discretion to transfer funds within major budget categories, authority to enter into contracts for up to \$50,000 for budgeted and \$10,000 for unbudgeted items that are of non-emergency nature; and the authority to expend district funds for capital replacement and improvement projects up to the limits established for each project in the budget.

#### **Purchasing Procedures**

*(MDAQMD Standard Practice I-25)*

The Executive Director/Air Pollution Control Officer has established a Purchasing Procedures Standard Practice delineating the responsibilities of staff authorized to make any purchases.

#### **Investment Practices**

*(Gov. Code §§ 27000.1 et seq.)*

District general funds are deposited with the San Bernardino County Treasurer and are systematically invested as part of the County's investment pool. Interest and other revenues earned on funds are periodically credited to the District's account.

Separate policy documents govern the investment practices for the Deferred Compensation Plan ((457(b))), and the Post Employment Benefit Trust (including "OPEB" and Pension Rate stabilization).

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**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
TABLE OF ORGANIZATION**

Approved FY 17	Approved FY 18	Title of Position	Range	Monthly Salary
1	1	Office Assistant	610	3069 - 3740
1	0	Records Management Clerk	615	3472 - 4231
1	1	Fiscal Technician	621	4028 - 4907
0	1	Administrative Secretary	624	4337 - 5284
1	0	Deputy COB/Administrative Secretary	624	4337 - 5284
1	1	CRE Specialist	626	4556 - 5551
1	1	Records Management Specialist	626	4556 - 5551
1	1	Fiscal Specialist	629	4906 - 5978
0	1	Grants Specialist	629	4906 - 5978
2	2	Information Systems Specialist	629	4906 - 5978
1	3	Air Quality Instrument Technician	629	4906 - 5978
9	10	Air Quality Specialist	629	4906 - 5978
1	1	Human Resources Specialist	629	4906 - 5978
1	0	Lead Air Quality Instrument Technician	636	5833 - 7106
1	0	Lead Air Quality Planner	636	5833 - 7106
1	0	Lead Air Quality Specialist	636	5833 - 7106
1	0	Clerk Of The Boards	636	5833 - 7106
1	0	Executive Lead	636	5833 - 7106
5	5	Air Quality Engineer	640	6437 - 7843
0	1	Executive Office Manager	644	7106 - 8657
0	1	Permit Engineering Supervisor	644	7106 - 8657
0	1	Compliance Supervisor	644	7106 - 8657
1	0	Lead Air Quality Engineer	644	7106 - 8657
0	0	Administrative Services Manager	644	7106 - 8657
1	1	Community Relations & Education Manager	644	7106 - 8657
1	1	Finance Manager	650	8241 - 10040
0	1	Air Monitoring Supervisor	650	8241 - 10040
1	0	Supervising Air Quality Engineer	650	8241 - 10040
1	1	Deputy Director MD Operations	663	11359 - 13840
1	1	Deputy Director AV Operations	663	11359 - 13840
1	1	Deputy Director Administration	663	11359 - 13840
1	1	District Counsel	665	11934 - 14540
1	1	Executive Director/APCO	N/A	N/A
39.0	39.0			

\*Monthly Salary - based on FY 17 approved Salary Schedule and is subject to change depending on the outcome of current labor negotiations.

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Salary Schedules TBD



**Mojave Desert AQMD  
Deignations of Fund Balance**

	<b>General Fund</b>		
	Actual 6/30/2016	Actual 3/31/2017	Estimated Change 6/30/2018
<b>Fund Balance Designations</b>			
Operating Cash Reserves	690,000	690,000	700,000
Building Improvement Reserves	200,000	200,000	200,000
Committed: Legal & Litigation Reserves	300,000	300,000	300,000
Budget Stabilization	250,000	250,000	250,000
Retirement Reserves	1,000,000	1,000,000	<i>500,000</i>
Unassigned Fund Balance	417,752	347,999	<i>350,000</i>
Compensated Absences	150,000	150,000	<i>200,000</i>
Prepaid Expenses	10,807		-
Long Term Receivables	949,813	-	-
Change in Net Position	(43,014)	(84,872)	-
<b>Projected TOTAL: Reserved and Unassigned Fund Balances</b>	<b>3,925,359</b>	<b>2,853,127</b>	<b>2,500,000</b>

This schedule identifies the designations of the District's fund balance to various reserves for the purposes stated in Governing Board Policy 01-01.

## **MOJAVE DESERT AQMD FUND BALANCE DESCRIPTIONS**

The Mojave Desert AQMD Fund Balances are designated according to Governing Board Policy 07-01, summarized in the following:

### **COMMITTED**

**Operating Cash Reserves** - Reserves must represent 10% of operating costs (Operating and Personnel Expenses). The amount designated meets the policy requirements. The fund may be increased to provide protection against uncertain economic times.

**Building Improvement Reserves** - Reserves are established to provide replacement funds for capital improvements associated with the Park Avenue facility such as carpet, roof repair/replace, parking lot, or structural repair.

**Legal and Litigation Reserves** - Reserves are established in anticipation of costs associated with ongoing CEQA challenges to rule adoption activities.

**Prepay Retirement Liability Reserves** - Reserves are established to accumulate funds to prepay SBCERA the annual contribution anticipating an annual savings. In future years, contributions will be made periodically yet in advance free from finance charges imposed by SBCERA.

### **ASSIGNED**

**Prepaid Expenses** – Recognizes liability for expenses paid one time annually and recognized incrementally through the fiscal year.

**Long Term Receivables Reserves** – Reserves are established to recognize the liability of unpaid permit fees related a large complex source awaiting construction.

**Budget Stabilization Reserves** -Reserves are established to provide resources for moderate budget shortfall.

**Compensated Absences Reserves** – Reserves are established to offset a portion of liability resulting from employees' accrued leave.

### **RESTRICTED**

**Mobile Emissions Reduction Grant (AB 2766) Fund** - These funds are collected on motor vehicle registrations (\$4 each) in the Mojave Desert jurisdiction. Funds are "allocated on a competitive basis to local government entities and other organizations capable of effectively using funds to reduce mobile emissions." A Work Plan adopted by the Governing Board provides the grant program guidelines.

**Carl Moyer Grant Program Funds** - These funds may be distributed by the California Air Resources Board for projects obligated by the District under this state regulated program. Projects are awarded on a competitive basis.

**OPEB(Other Post-Employment Benefits)/Pension Rate Stabilization Trust** - The Governing Board authorized establishing this irrevocable Trust with the Public Agency Retirement System (PARS) on November 23, 2009 to ensure the sustainability of the District's health benefits for retirees. Periodic actuarial reports determine liability and the annual budget establishes the deposit amount. The District draws from the investment earnings to offset the cost of retiree health benefits. An adopted investment policy guides the investment strategy to target a rate of return of approximately 7%. The Pension Rate Stabilization Trust holds funds to offset the District's Net Pension Liability and was established on January 23, 2017.

**Unassigned Fund Balance** - The Unassigned Fund Balance is the representation of the net resources not allocated to the categories described above. This category appears only on the agency Balance Sheet.

# MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

## FINANCIAL HISTORY & SUMMARY

CATEGORY	2009-10 ACTUAL	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ACTUAL
<b>REVENUE</b>					General Fund Only	General Fund Only	General Fund Only
Permit Fees	3,791,543	4,060,084	4,140,803	4,383,004	4,356,630	4,177,340	4,219,079
Application Fees	166,862	126,570	158,395	102,061	92,648	112,936	106,828
Federal Revenue	20,288	29,545	144,014	131,534	138,524	106,615	124,343
Fines and Penalties	27,250	95,720	85,800	81,900	24,327	40,895	36,000
Interest Income	30,585	18,495	11,517	10,039	6,851	8,261	9,195
Contracts and Other Revenue (incl AVAQMD) <sup>1</sup>	1,158,915	1,106,790	1,059,834	1,101,044	1,181,071	1,245,079	1,318,653
Program Revenue (AB 2766 & Moyer)	1,533,847	1,490,159	1,580,747	1,515,949	862,445	900,770	870,390
State Revenue	182,638	242,171	187,785	250,183	184,406	167,955	189,298
<b>TOTAL REVENUE</b>	<b>6,911,927</b>	<b>7,169,534</b>	<b>7,368,895</b>	<b>7,575,714</b>	<b>6,846,903</b>	<b>6,759,851</b>	<b>6,873,786</b>
<b>EXPENSES</b>							
Personnel Expenses	4,618,975	4,530,391	4,628,806	5,217,395	5,136,443	5,476,108	5,648,723
Operating Expenses	1,002,647	1,015,656	630,483	599,169	707,107	833,802	1,018,609
Operating Transfers Out (debt funds) <sup>2</sup>	569,363	560,594	583,663	804,842	-	-	-
Capital Expenses	456,769	232,417	290,467	408,178	348,413	275,204	249,469
Contributions to Other Agencies	446,964	510,219	488,721	512,899	-	-	-
<b>TOTAL EXPENSES</b>	<b>7,094,718</b>	<b>6,849,277</b>	<b>6,622,139</b>	<b>7,542,483</b>	<b>6,191,963</b>	<b>6,585,114</b>	<b>6,916,800</b>
<b>Due To (From) Reserves</b>	<b>(182,791)</b>	<b>320,257</b>	<b>746,756</b>	<b>33,231</b>	<b>654,940</b>	<b>174,737</b>	<b>(43,014)</b>
<sup>1</sup> Beginning FY 14 portions of restricted program revenue are deposited directly to its designated fund  <sup>2</sup> Includes amounts paid in full in FY 13 for City National Bank (District facility) and Bank of New York (California Energy Commission, Solar)							

**Mojave Desert AQMD**  
**Consolidated Budget (All Funds)**  
**Year to Year Comparison**

	Approved Budget FY 2017	Estimated Actuals FY 16-17	Budget to Actual Change	Proposed Budget FY 17-18	FY18 Budget FY17 Budget Change
<b>Revenues</b>					
Permit Fees	4,320,000	4,300,000	(20,000)	4,400,000	80,000
Application Fees	104,768	81,000	(23,768)	81,000	(23,768)
Federal Revenue	130,950	126,917	(4,033)	132,900	1,950
Fines & Penalties	45,000	40,000	(5,000)	82,000	37,000
Interest Income	104,900	82,900	(22,000)	82,900	(22,000)
Other Revenue	1,300,000	1,290,000	(10,000)	1,313,050	13,050
Revenue from Programs	2,294,578	2,425,578	131,000	2,424,008	129,430
State Revenue	189,490	178,000	(11,490)	178,000	(11,490)
<b>Total General Fund Revenues</b>	<b>8,489,686</b>	<b>8,524,395</b>	<b>34,709</b>	<b>8,693,858</b>	<b>204,172</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries & Wages	3,630,211	3,644,617	14,406	3,582,516	(47,695)
Payroll Taxes	86,428	100,164	13,736	122,766	36,338
Benefits	593,631	561,680	(31,951)	645,723	52,092
Retirement	1,608,354	1,675,248	66,894	1,742,674	134,320
OPEB	18,000	30,000	12,000	30,000	12,000
<b>Total Personnel Expenses</b>	<b>5,936,624</b>	<b>6,011,709</b>	<b>75,085</b>	<b>6,123,679</b>	<b>187,055</b>
<b>Operating Expenses</b>					
Communications	58,460	85,625	27,165	95,375	36,915
Dues & Subscriptions	48,100	40,500	(7,600)	42,350	(5,750)
Non-Depreciable Inventory	24,500	18,145	(6,355)	20,700	(3,800)
Legal	45,000	89,700	44,700	61,096	16,096
Maintenance & Repairs	75,925	76,950	1,025	87,350	11,425
Training & Travel	82,600	62,980	(19,620)	75,750	(6,850)
Vehicles	85,400	73,045	(12,355)	67,250	(18,150)
Office Expenses	206,025	182,905	(23,120)	222,900	16,875
Program Expenses	1,555,620	1,648,578	92,958	1,581,508	25,888
Professional Services	139,400	100,145	(39,255)	104,300	(35,100)
Miscellaneous Expenses	6,540	5,050	(1,490)	4,000	(2,540)
<b>Total Operating Expenses</b>	<b>2,327,570</b>	<b>2,383,623</b>	<b>56,053</b>	<b>2,362,579</b>	<b>35,009</b>
<b>Capital Expenses</b>					
Buildings	15,000	13,900	(1,100)	30,000	15,000
Equipment	60,000	34,000	(26,000)	60,000	0
Vehicles	25,000	25,000	0	50,000	25,000
Computers	40,000	0	(40,000)	0	(40,000)
Software	63,000	21,315	(41,685)	52,500	(10,500)
<b>Total Capital Expenses</b>	<b>203,000</b>	<b>94,215</b>	<b>(108,785)</b>	<b>192,500</b>	<b>(10,500)</b>
<b>Total Expenses</b>	<b>8,467,194</b>	<b>8,489,547</b>	<b>22,353</b>	<b>8,678,758</b>	<b>211,564</b>
<b>Due To (From) Reserves</b>	<b>22,492</b>	<b>34,848</b>	<b>12,356</b>	<b>15,100</b>	<b>(7,392)</b>

## BUDGET CATEGORY DESCRIPTIONS

### REVENUE

#### Permit Fees

Permit Fees Rev	Initial Operating and Annual Renewal Permit Fees
Asbestos Demo/Reno Rev	Fees for Permits related to Asbestos Removal - Rule 306
Title V Permit Rev	Permit fees for Federal Permit Program

#### Application Fees

ERC Application Fees	Emission Reduction Credit-Rule 313
New Source Review	Project Evaluation for Complex Source-Rule 301
Permit Application Fees	Filing of new permits and permit changes
Variance Filing Fees	Filing fee for each petition to District Hearing Board -Rule 303
AG Application Fees	

#### Federal Revenue

ARB (PM <sub>2.5</sub> Program)	Federal 103 grant pass through (via CAPCOA) funding to support PM <sub>2.5</sub> monitoring
Section 105 (PSD)	Federal EPA 105 Pilot Grant (established FY 12) to develop PSD Program
Federal Grants and Agreements	Grant awards and fee for services with federal agencies.

#### Fine & Penalties

Excess Emissions Fees	Fee charged when a variance is granted by Hearing Board - Rule 303
Notice of Violations Fees	Fee Charged for unpermitted source, or violation of permit condition

#### Interest Income

Interest Revenue	Interest on funds held on deposit or in trust, all funds
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#### Other Revenue

Contracts	Reimbursement for contracted services: Antelope Valley AQMD, Ft. Irwin, Twentynine Palms Marine Base
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#### Revenue from Programs

Administrative Funding	A portion of the Carl Moyer Program pass thru funds are allowed to cover administration costs to administer the program
AB2766 Mobile Emissions Program	Revenue received through DMV vehicle registration
Carl Moyer Admin Funding	A portion of the Carl Moyer Program pass thru funds are allowed to cover administration costs to administer the program
California Clean Air Act Fees	State mandated fee collected on behalf of California Air Resources Board.
Hot Spots	Act of 1987

#### State Revenue

PERP State Funds	Portable Engine Registration Program. The State of California collects fees from owners of portable engines and the MDAQMD provides periodic compliance inspections
State Subvention	Funds received from state budget to supplement Air Monitoring/District activities

## BUDGET CATEGORY DESCRIPTIONS

### PERSONNEL EXPENSES

#### Salaries & Wages

Salaries	Salary costs for regular employees
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#### Payroll Taxes

Medicare Tax	Mandated employer portion of Medicare contribution
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#### Benefits

Section 125	Section 125 Cafeteria health benefit contribution
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Employee Assistance Plan	Employee Assistance Program
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Vision Insurance	Employee benefit for Vision Care
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Life Insurance	Employee benefit for life insurance
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Disability Insurance	Employee benefit for short term and long term disability
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Tuition Reimbursement	Negotiated per Memorandum of Understanding, allowances for employee's choice education program and professional associations
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Other Benefits	Deminimis benefits to employees
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Workers Compensation	Employer cost for workers compensation insurance
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Unemployment Insurance	District's required costs to reimburse the State for costs associated with actual payments made under unemployment insurance.
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#### Retirement

Employer Pick Up	Employer 7% pickup retirement contribution for employees hired before June 30, 2009; variable pickup for employees hired after July 1, 2009
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Employer Contribution SBCERA	Employer required retirement contribution
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Survivors Match	Premium for employers share, benefits to survivors in the event of employee's death
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Retirement for Exempt (>30Y)	Employee required contributions are not required for employees with 30 years of public service and are paid to the eligible employee as taxable cash.
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401(a) Matching Contribution	District match to employee contributions made to Deferred Comp Plan
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Retirement Cash	District paid additional retirement for employeeed in exempt groups
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## BUDGET CATEGORY DESCRIPTIONS

### OPERATING EXPENSES

Communications	Telephones, cellular phones, video teleconferencing, internet, cable service, web hosting, and related tech support
Dues & Subscriptions	District memberships and sponsorships, publications and subscriptions, allowances for professional dues (negotiated two per employee)
Non-Depreciable Inventory	Items purchased for furniture, equipment, machinery, and safety equipment costing less than \$5,000
Legal	Outsourced legal services for Governing Board, Hearing Board, personnel and labor relations; publication costs for required notices
Maintenance & Repairs	General building maintenance, custodial services, landscaping, on site equipment repair
Training & Travel	Employee training; professional development and related travel expenses; general travel expenses
Vehicles	Lease costs, gas and oil, maintenance and repair, insurance for District's fleet
Office Expenses	Software, utilities, Supplies, facility leases, equipment leases, postage, courier, printing and shredding services, security, liability insurance, meeting expenses and community relations
Program Expenses	Expenses attributable to the use of special funds: AB 2766 eligible expenses, Carl Moyer grant program expenses, OPEB (retiree health benefits program) related
Professional Services	Support contract expenses: San Bernardino County, third party payroll services, financial services including annual fiscal audit, research studies consulting fees, Board stipends

### CAPITAL EXPENSES

Buildings	Threshold: \$5,000
Improvements	Threshold: \$5,000
Furniture & Fixtures	Threshold: \$5,000
Equipment	Threshold: \$5,000
Vehicles	Vehicles not otherwise leased
Computers	Threshold: \$5,000
Software	Capitalized costs associated with major application software (CAPS, Questys, AccuFund)

## ACRONYMS

<b>AB2766</b>	Enabling legislation of 1990 for collection of fees for mobile source reduction projects (Assembly Bill 2766 was codified in the Health & Safety Code §44220ff)
<b>AIRS</b>	Aerometric Information Retrieval System - Compliance data reporting to EPA
<b>APCD</b>	Air Pollution Control District
<b>APCO</b>	Air Pollution Control Officer
<b>AQMD</b>	Air Quality Management District
<b>ARB</b>	Air Resources Board
<b>AVAQMD</b>	Antelope Valley Air Quality Management District
<b>BACT</b>	Best Available Control Technology
<b>CAA</b>	Clean Air Act
<b>CAPCOA</b>	California Air Pollution Control Officers Association
<b>CAPP</b>	Clean Air Patrol Program
<b>CAPS</b>	Compliance and Permit System (permit tracking database)
<b>CARB</b>	California Air Resources Board
<b>CNGVC</b>	California Natural Gas Vehicle Coalition
<b>CRE</b>	Community Relations and Education
<b>CREEC</b>	California Regional Environmental Education Community
<b>CSDA</b>	California Special Districts Association
<b>DAPCO</b>	Deputy Air Pollution Control Officer
<b>EPA</b>	Environmental Protection Agency
<b>ERC</b>	Emission Reduction Credit
<b>FY</b>	Fiscal Year
<b>ICTC</b>	Interstate Clean Transportation Corridor - a geographic area targeted for providing alternate fuel to goods movement vehicles.
<b>MACT</b>	Maximum Achievable Control for Toxics
<b>MEEC</b>	Mojave Environmental Education Consortium
<b>MDAQMD</b>	Mojave Desert Air Quality Management District
<b>MOU</b>	Memorandum of Understanding between the District and non exempt employees represented by the San Bernardino Public Employees Association
<b>NAAQS</b>	National Ambient Air Quality Standards
<b>NACAA</b>	National Association of Clean Air Agencies
<b>NESHAP</b>	National Emissions Standard for Hazardous Pollutants
<b>NSPS</b>	New Source Performance Standards
<b>OPEB</b>	Other Post Employment Benefits
<b>PARS</b>	Public Agency Retirement Services
<b>PERP</b>	Portable Equipment Registration Program
<b>PSD</b>	Prevention of Significant Deterioration
<b>PTBS</b>	Permit Tracking and Billing System
<b>SDRMA</b>	Special Districts Risk Management Authority
<b>SLAMS</b>	State and Local Air Monitoring Stations
<b>TAC</b>	Technical Advisory Committee
<b>VPN</b>	Virtual Private Network - a secure method of transmitting data via the internet
<b>WRAP</b>	Western Regional Air Partnership



The following page(s) contain the backup material for Agenda Item: [Approve spending authority for the District consistent with the Fiscal Year 2016-17 Budget until the FY 2017-18 Budget is adopted.](#) Presenter: Jean Bracy.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 10*

**DATE:** June 26, 2017

**RECOMMENDATION:** Approve spending authority for the District consistent with the Fiscal Year 2016-17 Budget until the FY 2017-18 Budget is adopted.

**SUMMARY:** Spending authority under the FY 2016-17 Budget effectively expires June 30, 2017. This extension of appropriation authority will allow the District to continue business until the adoption of a budget for FY 2017-18.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** In the event it is determined by the Governing Board that the budget presented at this meeting is not adopted, continued spending authority will be necessary to continue the business of the District until a budget is adopted.

This action is consistent with Governing Board Policy 97-2 adopted by the Governing Board on September 22, 1997. This policy authorizes the amount in the prior year budget to be deemed appropriate, excluding fixed assets and residual equity transfers unless specifically approved by the Governing Board.

**REASON FOR RECOMMENDATION:** The Governing Board has the authority to continue the spending authority of the current budget into the next fiscal year.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Brad Poiriez, Executive Director on or about June 12, 2017.

**FINANCIAL DATA:** This action will not require any additional appropriation.

**PRESENTER:** Jean Bracy, Deputy Director of Administration

The following page(s) contain the backup material for Agenda Item: [Conduct a continued public hearing to consider the amendment of Regulation III – Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality](#)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

**AGENDA ITEM 11**

**DATE:** June 26, 2017

**RECOMMENDATION:** Conduct a continued public hearing to consider the amendment of Regulation III – *Fees*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Regulation III – *Fees* and directing staff actions.

**SUMMARY:** Adjustments in fees are required from time to time to ensure that the costs are aligned with the reasonable regulatory costs of the programs they support. Rule 301 – *Permit Fees*, Rule 302 – *Other Fees*, and Rule 303 – *Hearing Board Fees* are proposed for amendment to adjust fees by two percent (2%) to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** On 07/01/93 the Mojave Desert Air Quality Management District (MDAQMD) was created by statute and assumed all the air pollution control responsibilities the San Bernardino County Air Pollution Control District (SBCAPCD). The rules in effect at that time remained in effect until such time as the Governing Board of the MDAQMD officially changed them. The MDAQMD Governing Board, at its very first meeting, reaffirmed all the rules and regulations of the SBCAPCD. Some of the rules contained in Regulation III – *Fees* have been subsequently amended, consolidated and rescinded. Rule 301 – *Permit Fees*, Rule 302 – *Other Fees*, and Rule 303 – *Hearing Board Fees* were last amended 06/27/16 to adjust fees three percent (3%), and make minor changes for clarification and consistency.

Adjustments in fees are required from time to time to ensure that the costs are aligned with the reasonable regulatory costs of the programs they support. Rules 301, 302, and 303 are proposed to adjust fees by two percent (2%).

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

**AGENDA ITEM 11**

**PAGE 2**

Public hearings on the proposed fee adjustment to Regulation III – *Fees* was held in conjunction with the budget hearing on 06/12/2017 and continued to 06/26/2017 to receive comment from members of industry and the general public. Proposed amendments to Regulation III – *Fees* was made available for public comments on or before May 12, 2017, and the appropriate notice was published on May 12, 2017 in compliance with the 30-day notice and comment period requirement.

To allow time to implement the proposed fee changes in the computerized billing system, the amendment of Rule 301 is proposed to be effective on 01/01/2017. Proposed changes to Rules 302 and 303 will be effective immediately.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the amendment of Regulation III pursuant to the requirements of CEQA.

**REASON FOR RECOMMENDATION:** Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(l) (FCAA §110(l)) requires that all State Implementation Plan (SIP) revisions be adopted after public notice and hearing.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about June 12, 2017.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Alan De Salvio, Deputy Director – Mojave Desert Operations

**RESOLUTION \_\_\_\_\_**

**A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING REGULATION III - FEES AND DIRECTING STAFF ACTIONS.**

On June 26, 2017, on motion by Member Board Member Name, seconded by Member Board Member Name, and carried, the following resolution is adopted:

**WHEREAS**, on 07/01/93 the Mojave Desert Air Quality Management District (MDAQMD) was created by statute and assumed all the air pollution control responsibilities the San Bernardino County Air Pollution Control District (SBCAPCD); and

**WHEREAS**, the Mojave Desert Air Quality Management District (MDAQMD) has authority pursuant to California Health and Safety Code (H&S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

**WHEREAS**, the rules in effect at that time remained in effect until such time as the Governing Board of the MDAQMD officially changed them; and

**WHEREAS**, the Governing Board of the MDAQMD, at its very first meeting, reaffirmed all the rules and regulations of the SBCAPCD; and

**WHEREAS**, some of the rules contained in Regulation III – *Fees* have been subsequently amended, consolidated and rescinded; and

**WHEREAS**, the MDAQMD has authority pursuant to H&S Code §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

**WHEREAS**, the following rules of Regulation III – *Fees* are proposed for amendment; and

**WHEREAS**, Rule 301 – *Permit Fees* as last amended 06/27/16 is proposed for amendment to adjust fees two percent (2%), and make minor changes for clarification and consistency; and

**WHEREAS**, Rule 302 – *Other Fees* as last amended 06/27/16 is proposed for amendment to adjust fees by two percent (2%), and make minor changes for clarification and consistency; and

**WHEREAS**, Rule 303 – *Hearing Board Fees* as last amended 06/27/16 is proposed for amendment to adjust fees by two percent (2%), and make minor corrections for clarification; and

**WHEREAS**, adjustments in fees are required from time to time to ensure that the costs are aligned with the reasonable regulatory costs of the programs they support; and

**RESOLUTION \_\_\_\_\_**

1           **WHEREAS**, Regulation III fees were most recently amended on 06/27/16 by three percent (3%);  
2 and

3           **WHEREAS**, the proposed two percent (2%) fee adjustment to Rule 301 – *Permit Fees*, Rule 302  
4 – *Other Fees*, and Rule 303 – *Hearing Board Fees* are designed to recover the rising costs associated with  
5 issuing licenses and permits, performing investigations, inspections, and audits, and the administrative  
6 enforcement and adjudication thereof; and

7           **WHEREAS**, public hearings on the budget, the proposed fee adjustment to Rules 301, 302 and  
8 303 were held on 06/12/2017 and 06/26/2017 to receive comment from members of industry and the  
9 general public; and

10           **WHEREAS**, proposed amended Rules 301, 302 and 303 have been made available for public  
11 comments, and appropriate notice was published on or about 05/12/2017 in compliance with the 30-day  
12 notice and comment period requirement; and

13           **WHEREAS**, the proposed amendments were reviewed by the Technical Advisory Committee  
14 (TAC), a committee consisting of a variety of regulated industry and local governmental entities, on  
15 06/01/17, and it was the consensus of the TAC to recommend submittal of Regulation III to the  
16 Governing Board for adoption on 06/26/2017; and

17           **WHEREAS**, to allow time to implement the proposed fee changes in the computerized billing  
18 system, the amendment of Rule 301 is proposed to be effective on 01/01/2017; and

19           **WHEREAS**, proposed changes to Rules 302 and 303 will be effective immediately; and

20           **WHEREAS**, the proposed amendments are necessary to adjust fees by two percent (2%) to  
21 recover the rising costs associated with issuing licenses and permits, performing investigations,  
22 inspections, and audits, and the administrative enforcement and adjudication thereof; and

23           **WHEREAS**, regular adjustments to fees in response to rising costs, serves to minimize potentially  
24 dramatic future fee increases because incremental and periodic changes were not regularly implemented;  
25 and

26           **WHEREAS**, the MDAQMD has the authority pursuant to H&S Code §40702 to adopt, amend or  
27 repeal rules and regulations; and

28           **WHEREAS**, the MDAQMD also has the authority to adopt and amend annual fees for the

**RESOLUTION \_\_\_\_\_**

1 evaluation, issuance and renewal of permits (H&S Code §§41240, 41330, 41512.7, 40711(a), 42310.5,  
2 42311, and 42311.2), Hearing Board activities (H&S Code §§40864, 42311 and 42364), enforcement,  
3 inspections and air monitoring (H&S Code §§41240, 41330, 40701, 40715, 41512, 41512.5, 42311,  
4 42311.2, 42707, and 42400 et seq.), planning and rule development (H&S Code §§41240,41330,  
5 41512.7,40727.2 and 42311), registration and inspection of portable equipment (H&S Code §41752 and  
6 13 CCR 2461), public records act compliance ( Government Code 6253), and toxic “Hot Spots” (H&S  
7 Code §§44344.4, 44380, 44381 and 17 CCR 90703); and

8       **WHEREAS**, the proposed amendments are clear in that the meaning can be easily understood by  
9 the persons impacted by the rule; and

10       **WHEREAS**, any person or organization applying for and/or holding an MDAQMD Authority to  
11 Construct (ATC) or Permit to Operate (PTO) is affected by the proposed amendments to Rule 301; and

12       **WHEREAS**, any person or organization subject to other fees may be affected by the proposed  
13 amendments to Rule 302; and

14       **WHEREAS**, any applicant or petitioner in a proceeding before the Hearing Board is subject to the  
15 proposed amendments of Rule 303; and

16       **WHEREAS**, the proposed amendments have been developed to adjust fees by two percent (2%)  
17 to recover the rising costs associated with issuing licenses and permits, performing investigations,  
18 inspections, and audits, and the administrative enforcement and adjudication thereof, and to increase  
19 clarity for each of the affected groups; and

20       **WHEREAS**, the proposed amendments are in harmony with, and not in conflict with, or  
21 contradictory to existing statutes, court decisions, or state or federal regulations because these laws and  
22 regulations allow for the proposed amendments to the fee rules; and

23       **WHEREAS**, the proposed amendments do not impose the same requirements as any existing state  
24 or federal regulation because H&S Code §40702 allows the District to adopt, amend or repeal rules and  
25 regulations, and H&S Code §42311 and various other sections merely authorize the imposition of such  
26 fees but do not specify the types and amounts of fees to be imposed; and

27       **WHEREAS**, the proposed amendments are needed to adjust fees two percent (2%), and make  
28 minor changes for clarification and consistency; and



**RESOLUTION \_\_\_\_\_**

1           **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H&S Code  
2 §40725, concerning the proposed amendments to Regulation III – *Fees*; and

3           **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the  
4 proposed amendments to Regulation III – *Fees*, completed in compliance with the California  
5 Environmental Quality Act (CEQA), has been presented to the Governing Board of the MDAQMD; each  
6 member having reviewed, considered and approved the information contained therein prior to acting on  
7 the proposed amendments to Regulation III – *Fees*, and the Governing Board of the MDAQMD having  
8 determined that the proposed amendments will not have any potential for resulting in any adverse impact  
9 upon the environment; and

10           **WHEREAS**, the Governing Board of the MDAQMD has considered the evidence presented at the  
11 public hearing; and

12           **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the MDAQMD finds  
13 that the proposed amendments to Regulation III – *Fees* are necessary, authorized, clear, consistent, non-  
14 duplicative and properly referenced; and

15           **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD hereby makes a  
16 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of  
17 Exemption for the proposed amendments to Regulation III – *Fees*; and

18           **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD does hereby adopt,  
19 pursuant to the authority granted by law, the proposed amendments to Regulation III – *Fees*, as set forth  
20 in the attachments to this resolution and incorporated herein by this reference; and

21           **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,  
22 that the Clerk of the Board is directed to file the Notice of Exemption in compliance with the provisions  
23 of CEQA.

24 **PASSED, APPROVED AND ADOPTED** by the Governing Board of the Mojave Desert Air Quality  
25 Management District by the following vote:

26 AYES:                   MEMBER:  
27 NOES:                   MEMBER:  
28 ABSENT:               MEMBER:



(Adopted: 07/09/76; Amended: 01/07/77; CARB Ex. Ord. G-73: 02/01/77; Readopted: 07/25/77; Amended: 08/22/85; Amended: 11/20/89; Amended: 01/01/90; Amended: 10/23/94; Amended: 03/24/97; Amended: 09/28/98; Amended: 06/26/00; Amended: 09/23/02; Amended: 08/23/04 effective 01/01/05; Amended: 06/27/05 effective 01/01/06; Amended: 10/23/06 effective 01/01/07; Amended: 6/25/07 effective 1/1/08; Amended: 06/23/2008 effective 01/01/2009; Amended: 06/28/10 effective 01/01/11; Amended: 08/22/11 effective 01/01/12; Amended: 06/25/12 effective 01/01/13; Amended: 06/24/13 effective 01/01/14; Amended: 06/23/14 effective 01/01/15; Amended: 06/22/15 effective 01/01/16; Amended: 06/27/16 effective 01/01/17; Amended: 06/26/17 effective 01/01/18)

## RULE 301

### Permit Fees

#### (A) General

##### (1) Purpose

- (a) This rule sets forth the fees required for various permit activities required pursuant to the provisions of Regulation II - *Permits* and Regulation XIII - *New Source Review*.

##### (2) Applicability

- (a) Any person subject to the provisions of Regulation II - *Permits* or Regulation XIII - *New Source Review* shall pay the fees set forth in this rule.
- (b) Federal, state or local governmental agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with §6103); Part 4, Division 26 and Part 6, Division 26 of the Health and Safety Code (commencing with §44300).

##### (3) Limitations

- (a) Revenue derived from permit fees shall be limited as required by Chapter 4 of Part 4, Division 26 of the Health and Safety Code.

##### (4) Effective Date

- (a) The amendments to this rule adopted on 06/26/2017 shall be effective on 01/01/2018.

(B) Requirements and Procedures

- (1) Fees, as specified herein, are required for the following activities relating to permits:
  - (a) The filing of a permit application.
  - (b) The evaluation of new or modified sources.
  - (c) The issuance of authority to construct(s).
  - (d) The issuance of permit(s) to operate.
  - (e) The issuance of duplicate or modified permits required by any of the following circumstances:
    - (i) Loss or destruction of a permit.
    - (ii) Change of equipment location to a site other than that described in the permit.
    - (iii) Transfer of ownership of the permit.
    - (iv) Alterations or additions to equipment as listed on the permit.
  - (f) Annual permit renewal.
- (2) Fees shall be paid when due as specified herein:
  - (a) Fees shall be invoiced at least thirty (30) days before the expiration date as shown on the permit. The owner/operator will be notified by First Class mail of the amount to be paid and the due date of the invoice.
  - (b) If the fee is not paid on or before the due date of the invoice the permit shall become delinquent on the due date or expire on its expiration date, whichever is sooner, and will thereafter no longer be valid.
  - (c) Within thirty (30) days after the due date of the invoice or expiration date of the permit, whichever is sooner, if the applicable fees remain unpaid the holder of the permit shall be notified in writing by First Class mail:
    - (i) That the permit has become delinquent for non payment of fees and is no longer valid; and
    - (ii) Of the consequences of continuing to operate with an invalid permit.
  - (d) If the permit is delinquent for more than six (6) months the permit shall be terminated and become inactive in District records.

(3) Reinstatement of Permits

- (a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to Regulation III – *Fees* and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with §42400).
- (b) A permit which has become inactive may be reinstated by either of the following:
  - (i) The submittal of a new application, accompanied by payment of all previously accrued fees, fines and penalties, including but not limited to other fees imposed pursuant to Regulation III – *Fees* and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with §42400) and the payment of any new fees which would apply to a similar new application; or
  - (ii) By submitting a written request to the APCO to reinstate the permit stating good cause for such reinstatement. The APCO or his or her designee shall review the request and may direct in writing that the permit be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with §42400).

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(4) Refunds

- (a) No claim for refund for any fee required by this rule shall be honored unless:
  - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
  - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
- (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
- (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.

- (d) The following fees are non-refundable:
  - (i) The filing fee set forth in section (C)(1).
  - (ii) Initial permit fees for Negative Air Machines and HEPA vacuums pursuant to section (E)(7)(h).

(5) Pro-rated fees

- (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
  - (i) Initial Permit Fee;
  - (ii) Annual Permit to Operate Renewal Fee;
  - (iii) Permit to Construct Renewal Fee;
  - (iv) Alteration, Modification, Addition or Revision Fees.
- (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.
- (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.

(6) Credit Card Payment

- (a) If any person wishes to pay using a credit card, that person shall also pay the processing costs imposed by the company processing the transaction.

(C) Fees

(1) Filing Fee

- (a) Except as otherwise provided, any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$274.00. This filing fee shall be submitted with the application.
- (b) The filing fee is non-refundable and shall not be applied to any subsequent application.
- (c) Applications shall not be accepted unless they are accompanied by the filing fee.
- (d) Applications for asbestos remediation equipment (including negative air machines and HEPA vacuums) shall not be accepted unless they are accompanied by the filing fee and annual permit fee as specified in section (E)(7)(h).

(2) Project Evaluation Fee for Complex Sources

- (a) Any person who submits an application on or after January 1, 1986, which is related to projects to construct or modify any of the following shall be assessed a project evaluation fee for complex sources.
- (i) Equipment associated with landfills;
  - (ii) Equipment associated with resource recovery projects;
  - (iii) Equipment associated with energy cogeneration projects;
  - (iv) Equipment associated with electrical power plants;
  - (v) Equipment associated with hazardous and toxic material and/or waste disposal or treatment facilities;
  - (vi) Equipment subject to the provisions of District Rule 1303 Section (B);
  - (vii) Equipment with emissions of a Hazardous Air Pollutant requiring a Health Risk Assessment pursuant to District Rule 1320 subsection (E)(3) or a case-by-case MACT determination pursuant to District Rule 1320 subsection (F)(2);
  - (viii) Equipment subject to provisions of the Prevention of Significant Deterioration Program as administered by U.S. Environmental Protection Agency or District Rule 1600; and
  - (ix) Any other permit units where the APCO or his or her designee has determined that an analysis required pursuant to these rules or regulations would require over twenty-four (24) hours of staff time to complete.
- (b) A deposit of \$6,500.00 to be applied toward the project evaluation fee for complex sources shall be paid within thirty (30) days of written notification by the District that the application is subject to this fee.
- (c) The project evaluation fee for complex sources shall be based on the District's total actual and reasonable labor time and other reasonable expenses for the evaluation required to develop a permit to construct and/or permit to operate.
- (i) This fee shall be calculated at a labor rate of \$95.00 per hour plus actual expenses.
  - (ii) The fee shall accrue and be applied against the deposit.
  - (iii) Should the District's costs as calculated pursuant to subsection (i) above not exceed the deposit; the remainder of the deposit will be returned to the applicant.
  - (iv) Should the District's costs as calculated pursuant to subsection (i) above exceed the deposit the excess will be billed to the applicant.
    - a. The applicant shall be notified, in writing, of the amount of any such excess fee and the due date for payment of the fee.
    - b. An accounting of costs and written notice to the applicant shall be issued to the applicant at least quarterly.

- (d) Actual expenses of the District include consultant services which are engaged by the District for the purpose of project evaluations. When project evaluations are performed for the District under such a contract, the applicant will be assessed fees for the actual total and reasonable costs incurred by the District staff to oversee, review and approve the evaluation as well as the actual cost to the District of the contractor evaluation.
  - (e) Actual expenses of the District include project notice fees which are incurred on behalf of public project notices.
  - (f) The provisions of subsection (B)(2) do not apply to this fee. If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.
- (3) Initial Permit Fee
- (a) Except as otherwise provided in this rule, any person who applies for a permit shall, upon notification that the application has been approved, be assessed the initial permit fee for the issuance of a permit to construct or permit to operate in the amount prescribed in schedules set forth herein.
    - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate initial permit fee. Such alternate initial permit fee shall not be less than the highest initial permit fee for any single alternative scenario set forth in the application and shall not be more than the sum of the initial permit fees for all alternative scenarios set forth in the application.
    - (ii) For applications where multiple schedules may be applicable to a particular piece of equipment the APCO shall determine the appropriate schedule to be applied.
  - (b) After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these Rules and Regulations have been complied with, the applicant shall be notified, in writing, of the amount of the fee to be paid as the initial permit fee.
    - (i) Notice may be given by personal service, electronically, or by First Class mail.
- (4) Annual Permit to Operate Renewal Fee
- (a) A Permit to operate shall be annually renewable, upon payment of fees.
  - (b) The annual permit to operate renewal fee shall be calculated pursuant to the schedules herein.



- (c) The annual permit to operate renewal fee shall be invoiced as specified in Section (B) above.
- (5) Authority to Construct Renewal Fee
- (a) An authority to construct may be renewed, upon payment of fees, pursuant to the provisions of District Rule 201.
  - (b) The authority to construct renewal fee shall be calculated pursuant to the schedules herein.
    - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate authority to construct renewal fee. Such alternate authority to construct renewal fee shall not be less than the highest authority to construct renewal fee for any single alternative scenario set forth in the application and shall not be more than the sum of the authority to construct renewal fees for all alternative scenarios set forth in the application.
    - (ii) For applications where multiple schedules may be applicable to a particular piece of equipment the APCO shall determine the appropriate schedule to be applied.
  - (c) An authority to construct may only be renewed for two (2) years after the initial date of issuance, unless the application is canceled or an extension of time pursuant to the provisions of District Rule 205 has been granted by the APCO.
  - (d) The authority to construct renewal fee shall be invoiced as specified in Section (B) above.
  - (e) When construction is completed prior to the expiration of the authority to construct, the authority to construct may thereupon act as a temporary permit to operate pursuant to the provisions of District Rule 202. The residual fee for the authority to construct, calculated as a pro-rated fee for the period between the completion of construction and the expiration date of the permit, shall be applied to a pro-rated initial permit fee for the same period. Any positive difference between the residual fee and the pro-rated initial permit fee shall be invoiced as set forth in Section (B) above.
- (6) Change of Location or Ownership Fees
- (a) Permits, pursuant to the provisions of District Rule 209, are only valid for the location specified in the permit.
    - (i) Any person who applies for a permit requesting a change in the location of equipment included on a currently valid permit shall request in writing a change of location for the equipment and may be assessed an initial permit fee if the change in location also

- creates additional alteration(s), modification(s), addition(s) or revision(s) in either the subject permit or other permits at the same facility.
    - (ii) The person will be notified by mail, of the amount of the initial permit fee due as a result of the change of location and the due date for payment of the fee.
    - (iii) The APCO or his or her designee may, upon the applicant's written request, waive the initial permit fee.
  - (b) Permits, pursuant to the provisions of District Rule 209, are only valid to the person named on the permit.
    - (i) Any person who applies for a permit requesting a change of ownership of equipment included on a currently valid permit shall be assessed a transfer fee of \$156.00 for each permit being transferred from one person to another.
    - (ii) The filing fee set forth in subsection (C)(1) are waived for applications solely requesting a change of ownership.
    - (iii) The transfer fee for applications solely requesting a change of ownership is due at the time the application is filed.
  - (c) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alteration(s), addition(s) or revision(s) to the permit shall be assessed either the fees set forth in this Section or in subsection (C)(7) whichever is greater.
- (7) Alteration, Modification, Addition or Revision Fees
  - (a) Any person who applies for a permit requesting alteration(s), modification(s), addition(s), or revision(s) of the permit resulting from a change to equipment included on a currently valid permit shall be assessed a filing fee pursuant to subsection (C)(1) above and a permit revision fee.
  - (b) The permit revision fee shall be calculated as follows:
    - (i) The initial permit fee for a permit which includes the alteration, addition or revision minus the previous year's annual permit to operate renewal fee, pro-rated, for the period between the date of issuance for the permit containing the alteration addition or revisions, and the original permit(s) expiration date.
  - (c) The permit revision fee shall be invoiced as set forth in Section (B) above.
  - (d) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alteration(s), addition(s) or revision(s) to the permit shall be assessed either the fees set forth in this Section or in subsection (C)(6), whichever is greater.

- (8) Fees Applicable when Permit Granted or Denied by Hearing Board
- (a) If a permit is granted by the Hearing Board after denial of an application by the APCO or after the application has been deemed denied pursuant to District Rule 215, the applicant shall be assessed the appropriate fees set forth in this rule.
  - (b) The applicant shall be notified, in writing, of the amount of the fee and the due date for payment of the fee.
  - (c) Previously paid fees are not refundable if the Hearing Board denies the issuance of a permit which was granted by the APCO.
- (9) Signed Duplicate or Corrected Permit Fees
- (a) A request for a signed duplicate permit or for administrative corrections to a permit, shall be made in writing by the permit holder.
  - (b) The permit holder shall be assessed a fee of \$74.00 for issuing each signed duplicate or corrected permit.
  - (c) The fee for a signed duplicate or corrected permit is due at the time the permit is requested.
- (10) Previously Unpermitted or Altered Equipment Fee
- (a) When equipment is built, erected, installed, altered, or replaced (except for identical replacement) without the owner or operator obtaining a permit to construct in accordance with District Rule 201, the owner or operator shall be assessed a previously unpermitted equipment fee.
  - (b) The previously unpermitted equipment fee shall be calculated as fifty percent (50%) of all applicable permit fees which would have been required for each year of unpermitted activity, plus the full amount of all applicable permit fees for the year immediately preceding the year when the permit to operate is granted.
  - (c) The unpermitted equipment fee is due when the permit to operate is granted.
  - (d) The assessment of an unpermitted equipment fee shall not limit the District's right to pursue any other remedy provided for by law.
  - (e) The provisions of this subsection shall not apply if a permit is required solely due to a change in District Rule 219.
  - (f) The APCO may waive the unpermitted equipment fee for good cause upon the written application of the person assessed the fee.

(11) CEQA Review Fees

- (a) An application for a permit which is associated with a project subject to review under the California Environmental Quality Act (CEQA; Public Resources Code Section 21000 et seq.) shall pay, in addition to any other fees applicable pursuant to this rule, the District's cost of performing all environmental evaluation required pursuant to CEQA. Such costs shall include, but are not limited to:
  - (i) Cost of preparing any environmental study or Environmental Impact Report including the costs of any outside consulting assistance which the District may employ in connection with the preparation of such study or report;
  - (ii) Cost of publication and circulation of any required notice;
  - (iii) Cost of filing any required documents with another agency; and
  - (iv) Reasonable internal costs, including overhead, of processing and reviewing the required environmental documentation.

(D) (Reserved)

(E) Schedules for Initial Permit Fee and Annual Permit Fee

(1) Schedule 1, Motor Horsepower

Any emission generating process using motors as a power source shall be assessed a permit fee based on the cumulative total rated horsepower of all equipment in the process train, with the exception of air pollution control or other equipment that may operate independently of the process, in accordance with the following schedule:

<u>HORSEPOWER RATING (hp)</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 40 hp	\$345.49
(b) 41 to and including 200 hp	\$118.34 plus \$5.68 per each hp
(c) 201 to and including 1,000 hp	\$714.66 plus \$26.98 per each 10 hp
(d) Greater than 1,000 hp	\$2,063.50 plus \$13.49 per each 10 hp

(2) Schedule 2, Fuel Burning Equipment

Any emission generating process in which fuel is burned, for the production of useful power, except for engine driven generators used for the intermittent production of electrical power not for resale, shall be assessed a permit fee based upon the design fuel consumption of the equipment expressed in British thermal units (Btu) per hour, using gross heating values of the fuel plus 2,550 Btu for each horsepower of associated motor driven equipment, in accordance with the following schedule:

BRITISH THERMAL UNITS (BTU)  
PER HOUR

	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 Btu	\$118.34 plus \$167.25 per each 100,000 Btu
(b) 250,001 to and including 1,000,000 Btu	\$299.76 plus \$94.65 per each 100,000 Btu
(c) 1,000,001 to and including 4,000,000 Btu	\$891.34 plus \$35.49 per each 100,000 Btu
(d) 4,000,001 to and including 10,000,000 Btu	\$1,175.32 plus \$28.42 per each 100,000 Btu
(e) 10,000,001 to and including 100,000,000 Btu	\$3,241.99 plus \$77.31 per each 1,000,000 Btu
(f) Greater than 100,000,000 Btu	\$9,000.24 plus \$19.73 per each 1,000,000 Btu

(3) Schedule 3, Electrical Energy

Any emission generating process which uses electrical energy, with the exception of motors covered in Schedule 1, shall be assessed a permit fee based on the total kilovolt-ampere (kVA) ratings, in accordance with the following schedule:

<u>KILOVOLT-AMPERE (kVA)</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 45 kVA	\$317.08
(b) Greater than 45 kVA	\$302.90 plus \$0.34 per each kVA

(4) Schedule 4, Incinerator Equipment

Any equipment designed and used primarily to dispose of combustible refuse by wholly consuming the material charged leaving only the ashes or residue shall be assessed an initial and annual permit fee based on the maximum horizontal, inside, cross sectional area, in square feet, of the primary combustion chamber. The fee shall be \$317.08 plus \$20.52 per square foot.

(5) Schedule 5, Stationary Containers

Any stationary tank, reservoir, or other container with the exception of stationary storage tanks covered in Schedule 6 (subsection (E)(6)) herein, shall be assessed a permit fee on the following schedule of capacities in gallons or cubic equivalent:

<u>GALLONS</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 10,000 gallons	\$302.90
(b) 10,001 to and including 100,000 gallons	\$263.45 plus \$3.96 per each 1,000 gallons
(c) 100,001 to and including 2,000,000 gallons	\$580.56 plus \$7.72 per each 10,000 gallons
(d) Greater than 2,000,001 gallons	\$1,735.38 plus \$19.55 per each 100,000 gallons

(6) Schedule 6, Retail Gasoline Dispensing Equipment

Any fueling equipment used to dispense gasoline (as defined in District Rule 461 subsection (B)(2)) at a single retail location, including but not limited to, stationary gasoline storage tanks, dispensers, and vapor recovery systems where required, shall be assessed an initial and annual permit fee in accordance with the following schedule:

- (a) \$49.53 per single product nozzle.
- (b) \$49.53 per product for each multi-product nozzle.

(7) Schedule 7, Miscellaneous Permit Fees

Permits to operate the following equipment shall be assessed an initial and annual permit fee in accordance with the following schedule:

- (a) Each permit of a dry cleaning plant: \$307.63.
- (b) Test Stand, Intermittent: \$307.63.
- (c) Spray coating equipment operated outside of a control enclosure: \$307.63.
- (d) Vapor degreasing equipment using non-Volatile Organic Compound (VOC) material only: \$307.63.
- (e) Portable abrasive blasting equipment: \$307.63.
- (f) Mobile asphalt or coal tar pitch roofing equipment with a capacity greater than 500 gallons: \$307.63.
- (g) Internal combustion engines of greater than or equal to fifty (50) brake horsepower driving electrical generators which meet any of the following criteria:
  - (i) Used at facilities normally serviced with commercial power, where the generators are used exclusively as emergency units during loss of commercial power: \$307.63.
  - (ii) Used at facilities normally serviced with an alternative energy supply including, but not limited to, photovoltaic power, where the generators are used exclusively as emergency units during loss of such alternative energy source but no more than 200 hours total per year: \$307.63.
  - (iii) Used to drive a fire pump or deluge pump that is used exclusively during fire emergency or testing: \$307.63.
- (h) Air Pollution Control Devices: \$276.08
  - (i) Air Pollution Control Devices for the purpose of this subsection are those devices which are not a part of the basic process train.

- For the purposes of this subsection such devices do not include product separators.
- (ii) Collection systems and conveyors associated with Air Pollution Control Devices as defined in this subsection shall not be considered as part of the air pollution control device.
  - (i) Any piece of equipment which has the potential to emit pollutants, but not included elsewhere in these schedules: \$307.63.

(8) Schedule 8, Direct-Fired Production Equipment

Any emission generating process in which fuel is burned in combination with other materials for the purpose of producing a salable product, shall be assessed a permit fee based on the total equivalent fuel consumption of the equipment expressed in British thermal units (Btu) per hour, using gross heating values of the fuel plus 2,550 Btu for each horsepower of associated motor driven equipment, in accordance with the following schedule:

<u>BRITISH THERMAL UNITS (BTU) PER HOUR</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 Btu	\$118.34 plus \$167.25 per each 100,000 Btu
(b) 250,001 to and including 1,000,000 Btu	\$299.76 plus \$94.65 per each 100,000 Btu
(c) 1,000,001 to and including 4,000,000 Btu	\$891.34 plus \$35.49 per each 100,000 Btu
(d) 4,000,001 to and including 10,000,000 Btu	\$1,175.32 plus \$28.42 per each 100,000 Btu
(e) 10,000,001 to and including 100,000,000 Btu	\$3,241.99 plus \$77.31 per each 1,000,000 Btu
(f) Greater than 100,000,000 Btu	\$9,000.24 plus \$19.73 per each 1,000,000 Btu

(9) Schedule 9, Engine Driven Electric Generators

Generators used for the intermittent generation of electricity, other than for resale, where such generators provide power at the facility to assure continued operational capability should there be a loss of commercial power and/or to obtain a favorable commercial rate schedule shall be assessed a permit fee based upon the design fuel consumption of the equipment expressed in British thermal units (Btu) per hour, using gross heating values of the fuel, in accordance with the following schedule:

<u>BRITISH THERMAL UNITS (BTU) PER HOUR</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 Btu	\$118.34 plus \$167.25 per each 100,000 Btu
(b) 250,001 to and including 1,000,000 Btu	\$299.76 plus \$94.65 per each 100,000 Btu
(c) 1,000,001 to and including 4,000,000 Btu	\$891.34 plus \$35.49 per each 100,000 Btu
(d) 4,000,001 to and including 10,000,000 Btu	\$1,175.32 plus \$28.42 per each 100,000 Btu
(e) 10,000,001 to and including 100,000,000 Btu	\$3,241.99 plus \$77.31 per each 1,000,000 Btu
(f) Greater than 100,000,000 Btu	\$9,000.24 plus \$19.73 per each 1,000,000 Btu

(10) Schedule 10, Stand-By Equipment

Equipment used exclusively to provide continued operation of a process during maintenance or repair of an existing piece of regularly permitted equipment, shall be assessed an initial and annual permit fee of fifty percent (50%) of the appropriate fee schedule for that type of equipment or \$276.08, whichever is the greater.

(11) Schedule 11, Landfills

Any landfill required to install a gas collection system pursuant to the provisions of 40 CFR 60 Subpart Cc (commencing with 40 CFR 60.30c) or 40 CFR 60 Subpart WWW (commencing with 40 CFR 60.750), shall be assessed an initial and annual permit fee of \$1,520.03 per gas collection facility.

[SIP: Not in SIP.]



## Rule 302 Other Fees

### (A) General

#### (1) Purpose

- (a) This rule sets forth fees which may be charged for various activities, documents and services, including but not limited to, provision of publications, performing analysis, filing, evaluation and enforcement of plans and State Mandated Fees.

#### (2) Applicability

##### (a) This rule applies to

- (i) Any person subject to a fee listed herein.
- (ii) Any of the following governmental entities subject to a fee listed herein.
  - a. Federal, state and local government agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety (H&S) Code (commencing with Section 41500) and Part 6, Division 26 of the H&S Code (commencing with Section 44300).

### (B) Definitions

The definitions contained in District Rule 102 shall apply unless the term is otherwise defined herein:

- (1) “Demolition Project” – The wrecking or taking out of any load-supporting structural member of a Structure subject to 40 CFR 61, Subpart M together with any related handling operations, or the intentional burning of such Structure.
- (2) “Installation” – Any building or structure or any group of buildings or structures at a single Demolition Project or Renovation Project site that are under control of the same owner or operator (or owner or operator under common control).
- (3) “Plan or Report” – A document required to be submitted to the District by District rule or regulation; or state or federal law or regulation, providing a description of actions or procedures necessary to accomplish the particular objective and containing those items set forth in the underlying requirement.

- (4) “Source Test Protocol” – A test work plan or protocol includes a process description, field sampling methods, analytical test methods, test schedules, equipment calibration and a results presentation format used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (5) “Source Test Report” – A document that provides the analytical results from an emission source test used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream. The report should contain an executive summary, field sampling methods, analytical test methods, equipment calibration and a results presentation to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (6) “Structure subject to 40 CFR 61, Subpart M” – Any institutional, commercial, public, industrial, or residential structure, Installation, or building (including any structure, Installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four (4) or fewer dwelling units); any ship; and any active or inactive waste disposal site. For the purposes of this definition, any building, structure, or Installation that contains a loft used as a dwelling is not considered a residential structure, installation, or building. Any structure, Installation or building that was previously subject to 40 CFR 61, Subpart M is not excluded, regardless of its current use or function.
- (7) “Renovation Project” – Altering a Structure subject to 40 CFR 61, Subpart M or one or more Structure(s) subject to 40 CFR 61, Subpart M components in any way, including the removal of asbestos-containing material from a Structure subject to 40 CFR 61, Subpart M component. Operations in which load-supporting structural members are wrecked or taken out are Demolition Projects.

(C) Payments, Adjustments and Refunds

- (1) Fees shall be paid when due as specified herein.
  - (a) Analysis Fees and Monitoring Device Fees
    - (i) Analysis and Monitoring Device fees shall be invoiced as follows:
      - a. Directly by the entity retained by the District to perform the test and or analysis;
      - b. By the District within thirty (30) days of receipt of an invoice by the District for testing and/or analysis services;  
or
      - c. By the District within thirty (30) days of completion of the analysis of testing methodology and review of test results.
    - (ii) If invoiced by the District, the person ordered to provide the analysis or test by the Air Pollution Control Officer (APCO) will be notified by First Class mail of the amount to pay and the due date of the invoice.

- (iii) If the fee is not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all 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.
- (b) Asbestos Demolition/Renovation Fees
- (i) Asbestos Demolition/Renovation Fees shall be paid at the time of the submittal of the Demolition or Renovation notification.
  - (ii) Permit fees for Air Pollution Control Devices shall be paid pursuant to the provisions of District Rule 301.
  - (iii) If subsequent charges for Asbestos Demolition/Renovation Fees apply the District shall be invoiced within ten (10) days of the change resulting in the subsequent charges as follows:
    - a. The invoice shall be sent via First Class mail to the person submitting the notification at the address listed therein.
    - b. Payment of the fees shall be due thirty (30) days from the date of mailing.
    - c. If the fee is not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all 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.
- (c) Asbestos Waste Disposal Site Fees
- (i) Asbestos Waste Disposal Site Fees shall be invoiced and paid at the same time and in the same manner as permit fees set forth in District Rule 301.
- (d) Certificate of Occupancy Fee
- (i) Certificate of Occupancy Fee, if applicable, shall be paid prior to delivery of the official documentation showing the District's approval of the Certificate of Occupancy.
- (e) Emission Reduction Credit (ERC) Fees
- (i) The initial fee for the issuance, encumbrance, transfer or reclassification of ERCs shall be paid upon submission of the application for issuance, encumbrance, transfer or reclassification.
  - (ii) Analysis fees, if applicable, for the issuance of ERCs shall be invoiced within ten (10) days of the completion of the analysis as follows:
    - a. The invoice shall be sent via First Class mail to the applicant.
    - b. Payment of the fees shall be due thirty (30) days from the date of mailing.

- c. If the fee is not paid within thirty (30) days of the due date of the invoice shall refrain from issuing the ERCs.

(f) Plan and Report Fees

- (i) Plan and Report filing and evaluation fees shall be paid at the time of submission of the Plan or Report.
- (ii) If a Plan or Report analysis exceeds ten (10) hours of District staff time then the District shall invoice the fee within ten (10) days of completion of the analysis but prior to the issuance of the approval of the Plan or Report.
  - a. The invoice shall be sent via First Class mail to the contact person indicated in the Plan or Report.
  - b. Payment of Plan or Report analysis Fee shall be due in thirty (30) days from the date of mailing.
  - c. If the fee is not paid within thirty (30) days of the due date of the invoice then the District shall refrain from approving the Plan or Report.
- (iii) If a Plan or Report requires an annual renewal the District shall invoice the renewal fee at least thirty (30) days prior to the expiration date.
  - a. The invoice shall be sent via First Class mail to the contact person indicated in the Plan or Report.
  - b. Payment of annual review fee shall be due in thirty (30) days from the date of mailing.
  - c. Fees not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all 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.

(g) Publication Fees

- (i) Publication fees shall be paid prior to the delivery of the publication requested.

(h) State Mandated Fees

- (i) State Mandated Fees shall be due and paid as specified in the regulation which imposes the mandate and allows the District to collect the state imposed fees for such mandate.

(2) Credit Card Payments

- (a) Fees may be paid by credit card directly from the District website.
- (b) If any person wishes to pay using a credit card, the person shall also pay any costs imposed by the company processing the credit card transaction.

(3) Refunds

- (a) Fees set forth in this rule are non-refundable unless otherwise listed below.
- (b) Asbestos Fee Refunds
  - (i) Applicants who have paid Asbestos Fees and submitted a notification for a project that is subsequently not accomplished, may request a refund of the fee.
  - (ii) The amount of the refund shall be calculated as the fee paid minus any amount expended by the District in labor to review, analyze, inspect or otherwise deal with the notification at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) or the fee paid minus one (1) hour at the specified labor rate, whichever amount is less.
- (c) ERC Fee Refunds
  - (i) If an application for the issuance of ERCs is withdrawn by the applicant within sixty (60) days of the date of the submittal of the application, the applicant shall be entitled to a refund of sixty percent (60%) of the application fee.

(4) Service Charge for Returned Checks

- (a) 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.

(D) Analysis Fees

- (1) Any person ordered by the APCO to provide an analysis of materials used by, or the determination of emissions from, any source of air contaminants shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the District or retained by the owner/operator to perform the tests.
- (2) Any owner or operator of a facility from whom the District collects a sample shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the District to perform the tests.
- (3) Any person subject to the provisions of subsection (D)(1) or (2) above shall also be assessed a fee for the reasonable time required by District staff to review the testing methodology and results.
  - (a) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.
- (4) Data and sample collection methods, analysis methods and the qualifications of testing personnel or firms shall be determined by the APCO.

(E) Asbestos Demolition/Renovation Fees

(1) Any person who is required by the provisions of the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Asbestos as set forth in 40 Code of Federal Regulations, Part 61 (40 CFR 61), Subpart M, (and as adopted by reference in District Rule 1000 subsection (C)(2)(m)) to submit a written notice of intention to demolish, including but not limited to Demolitions Projects where no asbestos is present, and/or Demolition Projects by fire, shall pay a fee of \$132.00.

(a) This fee may be waived by the APCO in those cases where a single notification is submitted for a Renovation and subsequent Demolition on the same building, provided that the notification meets all the requirements of 40 CFR 61, Subpart M for both projects.

(2) Any person who is required by the provisions of the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Asbestos as set forth in 40 Code of Federal Regulations, Part 61 (40 CFR 61), Subpart M, (and as adopted by reference in District Rule 1000 subsection (C)(2)(m)) to submit a written notice of intention to renovate or abate shall pay a fee calculated as follows:

(a) For Renovation projects involving the removal or stripping of more than 260 linear feet of pipe but less than 1,600 linear feet of pipe; or more than 160 square feet of material but less than 1,000 square feet of material, a fee of \$289.00, except as noted in subsection (E)(3).

(b) For Renovation projects involving the removal or stripping of 1,600 linear feet or more of pipe but less than 8,000 linear feet of pipe; or 1,000 square feet or more of material but less than 5,000 square feet of material, a fee of \$499.00, except as noted in subsection (E)(3).

(c) For Renovation projects involving the removal or stripping of 8,000 linear feet or more of pipe or 5,000 square feet or more of material, a fee of \$499.00 plus \$210.00 for each 8,000 linear feet of pipe or fraction thereof over 8,000 linear feet of pipe and for each 5,000 square feet of material or fraction thereof over 5,000 square feet of material, except as noted in subsection (E)(3).

(3) Calculation of Linear Footage

(a) Where the outside diameter of piping insulation (wrapping) is greater than 2.35 inches, the calculation of linear footage of pipe shall be converted to square footage, the square footage of material involved to be calculated using the following equation:

$$A = \frac{3.14159 \times L \times D}{12}$$

Where:

- A = Area in square feet
- L = Linear length of piping in feet
- D = Outside diameter of pipe insulation (wrap) in inches

Such projects shall thereafter be evaluated in terms of square footage and the appropriate fee determined on the basis of total amount of material in square feet.

(4) Permit Requirements

- (a) Each High-Efficiency Particulate Arrestance (HEPA) filter or other control device used to ventilate a work area must obtain a Permit to Operate and pay the applicable fees pursuant to District Rule 301 subsections (C)(1) and (E)(7)(h) for an air pollution control device. This permit is good for one (1) year from the date issued and may be used on any project within the District as long as the project notification contains a copy of the Permit to Operate.

(5) Subsequent Charges

- (a) If in the course of a Renovation Project pursuant to 40 CFR 61, Subpart M, it is determined that the project involves the removal or stripping of material such that the project requires a greater fee than was initially proposed, the owner or operator shall pay the balance of the fee.
- (b) If an owner/operator fails to report a change in any date as required by Rule 40 CFR 61, Subpart M, and the APCO determines that such failure necessitated expenditure of additional time by the District, over and above that upon which the fee is based, then the owner or operator shall pay an additional fee at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i), billable in quarter hour increments.

(F) Asbestos Waste Disposal Site Fees

- (1) The owner/operator of an asbestos waste disposal site subject to the provisions of the NESHAP for Asbestos as set forth in 40 CFR 61, Subpart M (and as adopted by reference in District Rule 1000 subsection (C)(2)(m)) including but not limited to; active and inactive landfills; incinerators; and convection or destruction processes, shall be assessed a fee to cover the cost of the review and evaluation of plans required by law or by District rules or regulations and any inspection and monitoring requirements related thereto.
  - (a) For each facility performing disposal of asbestos-containing material for manufacturing, fabricating, demolition, renovation and/or spraying operations, the owner or operator shall pay, in addition to the fees of District Rule 301, a fee of \$1,051.00 per year.

- (b) For each waste disposal site actively receiving asbestos-containing material for disposal which is not covered by subsection (F)(1)(a) above, the owner/operator shall pay, in addition to the applicable fees pursuant to District Rule 301 and any applicable fees pursuant to subsection (J)(4), a fee of \$1,051.00 per year.
- (c) For each waste disposal site not actively receiving asbestos containing material for disposal but where asbestos-containing waste material was deposited, the owner/operator shall pay in addition to the applicable fees pursuant to District Rule 301 and any applicable fees pursuant to subsection (J)(4), a fee of \$210.00 per year.

(G) Certificate of Occupancy Fee

- (1) Any person required to obtain a final Certificate of Occupancy from a city or county within the District shall pay a fee of \$105.00 to the District for review of the project to ensure that the applicable portions of Regulation II – *Permits* and Regulation XIII – *New Source Review* have been met.
  - (a) This fee shall not apply to a Certificate of Occupancy required for residential structures or for any review taking less than one (1) hour of staff time to perform.

(H) Emissions Reduction Credit (ERC) Fee

- (1) Any person applying for the issuance, transfer encumbrance and/or reclassification of Emissions Reduction Credits (ERC) pursuant to the provisions of District Rule 1402 shall pay a fee as follows:
  - (a) Any person submitting an application for ERCs pursuant to District Rule 1402 subsection (B)(1) shall pay an initial fee of \$368.00 for each application submitted, and shall pay an analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours of labor, billed at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i).
  - (b) Any person submitting a document effecting an encumbrance of or transfer of ERCs pursuant to District Rule 1402 subsection (D)(2) - (4) shall pay a fee of \$79.00 for each document submitted.
  - (c) Any person who has received notification that the APCO has approved the reclassification of Class “B” ERCs to Class “A” ERCs shall pay a processing fee of \$53.00 at the time the affected Class “B” ERC certificates are submitted for conversion to Class “A” ERC certificates.
- (2) The District will not accept, process or issue an ERC certificate, record an encumbrance or process a transfer unless and until all applicable fees are paid in full.



(I) Monitoring Device Fees

- (1) Any owner/operator of a Facility with a Continuous Emissions Monitoring System (CEMS), Continuous Opacity Monitoring System (COMS), Continuous Emission Rate Monitoring System (CERMS) or other monitoring system required by state or federal law or District rule shall be assessed a fee to cover the costs of District activities related to insuring that such devices are functioning properly. District activities include but are not limited to the inspection, certification testing, review of certification testing, review of data for quality assurance, and assistance in investigating system malfunctions.
- (2) Any owner/operator of a Facility with a CEMS, COMS, CERMS or other monitoring system required by state or federal law or District rule required to certify that such devices are functioning properly shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the owner/operator to perform the tests.
- (3) Such Monitoring Device Fee shall be calculated based upon the reasonable time required by District staff to perform the activities at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

(J) Plan and Report Analysis Fees

- (1) Air Toxics Plan and Report Analysis Fees
  - (a) Any person required to submit a Comprehensive Emissions Inventory Report (CEIR), Health Risk Assessment Plan, Health Risk Assessment, Risk Reduction Plan or Risk Reduction and Audit Plan pursuant to the provisions of District Rule 1320 or 1520 shall be assessed a Plan and Report Analysis Fee to cover the reasonable costs and time required for District staff to review and approve of the documentation submitted which exceeds ten (10) hours.
  - (b) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.
- (2) Dust Control Plan Analysis Fees
  - (a) Any person required to submit a Dust Control Plan pursuant to the provisions of District Rules 403.1 or 403.2 shall be assessed a Dust Control Plan Analysis Fee to cover the reasonable costs and time required for District staff to review and approve of the documentation submitted which exceeds ten (10) hours.
  - (b) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

- (3) Source Test Protocol and Source Test Report Review Fees
  - (a) Any person required to submit a Source Test Protocol or Source Test Report to the District pursuant to the provisions of any by District rule or regulation; or state or federal law or regulation shall be assessed a Source Test Protocol or Source Test Report Review Fee to cover the reasonable costs and time required for District staff to review and approve of the documentation submitted which exceeds ten (10) hours.
  - (b) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.
- (4) Solid Waste Disposal Site Fees
  - (a) Any owner/operator of a solid waste disposal site subject to H&S Code Section 41805.5 which is required to submit a Solid Waste Assessment Test (SWAT) Plan for District approval prior to conducting tests shall pay a filing fee of \$105.00.
  - (b) Any owner/operator required to submit a SWAT Report following the completion of testing shall pay a filing fee of \$105.00.
  - (c) Any owner/operator required to submit a SWAT Plan or Report shall also be assessed a SWAT Plan/Report Evaluation Fee.
    - (i) Such SWAT Plan/Report Evaluation Fee shall be calculated based upon the reasonable time required by District staff to review the applicable plan or report at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

**(K) Fees for District Publications**

- (1) Any person receiving a publication for which a fee is charged shall be assessed the designated fee.
  - (a) The APCO shall designate those publications, including information circulars, reports of technical work, or other reports, prepared by the District for which a fee shall be charged.
  - (b) Such fee shall be established by the APCO in a sum not to exceed the cost of preparation and distribution of such documents. Such fees shall be deposited in the general funds of the District.
  - (c) Any person shall be entitled to receive one (1) copy of any District publication without charge.
  - (d) Nothing in this subsection shall be construed to limit the rights of any person or of the District pursuant to the California Public Records Act as set forth in Chapter 3.5, Division 7 of Title 1 (commencing with §6250) of the Government Code.

(L) State Mandated Fees

(1) Air Toxics “Hot Spots” Information and Assessment Fees

- (a) Any person subject to the provisions of the Air Toxics “Hot Spots” Information and Assessment Act as amended (H&S Code §§44300 et seq.) and the regulations promulgated thereunder shall be assessed an annual fee for the various state level components required by the Act. The fee schedule is set by the California Air Resources Board (CARB) and authorizes collection of the fee by the District pursuant to the provisions of the adopting regulation.

(2) Nonvehicular Source Fees

- (a) Any person subject to the provisions of Subchapter 3.8 of Division 3 of Title 17 of the California Code of Regulations, commencing with §90800 shall pay an annual fee as authorized by the provisions of the regulation. The fee schedule is set by CARB and authorizes collection of the fee by the District pursuant to the provisions of the adopting regulation.

(3) Portable Equipment Inspection

- (a) Any person subject to the Statewide Portable Equipment Registration Program (PERP) established by CARB pursuant to the provisions of H&S Code §§ 41750 et seq. and the regulations promulgated there under shall pay an inspection fee in the amount set forth in regulation for each registered portable engine or equipment unit inspected by the District.

(4) Other State Mandated Fees

- (a) Any person subject to the provisions of a state adopted regulation or rule that assesses a fee to cover District costs for implementing such regulation and authorizes the collection of the fee by the District shall be assessed such fee pursuant to the provisions of the adopting regulation.

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## Rule 303 Hearing Board Fees

### (A) General

#### (1) Purpose

- (a) To set forth fees required for various proceedings brought before the Hearing Board.

#### (2) Applicability

- (a) This rule applies to all applicants or petitioners bringing proceedings before the Hearing Board including, but not limited to, Federal, State or local government agencies or public districts.
- (b) This rule shall not apply to petitions filed by the Air Pollution Control Officer (APCO).

### (B) Fees

#### (1) Filing Fees

- (a) Every applicant or petitioner in a proceeding before the Hearing Board shall pay to the Hearing Board, at the time of filing, a Filing Fee of \$473.00 for each petition or application.

#### (2) Daily Appearance Fee

- (a) In addition to the Filing Fee, each petitioner or applicant with a proceeding (designated by a case number) before the Hearing Board shall pay a Daily Appearance Fee of \$578.00 per hearing day.
  - (i) This fee shall apply to the initial appearance before the full Hearing Board and all following appearances which pertain to the same proceeding as designated by case number.
  - (ii) After the initial appearance, the Daily Appearance Fee shall be waived for any appearance (pertaining to the same proceeding) which has duration of less than one (1) hour.
  - (iii) This fee shall apply regardless of the duration of the hearing, when the applicant is requesting a modification to an order for abatement.
  - (iv) This fee does not apply to single member hearings provided pursuant to Health & Safety Code §§ 40824, 40285, 42351.5 or 42359.5.

- (3) Publication Fees
  - (a) Upon demand and in addition to the payment of the foregoing fees, every petitioner for relief which requires published notice shall pay a fee to cover the actual cost of publication(s) of notice of hearing.
- (4) Group Variance Fees
  - (a) Each petitioner included in a petition for a group variance shall pay the Filing Fee and the Excess Emissions Fee.
  - (b) The Daily Appearance Fee and the Publication Fee shall be totaled and divided equally among the petitioners.
  - (c) A Product Variance shall be treated as a single entity variance for the purpose of this section.
- (5) Transcript Fees
  - (a) Any person requesting a transcript of the hearing shall pay the cost of such transcript. The parties to hearings and prehearing 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.
- (6) Excess Emission Fee
  - (a) Each applicant or petitioner for a variance from these rules and regulations shall pay to the District, if ordered by the Hearing Board, an Excess Emission Fee based on the total amount of emissions discharged.
    - (i) This fee shall be calculated in accordance with the schedule set forth in Table I.
    - (ii) Where the total excess emissions cannot be readily calculated, the petitioner shall work in concert with District staff to establish the amount of Excess Emission Fees to be paid. In cases where District staff determines calculations or estimations cannot be made the petitioner shall pay the Minimum Excess Emission Fee as set forth in subsection (B)(6)(c).
    - (iii) In the event that more than one (1) rule limiting the discharge of the same contaminant are violated, the Excess Emission Fee shall consist of the fee for violation which will result in the payment of the greater sum. For the purposes of this subsection opacity rules and particulate mass emissions shall not be considered rules limiting discharge of the same contaminant.
    - (iv) The Excess Emission Fee shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess emissions.

- (v) If the amount of the excess emissions fee is less than the Minimum Excess Emission Fee the applicant or petitioner shall pay the higher amount.
- (vi) The Hearing Board may adjust the Excess Emission Fee based on evidence regarding emissions presented at the time of the hearing.
- (vii) The provisions of this subsection shall apply only to those rules or permit conditions that specify quantitative emission limits.

(b) Excess Visible Emission Fee

- (i) Each applicant or petitioner for a variance from District Rule 401 or Health and Safety Code Section 41701 shall pay to the District, if ordered by the Hearing Board, a Excess Visible Emission Fee based on the difference between the percent opacity allowed by District Rule 401 and the percent opacity of the emissions allowed by the variance from the source or sources operating under variance in accordance with the schedule set forth in Table II.
- (ii) In the event that an applicant or petitioner is exempt from the provisions of District Rule 401, the applicant or petitioner shall pay a fee calculated based upon the difference between the opacity allowed by variance and the opacity allowed under the provisions of Health and Safety Code, Section 41701, in accordance with the schedule set forth in Table II.
- (iii) The Excess Visible Emission Fee shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess visible emissions.
- (iv) The Hearing Board may adjust the Excess Visible Emissions Fee based on evidence regarding emissions presented at the time of the hearing.

(c) Minimum Excess Emission Fee

- (i) When a variance is granted from a rule or rules which limit the discharge of air contaminants, such that an Excess Emission Fee is due, a fee of at least \$105.00 per day, per source of emissions, shall be imposed and remitted.

(C) Payments Adjustments and Refunds

(1) Adjustment of Fees

- (a) If after the term of a variance for which emissions fee have been paid, the applicant or petitioner can establish, to the satisfaction of the APCO, that the emissions were actually less than those upon which the fee was based, or the Excess Emissions Fee calculations are otherwise incorrect, a pro rata refund shall be made.

- (i) If the adjusted Excess Emissions Fee is less than the Minimum Excess Emission Fee then the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.
- (2) Discretionary Powers
  - (a) Any person may allege that payment of any of the fees within this rule, excluding publication fees, will cause an unreasonable hardship, and may be excused from payment of such fees or a portion of such fees, by order of the Hearing Board if the Hearing Board, in its discretion, determines after hearing evidence thereon that payment of such fees would cause financial or other unreasonable hardship to the applicant or petitioner.
- (3) Emission Fee Refund
  - (a) In the event that the petition is withdrawn or the hearing is not held for any other reason, or the variance is denied, the applicant or petitioner shall be entitled to a full refund of the emission fees.
- (4) Fee Payment
  - (a) Filing Fees are due upon the filing of the petition.
  - (b) Daily Appearance Fees and Publication Fees and Transcript are due and payable within fifteen (15) days of notification of the amount due. Petitioners shall be notified in writing of the amount due.
  - (c) Excess Emissions Fees, Excess Visible Emissions Fees and Minimum Excess Emissions Fees as calculated on the petition, or ordered by the Hearing Board at the variance hearing, are due and payable within fifteen (15) days of notification of calculation and amount of such fee. Applicants or petitioners shall be notified in writing of the calculation and the amount due.
  - (d) Adjustments increasing the amount of the Excess Emissions Fee, Excess Visible Emission Fee or Minimum Excess Emission Fee, following District staff's verification of the emissions are due and payable within fifteen (15) days of notification of the amount due. Petitioners shall be notified in writing of the amount due.
  - (e) Notification may be given by personal service or by deposit in the First Class mail and shall be considered effective upon the date of personal service or five (5) days from the date of mailing.



- (f) For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date.
  - (g) Invalidation for Failure to Pay Fees
    - (i) Failure to pay any fee when due shall automatically invalidate the variance.
  - (h) Request for Time Extension of Payment Due
    - (i) Whenever this rule requires fees to be paid by a certain date, in order to avoid invalidation of a variance or refusal of acceptance of other petitions, the applicant or petitioner may, for good cause, request the APCO 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 why the extension should be granted.
  - (i) The Hearing Board, upon good cause shown, may authorize incremental payments of Excess Emission Fees, Excess Visible Emission Fees or Minimum Excess Emission Fees.
  - (j) Service Charge for Returned Check
    - (i) 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.
- (5) Filing Fee Refunds
- (a) The Filing Fee or a portion of the Filing Fee may be refunded to the petitioner in the following circumstances:
    - (i) When the Hearing Board reverses the decision of the APCO in an appeal from denial or a conditional approval of a Authority to Construct or a Permit to Operate.
    - (ii) When the petition is withdrawn, and the applicant or petitioner notifies the Hearing 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 applicant or petitioner shall be entitled to a refund of fifty percent (50%) of the filing fee.

(6) Waiver of Fees

- (a) All fees associated with this rule shall be waived for any petition for a variance filed as the result of any event declared to be a “state of emergency” by the local, state, or federal authorities.

TABLE I

SCHEDULE OF EXCESS EMISSIONS FEES

<u>AIR CONTAMINANT</u>	<u>DOLLARS PER TON</u>
Total organic gases, except those containing sulfur	\$105.00
Carbon monoxide	\$2.00
Oxides of nitrogen (expressed as nitrogen dioxide)	\$105.00
Oxides of sulfur (expressed as sulfur dioxide)	\$105.00
Particulate matter	\$105.00

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TABLE II  
SCHEDULE OF EXCESS VISIBLE EMISSION FEE

For each source with opacity emissions in excess of twenty (20) percent, the allowable limit set forth in District Rule 401, or Section 41701 of the State Health and Safety Code, the fee is calculated as follows:

DISTRICT RULE 401

$$Fee = (Opacity^* \text{ equivalent} - 20) \times \text{number of days allowed by variance} \times \$3.00$$

HEALTH AND SAFETY CODE SECTION 41701

$$Fee = (Opacity^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \$3.00$$

\*Where "Opacity" equals maximum opacity of emissions, in percent of equivalent opacity in terms of Ringelmann numbers, allowed by the variance.

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**Draft**  
**Staff Report**  
**Regulation III – Fees**

**Proposed Amendments to**  
**Rule 301 – *Permit Fees***  
**Rule 302 – *Other Fees***  
**Rule 303 – *Hearing Board Fees***

**Heard June 12, 2017**  
**Continued to June 26, 2017**

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## Abbreviations and Acronyms

ATC	Authority to Construct
AVAQMD	Antelope Valley Air Quality Management District
BACT	Best Available Control Technology
BARCT	Best Available Retrofit Control Technology
CARB	California Air Resources Board
CCAA	California Clean Air Act
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
CPI	Consumer Price Index
CTG	Control Techniques Guideline
CFR	Code of Federal Regulations
FCAA	Federal Clean Air Act
FND	Federal Negative Declaration
H&S Code	California Health and Safety Code
FONA	Federal Ozone Non-attainment Area
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
NAAQS	National Ambient Air Quality Standard
NO <sub>x</sub>	Oxides of Nitrogen
O <sub>3</sub>	Ozone
PTO	Permit to Operate
RACT	Reasonably Available Control Technology
SBCAPCD	San Bernardino County Air Pollution Control District
SCAQMD	South Coast Air Quality Management District
SIP	State Implementation Plan
USEPA	United States Environmental Protection Agency
VOC	Volatile Organic Compounds

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TC-4

MDAQMD Regulation III  
Staff Report D1b, 06/06/17

## STAFF REPORT

### Regulation III – Fees

#### I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

#### II. EXECUTIVE SUMMARY

On 07/01/93 the Mojave Desert Air Quality Management District (MDAQMD) was created by statute and assumed all the air pollution control responsibilities the San Bernardino County Air Pollution Control District (SBCAPCD). The rules in effect at that time remained in effect until such time as the Governing Board of the MDAQMD officially changed them. The MDAQMD Governing Board, at its very first meeting, reaffirmed all the rules and regulations of the SBCAPCD. Some of the rules contained in Regulation III – Fees have been subsequently amended, consolidated and rescinded.

The following rules of Regulation III are proposed for amendment:

- Rule 301 – *Permit Fees* as last amended 06/27/16; Amend to adjust fees two percent (2%), and make minor changes for clarification and consistency.
- Rule 302 – *Other Fees* as last amended 06/27/16; Amend to adjust fees two percent (2%), and make minor changes for clarification and consistency.
- Rule 303 – *Hearing Board Fees* as last amended 06/27/16; Amend to adjust fees two percent (2%), and make minor changes for clarification and consistency

Adjustments in fees are required from time to time to ensure that the costs are aligned with the reasonable regulatory costs of the programs they support. Regulation III fees were most recently amended on 06/27/16 by three percent (3%). The proposed two percent (2%) fee adjustment to Rule 301 – *Permit Fees*, Rule 302 – *Other Fees*, and Rule 303 – *Hearing Board Fees* are designed to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

Public hearings on the budget, the proposed fee adjustment to Rules 301, 302 and 303 will be held on 06/12/2017 and will be continued to 06/26/2017 to receive comment from members of industry and the general public. Proposed amendments to Rules 301, 302 and 303 will be made available for public comments, and appropriate notice will be published on or about 05/12/2017 in compliance with the 30-day notice and comment period requirement.

To allow time to implement the proposed fee changes in the computerized billing system, the amendment of Rule 301 is proposed to be effective on 01/01/2018. Proposed changes to Rules 302 and 303 will be effective immediately.

### III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Mojave Desert Air Quality Management District adopt the proposed amendments to Rule 301 – *Permit Fees*, Rule 302 – *Other Fees* and Rule 303 – *Hearing Board Fees* and approve the appropriate California Environmental Quality Act (CEQA) documentation.

#### IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendment of Regulation III – *Fees* rules. Each item is discussed, if applicable, in Section V. Copies of related documents are included in the appropriate appendices.

##### **FINDINGS REQUIRED FOR RULES & REGULATIONS:**

- Necessity
- Authority
- Clarity
- Consistency
- Non-duplication
- Reference
- Public Notice & Comment
- Public Hearing

##### **REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):**

- Public Notice & Comment
- Availability of Document
- Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- Public Hearing
- Legal Authority to adopt and implement the document.
- Applicable State laws and regulations were followed.

##### **ELEMENTS OF A FEDERAL SUBMISSION:**

- Elements as set forth in applicable Federal law or regulations.

##### **CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):**

- Ministerial Action
- Exemption
- Negative Declaration
- Environmental Impact Report
- Appropriate findings, if necessary.
- Public Notice & Comment

##### **SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):**

- Environmental impacts of compliance.
- Mitigation of impacts.
- Alternative methods of compliance.

##### **OTHER:**

- Written analysis of existing air pollution control requirements
- Economic Analysis
- Public Review

## V. DISCUSSION OF LEGAL REQUIREMENTS

### A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed amendment of Regulation III. These are actions that need to be performed and/or information that must be provided in order to amend the rules in a procedurally correct manner.

#### 1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the Governing Board of the MDAQMD is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Governing Board in making these findings.

##### a. Necessity:

Rules 301, 302 and 303 are proposed for amendment to adjust fees by two percent (2%) to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

##### b. Authority:

The District has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations. The MDAQMD also has the authority to adopt and amend annual fees for the evaluation, issuance and renewal of permits (H&S Code §§41240, 41330, 41512.7, 40711(a), 42310.5, 42311, and 42311.2), Hearing Board activities (H&S Code §§40864, 42311 and 42364), enforcement, inspections and air monitoring (H&S Code §§41240, 41330, 40701, 40715, 41512, 41512.5, 42311, 42311.2, 42707, and 42400 et seq.), planning and rule development (H&S Code §§41240,41330, 41512.7,40727.2 and 42311), registration and inspection of portable equipment (H&S Code §41752 and 13 CCR 2461), public records act compliance ( Government Code 6253), and toxic “Hot Spots” (H&S Code §§44344.4, 44380, 44381 and 17 CCR 90703).



c. Clarity:

The proposed amendments to Regulation III are clear in that they are written so that the persons subject to the rules can easily understand the meaning. Any person or organization applying for and/or holding an MDAQMD Authority to Construct (ATC) or Permit to Operate (PTO) is affected by the proposed amendments to Rule 301. Any person or organization subject to other fees may be affected by the proposed amendments to Rule 302. Any applicant or petitioner in a proceeding before the Hearing Board is subject to the proposed amendments of Rule 303. The proposed amendments have been developed to adjust fees by two percent (2%) to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof, and to increase clarity for each of the affected groups.

d. Consistency:

The proposed amendment of Regulation III is in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions because these laws and regulations allow for the proposed amendments to the fee rules.

e. Non-duplication:

The proposed amendment of Regulation III does not impose the same requirements as any existing state or federal law or regulation because H&S Code §40702 allows the District to adopt, amend or repeal rules and regulations, and H&S Code §42311 and various other sections merely authorize the imposition of such fees but do not specify the types and amounts of fees to be imposed.

f. Reference:

The District has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations and the authority pursuant to H&S Code §42311 and various other sections to adopt a schedule of fees.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendment of Regulation III was published on 05/12/2017 for the 06/12/2017 and 06/26/2017 Governing Board meetings. The proposed amendments were reviewed by the Technical Advisory Committee (TAC), a committee consisting of a variety of regulated industry

and local governmental entities, on 06/01/17. It was the consensus of the TAC to recommend submittal of Regulation III to the Governing Board for adoption on 06/26/2017. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to United States Environmental Protection Agency (USEPA) are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. Regulation III is a fee regulation and does not ordinarily require submission to USEPA. Various prior versions of Rule 301 were previously included in the State Implementation Plan (SIP) however USEPA removed this rule from the SIP on 01/18/02 (67 FR 2573; 40 CFR 52.220(c)(39)(iv)(C)). Rules 302 and 303 were also previously included in the SIP and removed by USEPA on 11/16/02 (69 FR 67062; 40 CFR 52.220(c)(127)(vii)(I)). Therefore, these rules are not required to be federally submitted.

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The proposed amendments to Regulation III only modify fees, and provide minor clarification. These proposed amendments do not in themselves impose air pollution control requirements. Therefore the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

C. ECONOMIC ANALYSIS

1. General.

Fees are a primary revenue source that supports the District’s efforts to implement and enforce the provisions of the Federal Clean Air Act (FCAA), the California Clean Air Act (CCAA) and District rules and regulations. Permit fee schedules reflect the expenditure required to provide analysis of applications, inspections of the regulated community, tracking the inventory of pollutants produced by the regulated industry, and enforcement of federal, state and local mandates regarding air pollution among other mandatory District functions.

2. Economic Analysis for Rule 301 – *Permit Fees*.

Staff is recommending adjustment to Rule 301 to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication

thereof. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

The proposed amendments to Rule 301 provide for an overall increase of two percent (2%) in the costs of most permit related fees. The proposed two percent (2%) permit fee adjustment is projected to result in an overall added cost to industry of \$85,946.58. This cost increase is based on FY 2017 application and operating permit fee revenues.

The Permit Fee Amount Increase table below presents examples of the current permit fees of several typical facilities, and the amount that the fee will increase based on the staff recommendation.

Permit Fee Amount Increase		
Typical Facility	Current average permit fee	Recommended 2% increase
Spray Booth	\$ 301.60	\$ 6.03
Emergency Generator	\$ 301.60	\$ 6.03
Gas Station	\$ 1,165.64	\$ 23.31
Engine	\$ 2,023.04	\$ 40.46
Batch Plant	\$ 13,539.19	\$ 270.78
Title V Facility	\$ 22,785.37	\$ 455.71
Large Source	\$ 181,063.24	\$ 3,621.26

3. Economic Analysis for Rule 302 – *Other Fees.*

The proposed amendments to Rule 302 includes a two percent (2%) increase in fees to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof. The hourly labor rate has been standardized to the hourly labor rate in Rule 301 for consistency. Hourly charges for some services are only imposed after a certain minimum amount of staff time has already been expended. For such fees the minimum amount of staff time has been set such that a majority of the persons subject to such fee will not be subject to an hourly charge. For the other fees containing hourly charges, these fees are rarely if ever, charged. Thus it is expected that the economic impact of such fees will be minimal.

4. Economic Analysis for Rule 303 – *Hearing Board Fees.*

Hearing Board Fees are only imposed upon those persons requiring the services of the Hearing Board specifically those challenging a permit issuance and those requesting a variance. The proposed adjustment to Rule 303 includes a two

percent (2%) increase designed to better reflect the actual labor costs involved in the variance process.

5. Incremental Cost Effectiveness.

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds, oxides of nitrogen or oxides of sulfur. The proposed amendment to Regulation III – *Fees* affects fees and rule structure, and therefore does not require this analysis.

D. ENVIRONMENTAL ANALYSIS (CEQA)

1. Through the process described below the appropriate CEQA process for the proposed amendment of Regulation III were determined.

a. The proposed amendments to Regulation III meet the CEQA definition of “project”. They are not “ministerial” actions.

b. The proposed amendments to Regulation III are exempt from CEQA review. There is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts because the proposed amendments only adjusts fees, makes minor format corrections, and provides clarification. Therefore, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The proposed amendments to Regulation III do not have any potential environmental impacts because the amendments merely adjust fees, make minor format corrections, and provides clarification. The amendments do not have any impact upon emissions of air contaminants.

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) and Appendix “B”

## VI. TECHNICAL DISCUSSION

### A. SOURCE DESCRIPTION

The proposed amendments to Regulation III – *Fees* will affect any person subject to the particular fees. Permit holders and applicants will be subject to the proposed amendments of Rule 301 – *Permit Fees*. Persons subject to Rule 302 – *Other Fees* include those requiring an analysis of emissions or materials; persons submitting asbestos demolition/renovation notices; facilities which are asbestos disposal sites; certificate of occupancy applicants where the application requires more than one (1) hour of review; persons applying for issuance, transfer or encumbrance of Emission Reduction Credits; Facilities requiring review of Monitoring Devices; Persons needing the review and approval of certain types of plans; persons requesting specific publications and those subject to certain state mandated fees. Persons applying for a variance or challenging a permit issuance decision before the Hearing Board will be subject to the proposed amendments to Rule 303 – *Hearing Board Fees*.

### B. EMISSIONS

The proposed amendments to Regulation III adjusts fees, makes minor format corrections, provides clarification, and thus does not have an impact on emissions.

### C. CONTROL REQUIREMENTS

The proposed amendments to Regulation III adjusts fees, makes minor format corrections, provides clarification, and thus does not impose any new or additional control requirements.

### D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendment of Regulation III. Only a brief summary of each section is included. Readers are encouraged to examine the *[bracketed and italicized]* notations contained in the iterated version of the rule contained in Appendix “A” for notations regarding movement and modification of specific sections and subsections.

#### 1. MDAQMD Rule 301 – *Permit Fees*

Rule 301 – *Permit Fees*, includes a two percent (2%) increase in most fees to recover the rising costs associated with various permit activities required pursuant to the provisions of Regulation II – *Permits* and Regulation XIII – *New Source Review*.

Minor formatting and language changes have been incorporated for consistency and clarification within the rule, and are not individually identified when the meaning or intent is clear.

(A)(4)(a) – This subsection is amended to provide an effective date of 01/01/2018 to the most current proposed amendments.

(C)(1)(a) – A fee adjustment of two percent (2%) and rounded to the nearest dollar is added to the application filing fee.

(C)(2)(c)(i) – A fee adjustment of two percent (2%) is added to the labor rate.

(C)(6)(b)(i) – A fee adjustment of two percent (2%) and rounded to the nearest dollar is added to the change of ownership fee.

(C)(9)(b) – A fee adjustment of two percent (2%) and rounded to the nearest dollar is added to the signed duplicate or corrected permit fee.

(E) – A fee adjustment increases all fees in this section two percent (2%).

## 2. MDAQMD Rule 302 – *Other Fees*

Rule 302 – *Other Fees*, includes a two percent (2%) increase in most fees to recover the rising costs associated with various activities, documents and services, including but not limited to, provision of publications, performing analysis, filing, evaluation and enforcement of plans and state mandated fees. The hourly labor rate has been standardized to the hourly labor rate in Rule 301 for consistency.

Minor formatting and language changes have been incorporated for consistency and clarification within the rule, and are not individually identified when the meaning or intent is clear.

(B) – Definitions for “Emissions Unit” and “Facility” are contained in Rule 102 – *Definition of Terms* and do not require duplication in this rule.

(E) – A fee adjustment increases all fees in this section two percent (2%).

(F) – A fee adjustment increases all fees in this section two percent (2%).

(G) – A fee adjustment increases all fees in this section two percent (2%).

(H) – A fee adjustment increases all fees in this section two percent (2%).

(J) – A fee adjustment increases all fees in this section two percent (2%).

## 3. MDAQMD Rule 303 – *Hearing Board Fees*

The amendment of Rule 303 includes a two percent (2%) increase in fees associated with various procedures brought before the Hearing Board.

Minor formatting and language changes have been incorporated for consistency and clarification within the rule, and are not individually identified when the meaning or intent is clear.

## E. RULE HISTORY

On 07/01/93 the Mojave Desert Air Quality Management District (MDAQMD) was formed pursuant to statute. Pursuant to statute it also retained all the rules and regulations of the SBCAPCD until such time as the Governing Board of the MDAQMD wished to adopt, amend or rescind such rules. The MDAQMD Governing Board, at its very first meeting, reaffirmed all the rules and regulations of the SBCAPCD. The following rules are contained in Regulation III – *Fees*, and are proposed for amendment. A brief history of each rule proposed for amendment follows.

The version of Rule 301 – *Permit Fees* as amended on 01/01/90 was the rule in effect at this time. Rule 301 has been subsequently amended 10/23/94, 03/24/97, 09/28/98, 06/26/00, 09/23/02, 08/23/04, 06/27/05, 10/23/06, 06/25/07, 06/23/08, 06/28/10, 08/22/11, 06/25/12, 06/24/13, 06/23/14, 06/22/15, and 06/27/16. The 06/27/16 version is the current version in the MDAQMD rulebook. In order to maintain the MDAQMD’s sound financial standing, staff recommends the current proposed amendments to Rule 301 to adjust fees in the amount of two percent (2%). The District seeks to meet the need to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

Rule 302 – *Other Fees* was originally adopted on 11/20/89. On 06/22/15 Rule 302 was reorganized, and various other fees from Regulation III (Rules 304, 305, 306, 307, 308, 311 and 313) were consolidated into a single rule. Rule 302 was most recently amended 06/27/16. The proposed amendment includes a two percent (2%) increase in most fees to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

Rule 303 – *Hearing Board Fees* was adopted 11/20/89, and subsequently amended 06/22/15 and 06/27/16. Rule 303 is currently proposed to include a two percent (2%) increase in fees to recover the rising costs associated with various procedures brought before the Hearing Board.

## F. HISTORICAL FINANCIAL BACKGROUND

### 1. Financial Background for Rule 301 – *Permit Fees*

The MDAQMD was formed in 1993 by an act of the Legislature to assume the duties of the former San Bernardino County Air Pollution Control District. The MDAQMD also assumed all the property and assets of the former district. In addition, for the first 2 years the district utilized 100 percent of the available motor vehicle fee funding (AB2766 funds) and reserves to cover operations and formation expenses. On 10/23/94 the Governing Board amended Rule 301 to add

a one-time 7.44 percent fee surcharge on permit fees to provide additional funding to cover district formation costs. This surcharge expired in October 1995.

In fiscal year 1995/1996 the Governing Board established an allocation program for the AB2766 funds such that 50 percent of the funding was utilized by the District, 25 percent was passed through to the cities and 25 percent was used to fund a competitive grant program for transportation and mobile source related projects. During that fiscal year staff began to focus on technology and automation improvements as one method to control costs. To this end an internal accounting system was implemented and the development of a permit billing system that was separate from the County of San Bernardino was commenced. Discretionary spending was also substantially curtailed. On 03/24/97 the Governing Board amended Rule 301 to remove the expired surcharge and to eliminate fees for late payments. Many air districts utilize such late fees as a deterrent and gain substantial revenue in the process. The MDAQMD is the only air district that does not charge this type of fee. Despite gains in efficiency due to automation and a decrease in spending, by the end of Fiscal Year 1996/1997 the MDAQMD's books were closed with a deficit of \$196,000, there were no reserves and revenue was declining.

The Governing Board adopted an austerity budget for fiscal year 1997/1998. In July of 1997 the MDAQMD obtained a contract for provision of services to the newly formed Antelope Valley Air Pollution Control District (AVAPCD). The services were provided to AVAPCD with a moderate surcharge on staff labor and a contract management fee. In June of 1998 the MDAQMD took the drastic step of reducing 6 positions for an approximate savings of \$210,000. In addition, the permit billing system was put on line further improving automation and resulting in additional cost savings.

In fiscal year 1998/1999 the economy was improving and as a result revenue was increasing. The AVAPCD contract continued to provide a reliable source of revenue and funded 7 full time equivalent positions. On 09/28/98 the Governing Board amended Rule 301 to provide a five percent (5%) across the board adjustment in fees. It also reorganized the fee rule to incorporate the existing surcharges on application and annual permit fees into the fee amounts themselves for ease of use. Austerity measures remained in force and the MDAQMD began to rebuild cash reserves.

On 06/26/00 the Governing Board amended Rule 301 to provide a 2.8 percent CPI adjustment. This action also revised the fee calculation procedure for gas stations to reflect a technological change to gasoline dispensing units. A fee was also added to cover the costs of processing landfill permits that were required by Federal Law. There was no immediate revenue impact of the landfill fee, however, because none of the active landfills within the District were required to install gas collection systems under the Federal regulation.



By fiscal year 2000/2001 the MDAQMD was again on sound financial footing. There was a \$500,000 reserve. Staffing levels were stabilized as well as automation; careful monitoring of expenditures and the continuation of the AVAPCD (now Antelope Valley Air Quality Management District (AVAQMD)) contract enabled the MDAQMD to regain its financial health while maintaining a high quality of service to its permit holders. To ensure the continuation of this financial health, on 09/23/02 the Governing Board amended 301 to provide a 2.4 percent CPI adjustment effective on 11/01/02. On 08/23/04 the Governing Board further amended 301 to provide a 2.75 percent CPI adjustment effective 01/01/05. On 06/27/05 the Governing Board amended Rule 301 to provide a 3.5 percent CPI adjustment with an effective date of 01/01/06. On 10/23/06 the Governing Board amended Rule 301 to provide a 4.0 percent CPI adjustment with an effective date of 01/01/07. On 06/25/07 and effective 01/01/08, the Governing Board adjusted the fees 3.5 percent to reflect the change in the CPI. On 06/23/08 and effective 01/01/09; the Governing Board adjusted fees 3.1 percent to reflect the change in CPI. On 06/28/10 and effective 01/01/11; the Governing Board again adjusted fees 2.0 percent (rounded to the nearest whole percent) to reflect changes in the CPI. On 08/22/11 and effective 01/01/12 the Governing Board approved an amendment adjusting fees by 2.3 percent to reflect changes in the CPI. At the 08/22/11 Governing Board meeting, staff was given direction to request a 1.7 percent increase in the 2012 fee rule amendment, and a 2.0 percent increase through 2016. The District amended Rule 301 on 06/25/12 to include the 1.7 percent fee increase. Effective 01/01/2014, the District adopted a 2.0 percent fee increase per the 06/24/13 Rule 301 amendment. On 06/23/14 and effective 01/01/15 the Governing Board approved an amendment adjusting fees by 3.25 percent, and re-incorporating pass through language for permitting activity costs. On 06/22/15 and effective 01/01/16 the Governing Board approved an amendment adjusting fees by three percent (3%). On 06/27/16 and effective 01/01/17 the Governing Board approved an amendment adjusting fees by three percent (3%).

Upon reviewing District operating costs, the Budget Committee is recommending that a two percent (2%) fee adjustment will be adequate to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

## 2. Financial Background for Rule 302 – *Other Fees*

Rules 302, 304, 305, 306, 307, 308, 309, 310, 311 and 313 were consolidated into a single rule, Rule 302 – *Other Fees*, on 06/22/15. These rules, in general, had not been adjusted since the 1990's. The costs associated with the programs tied to these rules had been subsidized by other District revenue. On 06/27/16 the Governing Board approved an amendment to Rule 302 adjusting fees by three percent (3%).

Upon reviewing District operating costs, the Budget Committee is recommending a two percent (2%) increase to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

3. Financial Background for Rule 303 – *Hearing Board Fees*

The fees contained in Rule 303 had not been adjusted since 1989 and were originally based upon the anticipated costs of providing variance services at that time. It is unclear from the rule adoption record whether such services were in part subsidized by permit fee revenue. Over subsequent years other district revenue, primarily permit fee revenue, had been used to subsidize the costs for this program. On 06/27/16 the Governing Board approved an amendment to Rule 303 adjusting fees by three percent (3%).

Upon reviewing District operating costs, the Budget Committee is recommending a two percent (2%) increase to recover the rising costs associated with various procedures brought before the Hearing Board. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

G. PROPOSITION 26 ANALYSIS

On November 2, 2010 the California voters added Article XIII C §1(e) to the California Constitution (commonly referred to as Proposition 26). This provision added a new definition of “tax” which resulted in a variety of fees and charges imposed by local governmental entities to be subject to voter approval. The provisions also provided several exceptions to this voter approval requirement including but not limited to:

A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

A charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

If a fee increase falls within one or more of these exceptions it is considered not a tax and thus not subject to voter approval

1. Justification for Fee Adjustment to Rule 301 – *Permit Fees*

In general, air district permit fees would fall under this exemption so long as they are reasonably related to the costs of issuance and enforcement of the permits. A similar requirement that air district fees be reasonably related to costs of district programs is found in Health & Safety Code §42311(a) and includes language indicating that a CPI adjustment is part of a measure of the reasonable increase in district costs. In addition, the California League of Cities in its April 2011 implementation guide for Prop 26<sup>1</sup> opined that a CPI increase is part of the reasonable regulatory cost of issuing a license or permits and thus does not need voter approval.

The proposed two percent (2%) fee increase constitutes only a portion of the total projected cost increases for fiscal year 2017/2018. While the CPI for the Los Angeles/Riverside County between February 2016 and 2017 was 2.7 percent<sup>2</sup>, costs for the personnel involved in the issuance, investigation, inspection, audit and enforcement of permits and District rules and regulations are projected to increase 4.5 percent<sup>3</sup>. Therefore, the proposed fee adjustment is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIII C §1(e)(3) of the California Constitution.

2. Justification for Fee Adjustment to Rule 302 – *Other Fees*

Adjustments to the fees in proposed Rule 302 would constitute either a charge for a specific benefit (Cal Constitution Article XIII C (1)(e)(1)) or a charge for a specific service not provided to those not charged (Cal Constitution Article XIII C (1)(e)(2)). As such the fees charged for such activities should not exceed the reasonable cost of providing the benefit or service. Once again Health & Safety Code §§40727.2, 41240, 41512, 41512.5 41715, 42311 and 44380, among others, limits various fees to the costs of the underlying program.

The proposed two percent (2%) fee increase constitutes only a portion of the total projected cost increases for fiscal year 2017/2018. While the CPI for the Los Angeles/Riverside County between February 2016 and 2017 was 2.7 percent<sup>4</sup> costs for the personnel involved in the issuance, investigation, inspection, audit and enforcement of permits and District rules and regulations are projected to increase 4.5 percent<sup>5</sup>. Therefore, the proposed fee adjustment is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption

<sup>1</sup> <http://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Hot-Issues/Proposition-26-Implementation-Guide>

<sup>2</sup> <http://www.bls.gov/cpi/cpid1702.pdf>

<sup>3</sup> Includes both salary and benefit increases.

<sup>4</sup> <http://www.bls.gov/cpi/cpid1702.pdf>

<sup>5</sup> Includes both salary and benefit increases.

found in the California Constitution Article XIII C §1(e)(1), (2) or (3) as a reasonable cost of providing the associated benefit or service.

3. Justification for Fee Adjustment to Rule 303 – *Hearing Board Fees*

The District Hearing Board is a five (5) member quasi-judicial body formed pursuant to the provisions of H&S Code §§40800 et seq. The members are appointed by the Governing Board of the District for three (3) year terms (H&S Code §§40800, 40804) and consist of a lawyer, a professional engineer, a member of the medical profession and two public members. The Hearing Board performs the following functions:

Variances: A waiver of specific regulatory requirements for a limited period of time allowing a permitted facility to operate in violation of District Rules and Regulations under certain conditions while steps are taken to bring the facility into compliance.

Permit Appeals: A challenge to the Air Pollution Control Officer's (APCO) action regarding a particular permit. The APCO may suspend, deny issuance of or decline renew a permit for a variety of reasons. Such actions may be challenged as inappropriate before the Hearing Board. In addition, third parties may request that a permit be revoked or may allege that a permit has been improperly issued. Such allegations are also heard by the Hearing Board.

Abatement Orders: A quasi-judicial proceeding brought by the APCO that may ultimately result in an order requiring a source of air contaminants to take particular actions or cease operations.

Fees for variance actions would constitute either a charge for a specific benefit (Cal Constitution Article XIII C (1)(e)(1)) or a charge for a specific service not provided to those not charged (Cal Constitution Article XIII C (1)(e)(2)). As such the fees charged for variance activities should not exceed the reasonable cost of providing the benefit or service. A similar requirement that Hearing Board fees cover reasonable costs of the Hearing Board is found in Health & Safety Code §§42311(h) and 42364.

Fees for permit appeals are in effect charges for the administrative enforcement of permits. Once again they are required to reflect the reasonable regulatory cost of such enforcement (Cal. Constitution Article XIII C (1)(e)(3); Health & Safety Code §§42311(h) and 42364). Permit appeals require many of the same activities and time commitments as those used in the preparation and hearing for variances. Excess emissions fees would not be applicable to these types of Hearing Board actions.

The proposed amended fees for variance actions includes a two percent (2%) increase to cover the rising costs associated with various procedures brought before the Hearing Board. The proposed two percent (2%) fee increase

constitutes only a portion of the total projected cost increases for fiscal year 2017/2018. While the CPI for the Los Angeles/Riverside County between February 2016 and 2017 was 2.7 percent<sup>6</sup>, costs for the personnel involved in the issuance, investigation, inspection, audit and enforcement of permits and District rules and regulations are projected to increase 4.5 percent<sup>7</sup>. Therefore, the proposed fee adjustment is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIII C §1(e)(3) of the California Constitution.

Abatement actions do not require fees since they are brought directly by the APCO as an enforcement measure and would thus be funded in part by general permit fees pursuant to District Rule 301.

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<sup>6</sup> <http://www.bls.gov/cpi/cpid1702.pdf>

<sup>7</sup> Includes both salary and benefit increases.

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**Appendix “A”**  
Regulation III - *Fees* Iterated Version

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.
2. ~~Lined out text~~ identifies language that is being deleted.
3. Normal text identifies the current language of the rule which will remain unchanged by the adoption of the proposed amendments.
4. *[Bracketed italicized text]* is explanatory material that is not part of the proposed language. It is removed once the proposed amendments are adopted.

Rule 301 – *Permit Fees*

Rule 302 – *Other Fees*

Rule 303 – *Hearing Board Fees*

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# RULE 301

## Permit Fees<sup>1</sup>

### (A) General

#### (1) Purpose

- (a) This rule sets forth the fees required for various permit activities required pursuant to the provisions of Regulation II - *Permits* and Regulation XIII - *New Source Review*.

#### (2) Applicability

- (a) Any person subject to the provisions of Regulation II - *Permits* or Regulation XIII - *New Source Review* shall pay the fees set forth in this rule.
- (b) Federal, state or local governmental agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with §6103); Part 4, Division 26 and Part 6, Division 26 of the Health and Safety Code (commencing with §44300).

#### (3) Limitations

- (a) Revenue derived from permit fees shall be limited as required by Chapter 4 of Part 4, Division 26 of the Health and Safety Code.

#### (4) Effective Date

- (a) The amendments to this rule adopted on [mm06/dd27/20176](#) shall be effective on 01/01/20187.

### (B) Requirements and Procedures

#### (1) Fees, as specified herein, are required for the following activities relating to permits:

- (a) The filing of a permit application.
- (b) The evaluation of new or modified sources.
- (c) The issuance of authority to construct(s).
- (d) The issuance of permit(s) to operate.

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<sup>1</sup> This amendment includes a two percent (2%) increase in most fees to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

- (e) The issuance of duplicate or modified permits required by any of the following circumstances:
    - (i) Loss or destruction of a permit.
    - (ii) Change of equipment location to a site other than that described in the permit.
    - (iii) Transfer of ownership of the permit.
    - (iv) Alterations or additions to equipment as listed on the permit.
  - (f) Annual permit renewal.
- (2) Fees shall be paid when due as specified herein:
- (a) Fees shall be invoiced at least thirty (30) days before the expiration date as shown on the permit. The owner/operator will be notified by First Class mail of the amount to be paid and the due date of the invoice.
  - (b) If the fee is not paid on or before the due date of the invoice the permit shall become delinquent on the due date or expire on its expiration date, whichever is sooner, and will thereafter no longer be valid.
  - (c) Within thirty (30) days after the due date of the invoice or expiration date of the permit, whichever is sooner, if the applicable fees remain unpaid the holder of the permit shall be notified in writing by First Class mail:
    - (i) That the permit has become delinquent for non payment of fees and is no longer valid; and
    - (ii) Of the consequences of continuing to operate with an invalid permit.
  - (d) If the permit is delinquent for more than six (6) months the permit shall be terminated and become inactive in District records.
- (3) Reinstatement of Permits
- (a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to Regulation III – *Fees* and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with §42400).
  - (b) A permit which has become inactive may be reinstated by either of the following:
    - (i) The submittal of a new application, accompanied by payment of all previously accrued fees, fines and penalties, including but not limited to other fees imposed pursuant to Regulation III – *Fees* and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code

(commencing with §42400) and the payment of any new fees which would apply to a similar new application; or

- (ii) By submitting a written request to the APCO to reinstate the permit stating good cause for such reinstatement. The APCO or his or her designee shall review the request and may direct in writing that the permit be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with §42400).

(4) Refunds

- (a) No claim for refund for any fee required by this rule shall be honored unless:
  - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
  - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
- (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
- (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.
- (d) The following fees are non-refundable:
  - (i) The filing fee set forth in section (C)(1).
  - (ii) Initial permit fees for Negative Air Machines and HEPA vacuums pursuant to section (E)(7)(h).

(5) Pro-rated fees

- (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
  - (i) Initial Permit Fee;
  - (ii) Annual Permit to Operate Renewal Fee;
  - (iii) Permit to Construct Renewal Fee;
  - (iv) Alteration, Modification, Addition or Revision Fees.
- (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.

- (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.

(6) Credit Card Payment

- (a) If any person wishes to pay using a credit card, that person shall also pay the processing costs imposed by the company processing the transaction.

(C) Fees

(1) Filing Fee

- (a) Except as otherwise provided, any person who applies for the issuance of a new or modified permit shall be assessed a fee of ~~\$274,00269-00~~. This filing fee shall be submitted with the application.
- (b) The filing fee is non-refundable and shall not be applied to any subsequent application.
- (c) Applications shall not be accepted unless they are accompanied by the filing fee.
- (d) Applications for asbestos remediation equipment (including negative air machines and HEPA vacuums) shall not be accepted unless they are accompanied by the filing fee and annual permit fee as specified in section (E)(7)(h).

(2) Project Evaluation Fee for Complex Sources

- (a) Any person who submits an application on or after January 1, 1986, which is related to projects to construct or modify any of the following shall be assessed a project evaluation fee for complex sources.
  - (i) Equipment associated with landfills;
  - (ii) Equipment associated with resource recovery projects;
  - (iii) Equipment associated with energy cogeneration projects;
  - (iv) Equipment associated with electrical power plants;
  - (v) Equipment associated with hazardous and toxic material and/or waste disposal or treatment facilities;
  - (vi) Equipment subject to the provisions of District Rule 1303 Section (B);
  - (vii) Equipment with emissions of a Hazardous Air Pollutant requiring a Health Risk Assessment pursuant to District Rule 1320 subsection (E)(3) or a case-by-case MACT determination pursuant to District Rule 1320 subsection (F)(2);
  - (viii) Equipment subject to provisions of the Prevention of Significant Deterioration Program as administered by U.S. Environmental Protection Agency or District Rule 1600; and
  - (ix) Any other permit units where the APCO or his or her designee has determined that an analysis required pursuant to these rules or

regulations would require over twenty-four (24) hours of staff time to complete.

- (b) A deposit of \$6,500.00 to be applied toward the project evaluation fee for complex sources shall be paid within thirty (30) days of written notification by the District that the application is subject to this fee.
  - (c) The project evaluation fee for complex sources shall be based on the District's total actual and reasonable labor time and other reasonable expenses for the evaluation required to develop a permit to construct and/or permit to operate.
    - (i) This fee shall be calculated at a labor rate of ~~\$95.00~~<sup>93.00</sup> per hour plus actual expenses.
    - (ii) The fee shall accrue and be applied against the deposit.
    - (iii) Should the District's costs as calculated pursuant to subsection (i) above not exceed the deposit; the remainder of the deposit will be returned to the applicant.
    - (iv) Should the District's costs as calculated pursuant to subsection (i) above exceed the deposit the excess will be billed to the applicant.
      - a. The applicant shall be notified, in writing, of the amount of any such excess fee and the due date for payment of the fee.
      - b. An accounting of costs and written notice to the applicant shall be issued to the applicant at least quarterly.
  - (d) Actual expenses of the District include consultant services which are engaged by the District for the purpose of project evaluations. When project evaluations are performed for the District under such a contract, the applicant will be assessed fees for the actual total and reasonable costs incurred by the District staff to oversee, review and approve the evaluation as well as the actual cost to the District of the contractor evaluation.
  - (e) Actual expenses of the District include project notice fees which are incurred on behalf of public project notices.
  - (f) The provisions of subsection (B)(2) do not apply to this fee. If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.
- (3) Initial Permit Fee
- (a) Except as otherwise provided in this rule, any person who applies for a permit shall, upon notification that the application has been approved, be assessed the initial permit fee for the issuance of a permit to construct or permit to operate in the amount prescribed in schedules set forth herein.
    - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the

applicant, assess an alternate initial permit fee. Such alternate initial permit fee shall not be less than the highest initial permit fee for any single alternative scenario set forth in the application and shall not be more than the sum of the initial permit fees for all alternative scenarios set forth in the application.

- (ii) For applications where multiple schedules may be applicable to a particular piece of equipment the APCO shall determine the appropriate schedule to be applied.
- (b) After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these Rules and Regulations have been complied with, the applicant shall be notified, in writing, of the amount of the fee to be paid as the initial permit fee.
- (i) Notice may be given by personal service, electronically, or by First Class mail.
- (4) Annual Permit to Operate Renewal Fee
- (a) A Permit to operate shall be annually renewable, upon payment of fees.
  - (b) The annual permit to operate renewal fee shall be calculated pursuant to the schedules herein.
  - (c) The annual permit to operate renewal fee shall be invoiced as specified in Section (B) above.
- (5) Authority to Construct Renewal Fee
- (a) An authority to construct may be renewed, upon payment of fees, pursuant to the provisions of District Rule 201.
  - (b) The authority to construct renewal fee shall be calculated pursuant to the schedules herein.
    - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate authority to construct renewal fee. Such alternate authority to construct renewal fee shall not be less than the highest authority to construct renewal fee for any single alternative scenario set forth in the application and shall not be more than the sum of the authority to construct renewal fees for all alternative scenarios set forth in the application.
    - (ii) For applications where multiple schedules may be applicable to a particular piece of equipment the APCO shall determine the appropriate schedule to be applied.
  - (c) An authority to construct may only be renewed for two (2) years after the initial date of issuance, unless the application is canceled or an extension

of time pursuant to the provisions of District Rule 205 has been granted by the APCO.

- (d) The authority to construct renewal fee shall be invoiced as specified in Section (B) above.
  - (e) When construction is completed prior to the expiration of the authority to construct, the authority to construct may thereupon act as a temporary permit to operate pursuant to the provisions of District Rule 202. The residual fee for the authority to construct, calculated as a pro-rated fee for the period between the completion of construction and the expiration date of the permit, shall be applied to a pro-rated initial permit fee for the same period. Any positive difference between the residual fee and the pro-rated initial permit fee shall be invoiced as set forth in Section (B) above.
- (6) Change of Location or Ownership Fees
- (a) Permits, pursuant to the provisions of District Rule 209, are only valid for the location specified in the permit.
    - (i) Any person who applies for a permit requesting a change in the location of equipment included on a currently valid permit shall request in writing a change of location for the equipment and may be assessed an initial permit fee if the change in location also creates additional alteration(s), modification(s), addition(s) or revision(s) in either the subject permit or other permits at the same facility.
    - (ii) The person will be notified by mail, of the amount of the initial permit fee due as a result of the change of location and the due date for payment of the fee.
    - (iii) The APCO or his or her designee may, upon the applicant's written request, waive the initial permit fee.
  - (b) Permits, pursuant to the provisions of District Rule 209, are only valid to the person named on the permit.
    - (i) Any person who applies for a permit requesting a change of ownership of equipment included on a currently valid permit shall be assessed a transfer fee of \$~~156.00~~~~153.00~~ for each permit being transferred from one person to another.
    - (ii) The filing fee set forth in subsection (C)(1) are waived for applications solely requesting a change of ownership.
    - (iii) The transfer fee for applications solely requesting a change of ownership is due at the time the application is filed.
  - (c) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alteration(s), addition(s) or revision(s) to the permit shall be assessed either the fees set forth in this Section or in subsection (C)(7) whichever is greater.

- (7) Alteration, Modification, Addition or Revision Fees
- (a) Any person who applies for a permit requesting alteration(s), modification(s), addition(s), or revision(s) of the permit resulting from a change to equipment included on a currently valid permit shall be assessed a filing fee pursuant to subsection (C)(1) above and a permit revision fee.
  - (b) The permit revision fee shall be calculated as follows:
    - (i) The initial permit fee for a permit which includes the alteration, addition or revision minus the previous year's annual permit to operate renewal fee, pro-rated, for the period between the date of issuance for the permit containing the alteration addition or revisions, and the original permit(s) expiration date.
  - (c) The permit revision fee shall be invoiced as set forth in Section (B) above.
  - (d) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alteration(s), addition(s) or revision(s) to the permit shall be assessed either the fees set forth in this Section or in subsection (C)(6), whichever is greater.
- (8) Fees Applicable when Permit Granted or Denied by Hearing Board
- (a) If a permit is granted by the Hearing Board after denial of an application by the APCO or after the application has been deemed denied pursuant to District Rule 215, the applicant shall be assessed the appropriate fees set forth in this rule.
  - (b) The applicant shall be notified, in writing, of the amount of the fee and the due date for payment of the fee.
  - (c) Previously paid fees are not refundable if the Hearing Board denies the issuance of a permit which was granted by the APCO.
- (9) Signed Duplicate or Corrected Permit Fees
- (a) A request for a signed duplicate permit or for administrative corrections to a permit, shall be made in writing by the permit holder.
  - (b) The permit holder shall be assessed a fee of ~~\$74.00~~73.00 for issuing each signed duplicate or corrected permit.
  - (c) The fee for a signed duplicate or corrected permit is due at the time the permit is requested.
- (10) Previously Unpermitted or Altered Equipment Fee
- (a) When equipment is built, erected, installed, altered, or replaced (except for identical replacement) without the owner or operator obtaining a permit to



construct in accordance with District Rule 201, the owner or operator shall be assessed a previously unpermitted equipment fee.

- (b) The previously unpermitted equipment fee shall be calculated as fifty percent (50%) of all applicable permit fees which would have been required for each year of unpermitted activity, plus the full amount of all applicable permit fees for the year immediately preceding the year when the permit to operate is granted.
- (c) The unpermitted equipment fee is due when the permit to operate is granted.
- (d) The assessment of an unpermitted equipment fee shall not limit the District's right to pursue any other remedy provided for by law.
- (e) The provisions of this subsection shall not apply if a permit is required solely due to a change in District Rule 219.
- (f) The APCO may waive the unpermitted equipment fee for good cause upon the written application of the person assessed the fee.

(11) CEQA Review Fees

- (a) An application for a permit which is associated with a project subject to review under the California Environmental Quality Act (CEQA; Public Resources Code Section 21000 et seq.) shall pay, in addition to any other fees applicable pursuant to this rule, the District's cost of performing all environmental evaluation required pursuant to CEQA. Such costs shall include, but are not limited to:
  - (i) Cost of preparing any environmental study or Environmental Impact Report including the costs of any outside consulting assistance which the District may employ in connection with the preparation of such study or report;
  - (ii) Cost of publication and circulation of any required notice;
  - (iii) Cost of filing any required documents with another agency; and
  - (iv) Reasonable internal costs, including overhead, of processing and reviewing the required environmental documentation.

(D) (Reserved)

(E) Schedules for Initial Permit Fee and Annual Permit Fee

(1) Schedule 1, Motor Horsepower

Any emission generating process using motors as a power source shall be assessed a permit fee based on the cumulative total rated horsepower of all equipment in the process train, with the exception of air pollution control or other equipment that may operate independently of the process, in accordance with the following schedule:

HORSEPOWER RATING (hp)

INITIAL AND ANNUAL PERMIT FEE

(a) Up to and including 40 hp	\$ <del>345.49</del> <del>338.72</del>
(b) 41 to and including 200 hp	\$ <del>118.34</del> <del>116.02</del> plus \$ <del>5.68</del> <del>5.57</del> per each hp
(c) 201 to and including 1,000 hp	\$ <del>714.66</del> <del>700.65</del> plus \$ <del>26.98</del> <del>26.45</del> per each 10 hp
(d) Greater than 1,000 hp	\$ <del>2,063.50</del> <del>2,023.04</del> plus \$ <del>13.49</del> <del>13.23</del> per each 10 hp

(2) Schedule 2, Fuel Burning Equipment

Any emission generating process in which fuel is burned, for the production of useful power, except for engine driven generators used for the intermittent production of electrical power not for resale, shall be assessed a permit fee based upon the design fuel consumption of the equipment expressed in British thermal units (Btu) per hour, using gross heating values of the fuel plus 2,550 Btu for each horsepower of associated motor driven equipment, in accordance with the following schedule:

BRITISH THERMAL UNITS (BTU)  
PER HOUR

INITIAL AND ANNUAL PERMIT FEE

(a) Up to and including 250,000 Btu	\$ <del>118.34</del> <del>116.02</del> plus \$ <del>167.25</del> <del>163.97</del> per each 100,000 Btu
(b) 250,001 to and including 1,000,000 Btu	\$ <del>299.76</del> <del>293.88</del> plus \$ <del>94.65</del> <del>92.79</del> per each 100,000 Btu
(c) 1,000,001 to and including 4,000,000 Btu	\$ <del>891.34</del> <del>873.86</del> plus \$ <del>35.49</del> <del>34.79</del> per each 100,000 Btu
(d) 4,000,001 to and including 10,000,000 Btu	\$ <del>1,175.32</del> <del>1,152.27</del> plus \$ <del>28.42</del> <del>27.86</del> per each 100,000 Btu
(e) 10,000,001 to and including 100,000,000 Btu	\$ <del>3,241.99</del> <del>3,178.42</del> plus \$ <del>77.31</del> <del>75.79</del> per each 1,000,000 Btu
(f) Greater than 100,000,000 Btu	\$ <del>9,000.24</del> <del>8,823.76</del> plus \$ <del>19.73</del> <del>19.34</del> per each 1,000,000 Btu

(3) Schedule 3, Electrical Energy

Any emission generating process which uses electrical energy, with the exception of motors covered in Schedule 1, shall be assessed a permit fee based on the total kilovolt-ampere (kVA) ratings, in accordance with the following schedule:

KILOVOLT-AMPERE (kVA)

INITIAL AND ANNUAL PERMIT FEE

(a) Up to and including 45 kVA	\$ <del>317.08</del> <del>310.86</del>
(b) Greater than 45 kVA	\$ <del>302.90</del> <del>296.96</del> plus \$ <del>0.34</del> <del>0.33</del> per each kVA

(4) Schedule 4, Incinerator Equipment

Any equipment designed and used primarily to dispose of combustible refuse by wholly consuming the material charged leaving only the ashes or residue shall be assessed an

initial and annual permit fee based on the maximum horizontal, inside, cross sectional area, in square feet, of the primary combustion chamber. The fee shall be ~~\$317.08340.86~~ plus ~~\$20.5220.42~~ per square foot.

(5) Schedule 5, Stationary Containers

Any stationary tank, reservoir, or other container with the exception of stationary storage tanks covered in Schedule 6 (subsection (E)(6)) herein, shall be assessed a permit fee on the following schedule of capacities in gallons or cubic equivalent:

<u>GALLONS</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 10,000 gallons	<del>\$302.90296.96</del>
(b) 10,001 to and including 100,000 gallons	<del>\$263.45258.28</del> plus <del>\$3.963.88</del> per each 1,000 gallons
(c) 100,001 to and including 2,000,000 gallons	<del>\$580.56569.18</del> plus <del>\$7.727.57</del> per each 10,000 gallons
(d) Greater than 2,000,001 gallons	<del>\$1,735.381,701.35</del> plus <del>\$19.5519.17</del> per each 100,000 gallons

(6) Schedule 6, Retail Gasoline Dispensing Equipment

Any fueling equipment used to dispense gasoline (as defined in District Rule 461 subsection (B)(2)) at a single retail location, including but not limited to, stationary gasoline storage tanks, dispensers, and vapor recovery systems where required, shall be assessed an initial and annual permit fee in accordance with the following schedule:

- (a) ~~\$49.5348.56~~ per single product nozzle.
- (b) ~~\$49.5348.56~~ per product for each multi-product nozzle.

(7) Schedule 7, Miscellaneous Permit Fees

Permits to operate the following equipment shall be assessed an initial and annual permit fee in accordance with the following schedule:

- (a) Each permit of a dry cleaning plant: ~~\$307.63301.60~~.
- (b) Test Stand, Intermittent: ~~\$307.63301.60~~.
- (c) Spray coating equipment operated outside of a control enclosure: ~~\$307.63301.60~~.
- (d) Vapor degreasing equipment using non-Volatile Organic Compound (VOC) material only: ~~\$307.63301.60~~.
- (e) Portable abrasive blasting equipment: ~~\$307.63301.60~~.
- (f) Mobile asphalt or coal tar pitch roofing equipment with a capacity greater than 500 gallons: ~~\$307.63301.60~~.

- (g) Internal combustion engines of greater than or equal to fifty (50) brake horsepower driving electrical generators which meet any of the following criteria:
  - (i) Used at facilities normally serviced with commercial power, where the generators are used exclusively as emergency units during loss of commercial power: ~~\$307.63301.60~~.
  - (ii) Used at facilities normally serviced with an alternative energy supply including, but not limited to, photovoltaic power, where the generators are used exclusively as emergency units during loss of such alternative energy source but no more than 200 hours total per year: ~~\$307.63301.60~~.
  - (iii) Used to drive a fire pump or deluge pump that is used exclusively during fire emergency or testing: ~~\$307.63301.60~~.
- (h) Air Pollution Control Devices: ~~\$276.08270.67~~
  - (i) Air Pollution Control Devices for the purpose of this subsection are those devices which are not a part of the basic process train. For the purposes of this subsection such devices do not include product separators.
  - (ii) Collection systems and conveyors associated with Air Pollution Control Devices as defined in this subsection shall not be considered as part of the air pollution control device.
- (i) Any piece of equipment which has the potential to emit pollutants, but not included elsewhere in these schedules: ~~\$307.63301.60~~.

(8) Schedule 8, Direct-Fired Production Equipment

Any emission generating process in which fuel is burned in combination with other materials for the purpose of producing a salable product, shall be assessed a permit fee based on the total equivalent fuel consumption of the equipment expressed in British thermal units (Btu) per hour, using gross heating values of the fuel plus 2,550 Btu for each horsepower of associated motor driven equipment, in accordance with the following schedule:

<u>BRITISH THERMAL UNITS (BTU) PER HOUR</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 Btu	<del>\$118.34116.02</del> plus <del>\$167.25163.97</del> per each 100,000 Btu
(b) 250,001 to and including 1,000,000 Btu	<del>\$299.76293.88</del> plus <del>\$94.6592.79</del> per each 100,000 Btu
(c) 1,000,001 to and including 4,000,000 Btu	<del>\$891.34873.86</del> plus <del>\$35.4934.79</del> per each 100,000 Btu
(d) 4,000,001 to and including 10,000,000 Btu	<del>\$1,175.321,152.27</del> plus <del>\$28.4227.86</del> per each 100,000 Btu
(e) 10,000,001 to and including 100,000,000 Btu	<del>\$3,241.993,178.42</del> plus <del>\$77.3175.79</del> per each 1,000,000 Btu

<u>BRITISH THERMAL UNITS (BTU) PER HOUR</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(f) Greater than 100,000,000 Btu	\$ <del>9,000,248,823.76</del> plus \$ <del>19.73</del> <del>19.34</del> per each 1,000,000 Btu

(9) Schedule 9, Engine Driven Electric Generators

Generators used for the intermittent generation of electricity, other than for resale, where such generators provide power at the facility to assure continued operational capability should there be a loss of commercial power and/or to obtain a favorable commercial rate schedule shall be assessed a permit fee based upon the design fuel consumption of the equipment expressed in British thermal units (Btu) per hour, using gross heating values of the fuel, in accordance with the following schedule:

BRITISH THERMAL UNITS (BTU) PER HOUR

INITIAL AND ANNUAL PERMIT FEE

(a) Up to and including 250,000 Btu	<del>\$118.34116.02</del> plus <del>\$167.25163.97</del> per each 100,000 Btu
(b) 250,001 to and including 1,000,000 Btu	<del>\$299.76293.88</del> plus <del>\$94.6592.79</del> per each 100,000 Btu
(c) 1,000,001 to and including 4,000,000 Btu	<del>\$891.34873.86</del> plus <del>\$35.4934.79</del> per each 100,000 Btu
(d) 4,000,001 to and including 10,000,000 Btu	<del>\$1,175.321,152.27</del> plus <del>\$28.4227.86</del> per each 100,000 Btu
(e) 10,000,001 to and including 100,000,000 Btu	<del>\$3,241.993,178.42</del> plus <del>\$77.3175.79</del> per each 1,000,000 Btu
(f) Greater than 100,000,000 Btu	<del>\$9,000.248,823.76</del> plus <del>\$19.7319.34</del> per each 1,000,000 Btu

(10) Schedule 10, Stand-By Equipment

Equipment used exclusively to provide continued operation of a process during maintenance or repair of an existing piece of regularly permitted equipment, shall be assessed an initial and annual permit fee of fifty percent (50%) of the appropriate fee schedule for that type of equipment or ~~\$276.08270.67~~, whichever is the greater.

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(11) Schedule 11, Landfills

Any landfill required to install a gas collection system pursuant to the provisions of 40 CFR 60 Subpart Cc (commencing with 40 CFR 60.30~~Cc~~) or 40 CFR 60 Subpart WWW (commencing with 40 CFR 60.750), shall be assessed an initial and annual permit fee of ~~\$1,520.031,490.23~~ per gas collection facility. *[Citation corrected.]*

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[SIP: Not in SIP.]

(Adopted: 11/20/89; Effective Date: 01/01/90; Amended: 06/22/15; Amended: 06/27/16; Amended: mm/dd/yy)

## Rule 302 Other Fees<sup>1</sup>

### (A) General

#### (1) Purpose

- (a) This rule sets forth fees which may be charged for various activities, documents and services, including but not limited to, provision of publications, performing analysis, filing, evaluation and enforcement of plans and State Mandated Fees.

#### (2) Applicability

- (a) This rule applies to
  - (i) Any person subject to a fee listed herein.
  - (ii) Any of the following governmental entities subject to a fee listed herein.
    - a. Federal, state and local government agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety (H&S) Code (commencing with Section 41500) and Part 6, Division 26 of the H&S Code (commencing with Section 44300).

### (B) Definitions

The definitions contained in District Rule 102 shall apply unless the term is otherwise defined herein:

- (1) “Demolition Project” – The wrecking or taking out of any load-supporting structural member of a Structure subject to 40 CFR 61, Subpart M together with any related handling operations, or the intentional burning of such Structure.
- (2) ~~“Emissions Unit” – Any article, machine, equipment, other contrivance or combination thereof which emits or has the potential to emit air contaminants. [See District Rule 102 – Definition of Terms.]~~

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<sup>1</sup> This amendment includes a two percent (2%) increase in most fees to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

- ~~(3) “Facility” – Any building, structure, emissions unit, combination of emissions units, which emits or may cause the issuance of air contaminants and which is:~~
- ~~(a) — Located within the District on one (1) or more contiguous or adjacent properties; and~~
  - ~~(b) — Under the control of the same person (or by persons under common control); and~~
  - ~~(c) — Belong to the same industrial grouping as determined by being within the same two digit Standard Industrial Classification Code (SIC) or equivalent classification system.~~
  - ~~(d) — For the purpose of this definition a grouping meeting the requirements above but connected only by land carrying a pipeline shall not be considered a single Facility. [See District Rule 102 – Definition of Terms.]~~
- (24) “Installation” – Any building or structure or any group of buildings or structures at a single Demolition Project or Renovation Project site that are under control of the same owner or operator (or owner or operator under common control).
- (35) “Plan or Report” – A document required to be submitted to the District by District rule or regulation; or state or federal law or regulation, providing a description of actions or procedures necessary to accomplish the particular objective and containing those items set forth in the underlying requirement.
- (46) “Source Test Protocol” – A test work plan or protocol includes a process description, field sampling methods, analytical test methods, test schedules, equipment calibration and a results presentation format used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (57) “Source Test Report” – A document that provides the analytical results from an emission source test used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream. The report should contain an executive summary, field sampling methods, analytical test methods, equipment calibration and a results presentation to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (68) “Structure subject to 40 CFR 61, Subpart M” – Any institutional, commercial, public, industrial, or residential structure, Installation, or building (including any structure, Installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four (4) or fewer dwelling units); any ship; and any active or inactive waste disposal site. For the purposes of this definition, any building, structure, or Installation that contains a loft used as a dwelling is not considered a residential structure, installation, or building. Any structure, Installation or building that was previously subject to 40 CFR 61, Subpart M is not excluded, regardless of its current use or function.



- (79) “Renovation Project” – Altering a Structure subject to 40 CFR 61, Subpart M or one or more Structure(s) subject to 40 CFR 61, Subpart M components in any way, including the removal of asbestos-containing material from a Structure subject to 40 CFR 61, Subpart M component. Operations in which load-supporting structural members are wrecked or taken out are Demolition Projects.

(C) Payments, Adjustments and Refunds

- (1) Fees shall be paid when due as specified herein.

(a) Analysis Fees and Monitoring Device Fees

- (i) Analysis and Monitoring Device fees shall be invoiced as follows:
- a. Directly by the entity retained by the District to perform the test and or analysis;
  - b. By the District within thirty (30) days of receipt of an invoice by the District for testing and/or analysis services; or
  - c. By the District within thirty (30) days of completion of the analysis of testing methodology and review of test results.
- (ii) If invoiced by the District, the person ordered to provide the analysis or test by the Air Pollution Control Officer (APCO) will be notified by First Class mail of the amount to pay and the due date of the invoice.
- (iii) If the fee is not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all 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.

(b) Asbestos Demolition/Renovation Fees

- (i) Asbestos Demolition/Renovation Fees shall be paid at the time of the submittal of the Demolition or Renovation notification.
- (ii) Permit fees for Air Pollution Control Devices shall be paid pursuant to the provisions of District Rule 301.
- (iii) If subsequent charges for Asbestos Demolition/Renovation Fees apply the District shall be invoiced within ten (10) days of the change resulting in the subsequent charges as follows:
- a. The invoice shall be sent via First Class mail to the person submitting the notification at the address listed therein.
  - b. Payment of the fees shall be due thirty (30) days from the date of mailing.
  - c. If the fee is not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all 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.

- (c) Asbestos Waste Disposal Site Fees
  - (i) Asbestos Waste Disposal Site Fees shall be invoiced and paid at the same time and in the same manner as permit fees set forth in District Rule 301.
- (d) Certificate of Occupancy Fee
  - (i) Certificate of Occupancy Fee, if applicable, shall be paid prior to delivery of the official documentation showing the District's approval of the Certificate of Occupancy.
- (e) Emission Reduction Credit (ERC) Fees
  - (i) The initial fee for the issuance, encumbrance, transfer or reclassification of ERCs shall be paid upon submission of the application for issuance, encumbrance, transfer or reclassification.
  - (ii) Analysis fees, if applicable, for the issuance of ERCs shall be invoiced within ten (10) days of the completion of the analysis as follows:
    - a. The invoice shall be sent via First Class mail to the applicant.
    - b. Payment of the fees shall be due thirty (30) days from the date of mailing.
    - c. If the fee is not paid within thirty (30) days of the due date of the invoice shall refrain from issuing the ERCs.
- (f) Plan and Report Fees
  - (i) Plan and Report filing and evaluation fees shall be paid at the time of submission of the Plan or Report.
  - (ii) If a Plan or Report analysis exceeds ten (10) hours of District staff time then the District shall invoice the fee within ten (10) days of completion of the analysis but prior to the issuance of the approval of the Plan or Report.
    - a. The invoice shall be sent via First Class mail to the contact person indicated in the Plan or Report.
    - b. Payment of Plan or Report analysis Fee shall be due in thirty (30) days from the date of mailing.
    - c. If the fee is not paid within thirty (30) days of the due date of the invoice then the District shall refrain from approving the Plan or Report.
  - (iii) If a Plan or Report requires an annual renewal the District shall invoice the renewal fee at least thirty (30) days prior to the expiration date.
    - a. The invoice shall be sent via First Class mail to the contact person indicated in the Plan or Report.
    - b. Payment of annual review fee shall be due in thirty (30) days from the date of mailing.



(4) Service Charge for Returned Checks

- (a) 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.

(D) Analysis Fees

- (1) Any person ordered by the APCO to provide an analysis of materials used by, or the determination of emissions from, any source of air contaminants shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the District or retained by the owner/operator to perform the tests.
- (2) Any owner or operator of a facility from whom the District collects a sample shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the District to perform the tests.
- (3) Any person subject to the provisions of subsection (D)(1) or (2) above shall also be assessed a fee for the reasonable time required by District staff to review the testing methodology and results.
- (a) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.
- (4) Data and sample collection methods, analysis methods and the qualifications of testing personnel or firms shall be determined by the APCO.

(E) Asbestos Demolition/Renovation Fees

- (1) Any person who is required by the provisions of the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Asbestos as set forth in 40 Code of Federal Regulations, Part 61 (40 CFR 61), Subpart M, (and as adopted by reference in District Rule 1000 subsection (C)(2)(m)) to submit a written notice of intention to demolish, including but not limited to Demolitions Projects where no asbestos is present, and/or Demolition Projects by fire, shall pay a fee of ~~\$132.00~~\$29.00.
- (a) This fee may be waived by the APCO in those cases where a single notification is submitted for a Renovation and subsequent Demolition on the same building, provided that the notification meets all the requirements of 40 CFR 61, Subpart M for both projects.
- (2) Any person who is required by the provisions of the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Asbestos as set forth in 40 Code of Federal Regulations, Part 61 (40 CFR 61), Subpart M, (and as adopted by reference in District Rule 1000 subsection (C)(2)(m)) to submit a written notice of intention to renovate or abate shall pay a fee calculated as follows:

- (a) For Renovation projects involving the removal or stripping of more than 260 linear feet of pipe but less than 1,600 linear feet of pipe; or more than 160 square feet of material but less than 1,000 square feet of material, a fee of ~~\$289.00~~~~283.00~~, except as noted in subsection (E)(3).
- (b) For Renovation projects involving the removal or stripping of 1,600 linear feet or more of pipe but less than 8,000 linear feet of pipe; or 1,000 square feet or more of material but less than 5,000 square feet of material, a fee of ~~\$499.00~~~~489.00~~, except as noted in subsection (E)(3).
- (c) For Renovation projects involving the removal or stripping of 8,000 linear feet or more of pipe or 5,000 square feet or more of material, a fee of ~~\$499.00~~~~489.00~~ plus ~~\$210.00~~~~206.00~~ for each 8,000 linear feet of pipe or fraction thereof over 8,000 linear feet of pipe and for each 5,000 square feet of material or fraction thereof over 5,000 square feet of material, except as noted in subsection (E)(3).

(3) Calculation of Linear Footage

- (a) Where the outside diameter of piping insulation (wrapping) is greater than 2.35 inches, the calculation of linear footage of pipe shall be converted to square footage, the square footage of material involved to be calculated using the following equation:

$$A = \frac{3.14159 \times L \times D}{12}$$

Where:

- A = Area in square feet
- L = Linear length of piping in feet
- D = Outside diameter of pipe insulation (wrap) in inches

Such projects shall thereafter be evaluated in terms of square footage and the appropriate fee determined on the basis of total amount of material in square feet.

(4) Permit Requirements

- (a) Each High-Efficiency Particulate Arrestance (HEPA) filter or other control device used to ventilate a work area must obtain a Permit to Operate and pay the applicable fees pursuant to District Rule 301 subsections (C)(1) and (E)(7)(h) for an air pollution control device. This permit is good for one (1) year from the date issued and may be used on any project within the District as long as the project notification contains a copy of the Permit to Operate.

(5) Subsequent Charges

- (a) If in the course of a Renovation Project pursuant to 40 CFR 61, Subpart M, it is determined that the project involves the removal or stripping of

material such that the project requires a greater fee than was initially proposed, the owner or operator shall pay the balance of the fee.

- (b) If an owner/operator fails to report a change in any date as required by Rule 40 CFR 61, Subpart M, and the APCO determines that such failure necessitated expenditure of additional time by the District, over and above that upon which the fee is based, then the owner or operator shall pay an additional fee at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i), billable in quarter hour increments.

(F) Asbestos Waste Disposal Site Fees

- (1) The owner/operator of an asbestos waste disposal site subject to the provisions of the NESHAP for Asbestos as set forth in 40 CFR 61, Subpart M (and as adopted by reference in District Rule 1000 subsection (C)(2)(m)) including but not limited to; active and inactive landfills; incinerators; and convection or destruction processes, shall be assessed a fee to cover the cost of the review and evaluation of plans required by law or by District rules or regulations and any inspection and monitoring requirements related thereto.
  - (a) For each facility performing disposal of asbestos-containing material for manufacturing, fabricating, demolition, renovation and/or spraying operations, the owner or operator shall pay, in addition to the fees of District Rule 301, a fee of \$~~1,051.004,030.00~~ per year.
  - (b) For each waste disposal site actively receiving asbestos-containing material for disposal which is not covered by subsection (F)(1)(a) above, the owner/operator shall pay, in addition to the applicable fees pursuant to District Rule 301 and any applicable fees pursuant to subsection (J)(4), a fee of \$~~1,051.004,030.00~~ per year.
  - (c) For each waste disposal site not actively receiving asbestos containing material for disposal but where asbestos-containing waste material was deposited, the owner/operator shall pay in addition to the applicable fees pursuant to District Rule 301 and any applicable fees pursuant to subsection (J)(4), a fee of \$~~210.00206.00~~ per year.

(G) Certificate of Occupancy Fee

- (1) Any person required to obtain a final Certificate of Occupancy from a city or county within the District shall pay a fee of \$~~105.00403.00~~ to the District for review of the project to ensure that the applicable portions of Regulation II – *Permits* and Regulation XIII – *New Source Review* have been met.
  - (a) This fee shall not apply to a Certificate of Occupancy required for residential structures or for any review taking less than one (1) hour of staff time to perform.

(H) Emissions Reduction Credit (ERC) Fee

- (1) Any person applying for the issuance, transfer encumbrance and/or reclassification of Emissions Reduction Credits (ERC) pursuant to the provisions of District Rule 1402 shall pay a fee as follows:
  - (a) Any person submitting an application for ERCs pursuant to District Rule 1402 subsection (B)(1) shall pay an initial fee of ~~\$368.00~~<sup>\$361.00</sup> for each application submitted, and shall pay an analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours of labor, billed at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i).
  - (b) Any person submitting a document effecting an encumbrance of or transfer of ERCs pursuant to District Rule 1402 subsection (D)(2) - (4) shall pay a fee of ~~\$79.00~~<sup>\$77.00</sup> for each document submitted.
  - (c) Any person who has received notification that the APCO has approved the reclassification of Class "B" ERCs to Class "A" ERCs shall pay a processing fee of ~~\$53.00~~<sup>\$52.00</sup> at the time the affected Class "B" ERC certificates are submitted for conversion to Class "A" ERC certificates.
- (2) The District will not accept, process or issue an ERC certificate, record an encumbrance or process a transfer unless and until all applicable fees are paid in full.

(I) Monitoring Device Fees

- (1) Any owner/operator of a Facility with a Continuous Emissions Monitoring System (CEMS), Continuous Opacity Monitoring System (COMS), Continuous Emission Rate Monitoring System (CERMS) or other monitoring system required by state or federal law or District rule shall be assessed a fee to cover the costs of District activities related to insuring that such devices are functioning properly. District activities include but are not limited to the inspection, certification testing, review of certification testing, review of data for quality assurance, and assistance in investigating system malfunctions.
- (2) Any owner/operator of a Facility with a CEMS, COMS, CERMS or other monitoring system required by state or federal law or District rule required to certify that such devices are functioning properly shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the owner/operator to perform the tests.
- (3) Such Monitoring Device Fee shall be calculated based upon the reasonable time required by District staff to perform the activities at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

(J) Plan and Report Analysis Fees

(1) Air Toxics Plan and Report Analysis Fees

- (a) Any person required to submit a Comprehensive Emissions Inventory Report (CEIR), Health Risk Assessment Plan, Health Risk Assessment, Risk Reduction Plan or Risk Reduction and Audit Plan pursuant to the provisions of District Rule 1320 or 1520 shall be assessed a Plan and Report Analysis Fee to cover the reasonable costs and time required for District staff to review and approve of the documentation submitted which exceeds ten (10) hours.
- (b) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

(2) Dust Control Plan Analysis Fees

- (a) Any person required to submit a Dust Control Plan pursuant to the provisions of District Rules 403.1 or 403.2 shall be assessed a Dust Control Plan Analysis Fee to cover the reasonable costs and time required for District staff to review and approve of the documentation submitted which exceeds ten (10) hours.
- (b) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

(3) Source Test Protocol and Source Test Report Review Fees

- (a) Any person required to submit a Source Test Protocol or Source Test Report to the District pursuant to the provisions of any by District rule or regulation; or state or federal law or regulation shall be assessed a Source Test Protocol or Source Test Report Review Fee to cover the reasonable costs and time required for District staff to review and approve of the documentation submitted which exceeds ten (10) hours.
- (b) Such fee shall be calculated at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

(4) Solid Waste Disposal Site Fees

- (a) Any owner/operator of a solid waste disposal site subject to H&S Code Section 41805.5 which is required to submit a Solid Waste Assessment Test (SWAT) Plan for District approval prior to conducting tests shall pay a filing fee of \$~~105.00~~403.00.
- (b) Any owner/operator required to submit a SWAT Report following the completion of testing shall pay a filing fee of \$~~105.00~~403.00.



- (c) Any owner/operator required to submit a SWAT Plan or Report shall also be assessed a SWAT Plan/Report Evaluation Fee.
  - (i) Such SWAT Plan/Report Evaluation Fee shall be calculated based upon the reasonable time required by District staff to review the applicable plan or report at the hourly labor rate specified in District Rule 301 subsection (C)(2)(c)(i) plus actual expenses.

(K) Fees for District Publications

- (1) Any person receiving a publication for which a fee is charged shall be assessed the designated fee.
  - (a) The APCO shall designate those publications, including information circulars, reports of technical work, or other reports, prepared by the District for which a fee shall be charged.
  - (b) Such fee shall be established by the APCO in a sum not to exceed the cost of preparation and distribution of such documents. Such fees shall be deposited in the general funds of the District.
  - (c) Any person shall be entitled to receive one (1) copy of any District publication without charge.
  - (d) Nothing in this subsection shall be construed to limit the rights of any person or of the District pursuant to the California Public Records Act as set forth in Chapter 3.5, Division 7 of Title 1 (commencing with §6250) of the Government Code.

(L) State Mandated Fees

- (1) Air Toxics “Hot Spots” Information and Assessment Fees
  - (a) Any person subject to the provisions of the Air Toxics “Hot Spots” Information and Assessment Act as amended (H&S Code §§44300 et seq.) and the regulations promulgated thereunder shall be assessed an annual fee for the various state level components required by the Act. The fee schedule is set by the California Air Resources Board (CARB) and authorizes collection of the fee by the District pursuant to the provisions of the adopting regulation.
- (2) Nonvehicular Source Fees
  - (a) Any person subject to the provisions of Subchapter 3.8 of Division 3 of Title 17 of the California Code of Regulations, commencing with §90800 shall pay an annual fee as authorized by the provisions of the regulation. The fee schedule is set by CARB and authorizes collection of the fee by the District pursuant to the provisions of the adopting regulation.

- (3) Portable Equipment Inspection
  - (a) Any person subject to the Statewide Portable Equipment Registration Program (PERP) established by CARB pursuant to the provisions of H&S Code §§ 41750 et seq. and the regulations promulgated there under shall pay an inspection fee in the amount set forth in regulation for each registered portable engine or equipment unit inspected by the District.
- (4) Other State Mandated Fees
  - (a) Any person subject to the provisions of a state adopted regulation or rule that assesses a fee to cover District costs for implementing such regulation and authorizes the collection of the fee by the District shall be assessed such fee pursuant to the provisions of the adopting regulation.

(Adopted: 11/20/89; effective: 01/01/90; Amended: 06/22/15;  
Amended: 06/27/16; Amended: mm/dd/yy)

## Rule 303 Hearing Board Fees<sup>1</sup>

### (A) General

#### (1) Purpose

- (a) To set forth fees required for various proceedings brought before the Hearing Board.

#### (2) Applicability

- (a) This rule applies to all applicants or petitioners bringing proceedings before the Hearing Board including, but not limited to, Federal, State or local government agencies or public districts.
- (b) This rule shall not apply to petitions filed by the Air Pollution Control Officer (APCO).

### (B) Fees

#### (1) Filing Fees

- (a) Every applicant or petitioner in a proceeding before the Hearing Board shall pay to the Hearing Board, at the time of filing, a Filing Fee of ~~\$473.00~~464.00 for each petition or application.

#### (2) Daily Appearance Fee

- (a) In addition to the Filing Fee, each petitioner or applicant with a proceeding (designated by a case number) before the Hearing Board shall pay a Daily Appearance Fee of ~~\$578.00~~567.00 per hearing day.
  - (i) This fee shall apply to the initial appearance before the full Hearing Board and all following appearances which pertain to the same proceeding as designated by case number.
  - (ii) After the initial appearance, the Daily Appearance Fee shall be waived for any appearance (pertaining to the same proceeding) which has duration of less than one (1) hour.
  - (iii) This fee shall apply regardless of the duration of the hearing, when the applicant is requesting a modification to an order for abatement.

---

<sup>1</sup> The amendment of Rule 303 includes a two percent (2%) increase in fees to recover the rising costs associated with various procedures brought before the Hearing Board.

- (iv) This fee does not apply to single member hearings provided pursuant to Health & Safety Code §§ 40824, 40285, 42351.5 or 42359.5.
- (3) Publication Fees
  - (a) Upon demand and in addition to the payment of the foregoing fees, every petitioner for relief which requires published notice shall pay a fee to cover the actual cost of publication(s) of notice of hearing.
- (4) Group Variance Fees
  - (a) Each petitioner included in a petition for a group variance shall pay the Filing Fee and the Excess Emissions Fee.
  - (b) The Daily Appearance Fee and the Publication Fee shall be totaled and divided equally among the petitioners.
  - (c) A Product Variance shall be treated as a single entity variance for the purpose of this section.
- (5) Transcript Fees
  - (a) Any person requesting a transcript of the hearing shall pay the cost of such transcript. The parties to hearings and prehearing 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.
- (6) Excess Emission Fee
  - (a) Each applicant or petitioner for a variance from these rules and regulations shall pay to the District, if ordered by the Hearing Board, an Excess Emission Fee based on the total amount of emissions discharged.
    - (i) This fee shall be calculated in accordance with the schedule set forth in Table I.
    - (ii) Where the total excess emissions cannot be readily calculated, the petitioner shall work in concert with District staff to establish the amount of Excess Emission Fees to be paid. In cases where District staff determines calculations or estimations cannot be made the petitioner shall pay the Minimum Excess Emission Fee as set forth in subsection (B)(6)(c).
    - (iii) In the event that more than one (1) rule limiting the discharge of the same contaminant are violated, the Excess Emission Fee shall consist of the fee for violation which will result in the payment of the greater sum. For the purposes of this subsection opacity rules and particulate mass emissions shall not be considered rules limiting discharge of the same contaminant.

- (iv) The Excess Emission Fee shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess emissions.
- (v) If the amount of the excess emissions fee is less than the Minimum Excess Emission Fee the applicant or petitioner shall pay the higher amount.
- (vi) The Hearing Board may adjust the Excess Emission Fee based on evidence regarding emissions presented at the time of the hearing.
- (vii) The provisions of this subsection shall apply only to those rules or permit conditions that specify quantitative emission limits.

(b) Excess Visible Emission Fee

- (i) Each applicant or petitioner for a variance from District Rule 401 or Health and Safety Code Section 41701 shall pay to the District, if ordered by the Hearing Board, a Excess Visible Emission Fee based on the difference between the percent opacity allowed by District Rule 401 and the percent opacity of the emissions allowed by the variance from the source or sources operating under variance in accordance with the schedule set forth in Table II.
- (ii) In the event that an applicant or petitioner is exempt from the provisions of District Rule 401, the applicant or petitioner shall pay a fee calculated based upon the difference between the opacity allowed by variance and the opacity allowed under the provisions of Health and Safety Code, Section 41701, in accordance with the schedule set forth in Table II.
- (iii) The Excess Visible Emission Fee shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess visible emissions.
- (iv) The Hearing Board may adjust the Excess Visible Emissions Fee based on evidence regarding emissions presented at the time of the hearing.

(c) Minimum Excess Emission Fee

- (i) When a variance is granted from a rule or rules which limit the discharge of air contaminants, such that an Excess Emission Fee is due, a fee of at least \$~~105.00~~~~103.00~~ per day, per source of emissions, shall be imposed and remitted.

(C) Payments Adjustments and Refunds

(1) Adjustment of Fees

- (a) If after the term of a variance for which emissions fee have been paid, the applicant or petitioner can establish, to the satisfaction of the APCO, that the emissions were actually less than those upon which the fee was based,

or the Excess Emissions Fee calculations are otherwise incorrect, a pro rata refund shall be made.

- (i) If the adjusted Excess Emissions Fee is less than the Minimum Excess Emission Fee then the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.

(2) Discretionary Powers

- (a) Any person may allege that payment of any of the fees within this rule, excluding publication fees, will cause an unreasonable hardship, and may be excused from payment of such fees or a portion of such fees, by order of the Hearing Board if the Hearing Board, in its discretion, determines after hearing evidence thereon that payment of such fees would cause financial or other unreasonable hardship to the applicant or petitioner.

(3) Emission Fee Refund

- (a) In the event that the petition is withdrawn or the hearing is not held for any other reason, or the variance is denied, the applicant or petitioner shall be entitled to a full refund of the emission fees.

(4) Fee Payment

- (a) Filing Fees are due upon the filing of the petition.
- (b) Daily Appearance Fees and Publication Fees and Transcript are due and payable within fifteen (15) days of notification of the amount due. Petitioners shall be notified in writing of the amount due.
- (c) Excess Emissions Fees, Excess Visible Emissions Fees and Minimum Excess Emissions Fees as calculated on the petition, or ordered by the Hearing Board at the variance hearing, are due and payable within fifteen (15) days of notification of calculation and amount of such fee. Applicants or petitioners shall be notified in writing of the calculation and the amount due.
- (d) Adjustments increasing the amount of the Excess Emissions Fee, Excess Visible Emission Fee or Minimum Excess Emission Fee, following District staff's verification of the emissions are due and payable within fifteen (15) days of notification of the amount due. Petitioners shall be notified in writing of the amount due.
- (e) Notification may be given by personal service or by deposit in the First Class mail and shall be considered effective upon the date of personal service or five (5) days from the date of mailing.

- (f) For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date.
  - (g) Invalidation for Failure to Pay Fees
    - (i) Failure to pay any fee when due shall automatically invalidate the variance.
  - (h) Request for Time Extension of Payment Due
    - (i) Whenever this rule requires fees to be paid by a certain date, in order to avoid invalidation of a variance or refusal of acceptance of other petitions, the applicant or petitioner may, for good cause, request the APCO 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 why the extension should be granted.
  - (i) The Hearing Board, upon good cause shown, may authorize incremental payments of Excess Emission Fees, Excess Visible Emission Fees or Minimum Excess Emission Fees.
  - (j) Service Charge for Returned Check
    - (i) 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.
- (5) Filing Fee Refunds
- (a) The Filing Fee or a portion of the Filing Fee may be refunded to the petitioner in the following circumstances:
    - (i) When the Hearing Board reverses the decision of the APCO in an appeal from denial or a conditional approval of a Authority to Construct or a Permit to Operate.
    - (ii) When the petition is withdrawn, and the applicant or petitioner notifies the Hearing 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 applicant or petitioner shall be entitled to a refund of fifty percent (50%) of the filing fee.

(6) Waiver of Fees

- (a) All fees associated with this rule shall be waived for any petition for a variance filed as the result of any event declared to be a “state of emergency” by the local, state, or federal authorities.



TABLE I

SCHEDULE OF EXCESS EMISSIONS FEES

<u>AIR CONTAMINANT</u>	<u>DOLLARS PER TON</u>
Total organic gases, except those containing sulfur	\$ <del>105.00</del> <u>403.00</u>
Carbon monoxide	\$2.00
Oxides of nitrogen (expressed as nitrogen dioxide)	\$ <del>105.00</del> <u>403.00</u>
Oxides of sulfur (expressed as sulfur dioxide)	\$ <del>105.00</del> <u>403.00</u>
Particulate matter	\$ <del>105.00</del> <u>403.00</u>

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TABLE II  
SCHEDULE OF EXCESS VISIBLE EMISSION FEE

For each source with opacity emissions in excess of twenty (20) percent, the allowable limit set forth in District Rule 401, or Section 41701 of the State Health and Safety Code, the fee is calculated as follows:

DISTRICT RULE 401

$$Fee = (Opacity^* \text{ equivalent} - 20) \times \text{number of days allowed by variance} \times \$3.00$$

HEALTH AND SAFETY CODE SECTION 41701

$$Fee = (Opacity^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \$3.00$$

\*Where "Opacity" equals maximum opacity of emissions, in percent of equivalent opacity in terms of Ringelmann numbers, allowed by the variance.

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303-10

**MDAQMD** Rule 303  
Hearing Board Fees D1, 04/17/17

**Appendix “B”**  
Public Notice Documents

1. Proof of Publication – Daily Press, May 12, 2017
2. Proof of Publication – Riverside Press Enterprise, May 12, 2017

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**PROOF OF PUBLICATION**

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,  
County of San Bernardino**

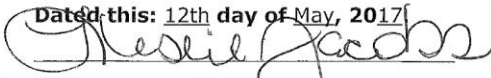
I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

May 12

**All in the year 2017.**

**I certify (or declare) under penalty of perjury that the foregoing is true and correct.**

Dated this: 12th day of May, 2017

  
**Signature**  
Leslie Jacobs

**This space is the County Clerk's Filing Stamp**

**FILED  
MOJAVE DESERT AQMD  
CLERK OF THE BOARD**

**MAY 16 2017**

BY 

**Proof of Publication of  
PUBLIC NOTICE**

**PUBLIC NOTICE**  
MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
**NOTICE OF PUBLIC HEARING PROPOSED BUDGET FOR FISCAL YEAR 2017-18**

**NOTICE IS HEREBY GIVEN** that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will hold a public hearing for the exclusive purpose of considering the Proposed Budget for Fiscal Year 2017-18. Comments regarding the proposed Budget may be submitted in writing before, during, or after the hearing.

**DATE:** June 12, 2017  
**TIME:** 10:00 A.M.  
**LOCATION:** 14306 Park Avenue, Victorville, CA 92392

Copies of the Proposed Budget for 2017-18 are posted on line at [www.mdaqmd.ca.gov](http://www.mdaqmd.ca.gov). Copies are also on file and may be inspected at the MDAQMD Office at 14306 Park Avenue, Victorville, CA 92392. Paper copies may be ordered by written request and a check for \$3.50 made payable to the MDAQMD at 14306 Park Avenue, Victorville, CA 92392. An electronic copy may be obtained at no charge by e-mailing a request to [jbracy@mdaqmd.ca.gov](mailto:jbracy@mdaqmd.ca.gov).

Contact Jean Bracy at (760) 245-1661 extension 6214 for further information.

**NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING PROPOSED AMENDMENTS TO REGULATION III - FEES**  
**NOTICE IS HEREBY GIVEN** that the Governing Board of the MDAQMD will hold a public hearing regarding proposed amendments to Regulation III - Fees (specifically Rules 301, 302, and 303) at the same time and place mentioned above to comply with the requirements of Health & Safety Code §42317(e). An additional public hearing will be held on June 26, 2017 at 10:00 A.M. at the same place mentioned above.

Overall increases in operating expenses require adjustments in permit fees from time to time. The MDAQMD is proposing a fee increase of 2.00% effective January 1, 2018 to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

If you would like a copy of the proposed amendments you may request one by calling (760) 245-1661. Copies are also available at the MDAQMD offices and a copy will be posted on the MDAQMD website at [www.mdaqmd.ca.gov](http://www.mdaqmd.ca.gov). You are also invited to submit comments on proposed amendments to Regulation III - Fees. Comments regarding the proposed amendments may be presented at the meeting and/or submitted in writing to: Mojave Desert Air Quality Management District, 14306 Park Avenue, Victorville, CA 92392-2310, and Attention: Regulation III Comments.

Written comments should be received on or before June 23, 2017 in order to be considered with a response. If you have any questions, please feel free to contact Ms. Jean Bracy (760-245-1661 extension 6214) or Mr. Alan De Salvo at (760-245-1661 extension 6726).

Published in the Daily Press May 12, 2017 (F-69)

# THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100  
Riverside, CA 92507  
951-684-1200  
951-368-9018 FAX

**PROOF OF PUBLICATION**  
(2010, 2015.5 C.C.P.)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

05/12/2017

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: May 12, 2017  
At: Riverside, California

  
Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD  
14306 PARK AVE  
ATTN: D. HERNANDEZ  
VICTORVILLE, CA 92392

Ad Number: 0010946952-01

P.O. Number:

Ad Copy:

PUBLIC NOTICE

**MOJAVE DESERT AIR QUALITY  
MANAGEMENT DISTRICT  
NOTICE OF PUBLIC HEARING  
PROPOSED BUDGET FOR FISCAL  
YEAR 2017-18**

**NOTICE IS HEREBY GIVEN** that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will hold a public hearing for the exclusive purpose of considering the Proposed Budget for Fiscal Year 2017-18. Comments regarding the proposed budget may be submitted in writing before, during, or after the hearing.

**DATE:** June 12, 2017  
**TIME:** 8:00 A.M.  
**LOCATION:** 14306 Park Avenue,  
Victorville, CA 92392

Copies of the Proposed Budget for 2017-18 are posted on line at [www.mdaqmd.ca.gov](http://www.mdaqmd.ca.gov). Copies are also on file and may be inspected at the MDAQMD Office at 14306 Park Avenue, Victorville, CA 92392. Paper copies may be ordered by written request and a check for \$3.50 made payable to the MDAQMD at 14306 Park Avenue, Victorville, CA 92392. An electronic copy may be obtained at no charge by e-mailing a request to [ibracy@mdaqmd.ca.gov](mailto:ibracy@mdaqmd.ca.gov).

Contact Jean Bracy at (760) 245-1661, extension 6214 for further information.

**NOTICE OF AVAILABILITY OF DRAFT  
RULE AND PUBLIC HEARING  
REGARDING PROPOSED  
AMENDMENTS TO  
REGULATION III - FEES**

**NOTICE IS HEREBY GIVEN** that the Governing Board of the MDAQMD will hold a public hearing regarding proposed amendments to Regulation III - Fees (specifically Rules 301, 302, and 303) at the same time and place mentioned above to comply with the requirements of Health & Safety Code §42311(e). An additional public hearing will be held on June 26, 2017 at 10:00 A.M. at the same place mentioned above.

Overall increases in operating expenses require adjustments in permit fees from time to time. The MDAQMD is proposing a fee increase of 2.00% effective January 1, 2018 to recover the rising costs associated with issuing licenses and permits; performing investigations, inspections, and audits; and the administrative enforcement and adjudication thereof.

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Written comments should be received on or before June 23, 2017 in order to be considered with a response. If you have any questions, please feel free to contact Ms. Jean Bracy (760-245-1661 extension 6214) or Mr. Alon De Salvo at (760) 245-1661 extension 6726. 5/12

**FILED**  
**MOJAVE DESERT AQMD**  
**CLERK OF THE BOARD**

MAY 18 2017

BY 



**Appendix “C”**  
Public Comments and Responses

No comments received to date.

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**Appendix “D”**  
California Environmental Quality Act  
Documentation

1. Draft NOE – San Bernardino County
2. Draft NOE – Riverside County

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**NOTICE OF EXEMPTION**

**TO:** County Clerk  
San Bernardino County  
385 N. Arrowhead, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415

**FROM:** Mojave Desert  
Air Quality Management District  
14306 Park Ave  
Victorville, CA 92392-2310

X MDAQMD Clerk of the Governing Board

**PROJECT TITLE:** Amendment of MDAQMD Regulation III – *Fees*.

**PROJECT LOCATION – SPECIFIC:** San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

**PROJECT LOCATION – COUNTY:** San Bernardino and Riverside Counties

**DESCRIPTION OF PROJECT:** Overall increases in operating expenses require adjustments in permit fees from time to time. The MDAQMD is proposing to amend Regulation III – *Fees* with a fee increase of two percent (2%) to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Mojave Desert AQMD

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Mojave Desert AQMD

**EXEMPT STATUS (CHECK ONE)**

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

**REASONS WHY PROJECT IS EXEMPT:** The proposed amendments to Regulation III are exempt from CEQA review. There is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts because the proposed amendments only adjusts fees, makes minor format corrections, and provides clarification. Therefore, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

**LEAD AGENCY CONTACT PERSON:** Brad Poiriez **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** June 26, 2017

**DATE RECEIVED FOR FILING:**

**NOTICE OF EXEMPTION**

**TO:** Clerk/Recorder  
Riverside County  
3470 12th St.  
Riverside, CA 92501

**FROM:** Mojave Desert  
Air Quality Management District  
14306 Park Ave  
Victorville, CA 92392-2310

X MDAQMD Clerk of the Governing Board

**PROJECT TITLE:** Amendment of MDAQMD Regulation III – *Fees*.

**PROJECT LOCATION – SPECIFIC:** San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

**PROJECT LOCATION – COUNTY:** San Bernardino and Riverside Counties

**DESCRIPTION OF PROJECT:** Overall increases in operating expenses require adjustments in permit fees from time to time. The MDAQMD is proposing to amend Regulation III – *Fees* with a fee increase of two percent (2%) to recover the rising costs associated with issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Mojave Desert AQMD

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Mojave Desert AQMD

**EXEMPT STATUS (CHECK ONE)**

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

**REASONS WHY PROJECT IS EXEMPT:** The proposed amendments to Regulation III are exempt from CEQA review. There is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts because the proposed amendments only adjusts fees, makes minor format corrections, and provides clarification. Therefore, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

**LEAD AGENCY CONTACT PERSON:** Brad Poiriez **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** June 26, 2017

**DATE RECEIVED FOR FILING:**

## Appendix “E” Bibliography

The following documents were consulted in the preparation of this staff report.

1. League of California Cities – *Proposition 26 Implementation Guide*. (April 2011): <http://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Hot-Issues/Proposition-26-Implementation-Guide>
2. CPI Detailed Report-February 2017: <https://www.bls.gov/cpi/cpid1702.pdf>

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**Appendix “F”**  
Cost Analysis

1. Mojave Desert AQMD Cost Recovery Detail, 2017.

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1.

<b>Mojave Desert AQMD Cost Recovery Detail</b>			
Permitting		<b>3,929,429.92</b>	
CCA		66,605.82	
Hots Spots		13,252.00	
P App		<b>72,717.20</b>	
AG		<b>398.00</b>	
		<b>4,082,402.94</b>	
Compliance		\$1,863,975.04	
Engineering		\$1,683,117.74	
Air Monitoring		<u>\$1,478,316.47</u>	
<b>Sub Total</b>		<b><u>\$5,025,409.25</u></b>	
<b>Costs to Recover</b>		<b>-\$943,006.31</b>	
AB2766		\$359,262.00	
Title V		\$138,916.86	
AV		\$62,435.62	
Cash 4 Grass		-\$400.75	
Demo/Reno		\$27,619.74	
PERP		\$33,777.60	
PM 2.5		\$4,917.78	
PSD		\$18,496.14	
29P		\$5,668.38	
Subvention		<u>\$136,914.67</u>	
		<b>-\$155,398.28</b>	
Fee Increase - Total Cost Recovery			
Revenue (\$4,297,328.84)			
	<b>3.62%</b>	<b>\$155,398.28</b>	
	<b>2.00%</b>	<b>\$85,946.58</b>	

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The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the amendment of Rule 1158 – Electric Generating Facilities and approval of California Environmental Quality Act \(CEQA\) documentation.](#) : a. [Open public hearing;](#) b. [Receive staff report;](#) c. [Receive public testimony;](#) d.

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 12*

**DATE:** June 26, 2017

**RECOMMENDATION:** Conduct a public hearing to consider the amendment of Rule 1158 – *Electric Generating Facilities* and approval of California Environmental Quality Act (CEQA) documentation. : a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Direct staff actions.

**SUMMARY:** Rule 1158 is proposed for amendment to satisfy 42 U.S.C. §§7511a (Federal Clean Air Act (FCAA) §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Technique Guidelines (CTGs) and for major sources of ozone precursors.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The Mojave Desert Air Quality Management District (MDAQMD) has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations. The MDAQMD is proposing to amend Rule 1158 – *Electric Generating Facilities* for inclusion in the current rulebook.

The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO<sub>x</sub>) which are ozone precursors. The District adopted the *8-Hour Reasonably Available Control Technology – State Implementation Analysis (RACT SIP Analysis)* in February, 2015 for the 2008 75 ppb ozone National Ambient Air Quality Standards (NAAQS). This document committed to amending current RACT for electric power generating facilities. The Mojave Desert Air Quality Management District (MDAQMD) has an electric power generating facilities rule which was approved as RACT into the State Implementation Plan (SIP) in 1999 (64 FR 38832, 07/20/1999). While there is no CTG for this source category, EPA has published an Alternative Control Techniques (ACT) document titled, “NO<sub>x</sub> Emissions from Stationary Gas Turbines” (EPA 453/R-93-007, January 1993) which describes available control techniques and their estimated costs. This ACT and other state and local rules for this category were used to help evaluate the RACT requirements of CAA §182(b)(2) and §182(f).

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

**AGENDA ITEM 12**

**PAGE 2**

The proposed amendments to Rule 1158 address the 2015 *RACT SIP Analysis* commitment. The proposed amendments update definitions, NO<sub>x</sub> emission limits, exemptions, monitoring and records, and compliance schedule. The amendments are based on Imperial County Air Pollution Control District (ICAPCD) Rule 400.2 – Boilers, Process Heaters and Steam Generators, as adopted February 23, 2010 and Ventura County Air Pollution Control District (VCAPCD) Rule 74.23 – Stationary Gas Turbines, as adopted January 8, 2002. ICAPCD Rule 400.2 was approved into the SIP as RACT at 78 FR 896, January 7, 2013 and VCAPCD Rule 74.23 was approved into the SIP as RACT at 68 FR 33018, June 3, 2003. Therefore, MDAQMD staff recommends amending Rule 1158 – *Electric Power Generating Facilities*.

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the amendment of Rule 1104 pursuant to the requirements of CEQA.

**REASON FOR RECOMMENDATION:** Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(1) (FCAA §110(1)) requires that all SIP revisions be adopted after public notice and hearing.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or before June 12, 2017.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Alan De Salvio, Deputy Director – Mojave Desert Operations

RESOLUTION NO. 01-\_\_\_\_\_

1           **A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE**  
2 **DESERT AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS,**  
3 **CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 1158 –**  
4 **ELECTRIC POWER GENERATING FACILITIES AND DIRECTING STAFF**  
5 **ACTIONS.**

6           On June 26, 2017, on motion by Member \_\_\_\_\_, seconded by  
7 Member \_\_\_\_\_, and carried, the following resolution is adopted:

8           **WHEREAS**, the Mojave Desert Air Quality Management District (MDAQMD) has  
9 authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-  
10 40728 to adopt, amend or repeal rules and regulations; and

11           **WHEREAS**, the proposed amendments to Rule 1158 are necessary to satisfy 42  
12 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement  
13 RACT for sources that are subject to CTGs and for major sources of ozone precursors; and

14           **WHEREAS**, the proposed amendments to the Rule are necessary as indicated herein  
15 and in the supporting documentation; and

16           **WHEREAS**, the MDAQMD has the authority pursuant to H & S Code §40702 to  
17 amend rules and regulations; and

18           **WHEREAS**, the Federal Clean Air Act (FCAA) requires areas designated non-  
19 attainment and classified moderate and above to implement Reasonably Available Control  
20 Technology (RACT) for sources subject to Control Techniques Guidelines (CTG) documents  
21 issued by United States Environmental Protection Agency (USEPA) and for “major sources”  
22 of volatile organic compounds (VOCs) and oxides of nitrogen (NO<sub>x</sub>) which are ozone  
23 precursors; and

24           **WHEREAS**, the District adopted the *8-Hour Reasonably Available Control*  
25 *Technology – State Implementation Analysis (RACT SIP Analysis)* in February, 2015 for the  
26 2008 75 ppb ozone National Ambient Air Quality Standards (NAAQS); and,

27           **WHEREAS**, this document committed to amending current RACT for electric power  
28 generating facilities; and

**WHEREAS**, the Mojave Desert Air Quality Management District (MDAQMD) has



**RESOLUTION NO. 01-\_\_\_\_\_**

1 an electric power generating facilities rule which was approved as RACT into the State  
2 Implementation Plan (SIP) in 1999 (64 FR 38832, 07/20/1999); and

3       **WHEREAS**, while there is no CTG for this source category, EPA has published an  
4 Alternative Control Techniques (ACT) document titled, “NOx Emissions from Stationary  
5 Gas Turbines” (EPA 453/R-93-007, January 1993) which describes available control  
6 techniques and their estimated costs; and

7       **WHEREAS**, this ACT and other state and local rules for this category were used to  
8 help evaluate the RACT requirements of CAA §182(b)(2) and §182(f); and,

9       **WHEREAS**, the proposed amendments to Rule 1158 address the 2015 *RACT SIP*  
10 *Analysis* commitment; and

11       **WHEREAS**, the proposed amendments update definitions, impose more restrictive  
12 NOx emission limits, exemptions, monitoring and records, and compliance schedule; and

13       **WHEREAS**, the amendments are based on Imperial County Air Pollution Control  
14 District (ICAPCD) Rule 400.2 – Boilers, Process Heaters and Steam Generators, as adopted  
15 February 23, 2010 and Ventura County Air Pollution Control District (VCAPCD) Rule  
16 74.23 – Stationary Gas Turbines, as adopted January 8, 2002; and

17       **WHEREAS**, ICAPCD Rule 400.2 was approved into the SIP as RACT at 78 FR  
18 896, January 7, 2013 and VCAPCD Rule 74.23 was approved into the SIP as RACT at 68  
19 FR 33018, June 3, 2003; and

20       **WHEREAS**, the proposed amendments to Rule 1158 are clear in that the meaning  
21 can be easily understood by the persons impacted by the Rule; and

22       **WHEREAS**, the amendments to Rule 1158 are in harmony with, and not in conflict  
23 with, or contradictory to existing statutes, court decisions, or State or federal regulations;  
24 and

25       **WHEREAS**, the proposed amendments to Rule 1158 do not impose the same  
26 requirements as any existing State or Federal law or regulation because the District is  
27 amending this rule in response to federal NOx RACT requirements; and

28       **WHEREAS**, the proposed amendments to Rule 1158 are necessary to satisfy 42

**RESOLUTION NO. 01-\_\_\_\_\_**

1 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement  
2 RACT for sources that are subject to CTGs and for major sources of ozone precursors; and

3       **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to  
4 H & S Code §40725, concerning the amendments to Rule 1158; and

5       **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR  
6 §15308) for the proposed amendments to Rule 1158, completed in compliance with the  
7 California Environmental Quality Act (CEQA), has been presented to the MDAQMD Board;  
8 each member having reviewed, considered and approved the information contained therein  
9 prior to acting on the proposed amendments to Rule 1158, and the MDAQMD Board having  
10 determined that the proposed amendments will not have any potential for resulting in any  
11 adverse impact upon the environment; and

12       **WHEREAS**, the Board has considered the evidence presented at the public hearing;  
13 and

14       **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the  
15 MDAQMD finds that the amendments to Rule 1158 – *Electric Power Generating Facilities*  
16 are necessary, authorized, clear, consistent, non-duplicative and properly referenced; and

17       **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD  
18 hereby makes a finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and  
19 certifies the Notice of Exemption for the proposed amendments to Rule 1158; and

20       **BE IT FURTHER RESOLVED**, that the Board of the MDAQMD does hereby  
21 adopt, pursuant to the authority granted by law, the proposed amendments to Rule 1158, as  
22 set forth in the attachments to this resolution and incorporated herein by this reference; and

23       **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately  
24 upon adoption, and that the Clerk of the Board is directed to file the Notice of Exemption in  
25 compliance with the provisions of CEQA.

26 //

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**RESOLUTION NO. 01-\_\_\_\_\_**

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5 **PASSED, APPROVED and ADOPTED** by the Governing Board of the Mojave Desert Air  
6 Quality Management District by the following vote:

7 **AYES: MEMBER:**

8 **NOES: MEMBER:**

9 **ABSENT: MEMBER:**

10 **ABSTAIN: MEMBER:**

11 )

12 STATE OF CALIFORNIA )

13 ) SS:

14 COUNTY OF SAN BERNARDINO)

15 )

16 I, Deanna Hernandez, Executive Office Manager of the Mojave Desert Air Quality  
17 Management District, hereby certify the foregoing to be a full, true and correct copy of the  
18 record of the action as the same appears in the Official Minutes of said Governing Board at  
its meeting of June 26, 2017.

19 \_\_\_\_\_, Executive Office Manager  
20 Mojave Desert Air Quality Management District

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# RULE 1158

## Electric Power Generating Facilities

### (A) General

#### (1) Purpose:

- (a) The purpose of this rule is to limit NOx emissions from Electric Power Generating Facilities.

#### (2) Applicability:

- (a) This rule applies to all Electric Utility electrical power generating Boiler or Steam Generator, including any auxiliary boiler used in conjunction with an electrical generating Boiler or Steam Generator, Combined-Cycle Turbine Units and to successor and replacement units that are located within the Federal Ozone Non-attainment Area.

### (B) Definitions

The definitions contained in District Rule 102 – *Definition of Terms* shall apply unless the term is otherwise defined herein:

- (1) “Aggregated (Facility-wide) Limit” – means the annual emissions limit applicable to any Electric Power Generating Facilities (facility). The aggregated emissions cap is expressed in pounds of NOx; expressed as total annual NOx emissions in pounds from each permit unit and then aggregated (summed) for all boilers and combined-cycle turbine units at the facility.
- (2) “Combined-Cycle Turbine Unit” – Any stationary gas turbine operated both for the production of electrical energy from shaft work and the useful energy produced from heat recovered from its exhaust gases.
- (3) “Electric Utility” – A power plant which is directly regulated by the Public Utilities Commission, which provides power directly to rate-payers, and which is not a Qualifying Small Power Production Facility per Public Utility Regulatory Policies Act regulations (18 CFR Ch.1, Subpart B).
- (4) “Electric Power Generation Facility” – Any electrical power generating Boiler or Steam Generator, including auxiliary boilers, or Combined-Cycle Turbine Units used in conjunction with an electrical generating Boiler or Steam Generator.
- (5) “Emissions Aggregating” – means the sum of the emissions for the facility. Aggregated annual emissions are expressed as the accumulated pounds of NOx per (specified time period).

$$EM1 + EM2 + EM3 + EM4 = EM_{cap}$$

Where:

EM1	=	lbs NOx/time (boiler 1)
EM2	=	lbs NOx/time (boiler 2)
EM3	=	lbs NOx/time (unit 3)
EM4	=	lbs NOx/time (unit 4)
EM <sub>cap</sub>	=	the emissions cap per time

- (6) “Emissions Control Plan” – A document prepared by the facility which outlines how an existing facility will comply with the requirements of this rule. The plan shall contain the following:
- (a) A list of all units with their Rated Heat Inputs ; and
  - (b) For each unit subject to the emissions limits of subsection (C)(1) or (C)(2), a description of the emissions control systems proposed for each unit, as well as a description of any ancillary equipment related to the control of emissions, and expected technical performance specifications for any NO<sub>x</sub> emissions control systems.; and
  - (c) For units for which installation of NO<sub>x</sub> reduction technology by the date specified in section G is not practicable, a demonstration of why such installation cannot be achieved by that date, and a schedule of clearly defined compliance milestones that represent the most expeditious schedule practicable toward final compliance.
  - (d) And shall be reviewed by the District at least once every three (3) years or at such time as applications are received by the District for new or revised Authority(ies) to Construct or Permit(s) to Operate.
- (7) “Emission Control System Operating Parameters” – Any operating parameter(s) that the District deems necessary for the determination of compliance.
- (8) “Higher Heating Value (HHV)” – The total heat liberated per mass of fuel burned (Btu per pound), when fuel and dry air at standard conditions undergo complete combustion and all resultant products are brought to standard conditions.
- (9) “Low Use” – A unit whose annual operation does not exceed 1000 hours.
- (10) “NO<sub>x</sub> Emissions (NO<sub>x</sub>)” – The sum of any oxides of nitrogen which can be measured in the flue gas, expressed as nitrogen dioxide (NO<sub>2</sub>).

- (11) “Rated Heat Input” – The Heat Input capacity (in MMBtu/hr) specified on the nameplate of the unit, unless:
- (a) The unit is limited by permit condition to a lesser Heat Input than specified on the nameplate, in which case the limiting condition shall be used as the Rated Heat Input; or
  - (b) The unit is operated above the Heat Input capacity specified on the nameplate, in which case the maximum operated rate shall be used as the Rated Heat Input.
- (12) “Shut-down Period” – The one (1) hour time period immediately preceding a continuous period in which fuel flow to the permit unit is zero, or shut off for 30 minutes or longer.
- (13) “Start-up Period” – The one (1) hour time period immediately following a continuous period in which fuel flow to the permit unit is zero, or shut off for 30 minutes or longer.
- (14) “Thermal Stabilization Period” – The start up or shut down time necessary to bring the heat recovery steam generator to the proper operating temperature, not to exceed two (2) hours.

(C) Requirements

- (1) NOx RACT Emissions Limits for Boilers or Steam Generators:
- (a) All Boilers or Steam Generators shall not emit NOx in excess of the following:

NOx Emissions (ppmv)	
Gaseous Fuel	Liquid Fuel
30	40
70 (Low Use)	70 (Low Use)

- (b) All ppmv emission limits for Boilers or Steam Generators are referenced at dry stack-gas conditions and 3.0 percent by volume stack-gas oxygen as an hourly average.
- (2) NOx RACT Emissions Limits for Combined-Cycle Turbines:
- (a) All Combined-Cycle Turbine Units shall not emit NOx in excess of the following:

Unit Rating (MW)	NOx Emissions (ppmv)	
	Gaseous Fuel	Liquid Fuel

0.3 to <2.9	42	65
2.9 to <10.0	25 x E/25	65
10.0 and up, With SCR	9 x E/25	25 x E/25
10.0 and up, Without SCR	15 x E/25	42 x E/25
4.0 and up, Low Use	42	65

Unit efficiency (E) shall be determined as follows:

$$E = \frac{\text{MRE [Continuous] at LHV}(\text{LHV})}{(\text{HHV})}$$

where

LHV = the lower heating value of the fuel

HHV = the higher heating value of the fuel

MRE = manufacturer's rated thermal efficiency of gas turbine only without consideration of any downstream energy recovery

Turbine efficiency (E) shall not be less than 25 percent; a turbine with an efficiency lower than 25 percent shall be assigned an efficiency of 25 percent for the purposes of this rule.

- (b) All ppmv emission limits for Combined-Cycle Turbine Unit is referenced at dry stack-gas conditions and 15.0 percent by volume stack-gas oxygen as an hourly average.
- (3) Aggregated Annual NOx Emissions Cap:
- (a) The Electric Power Generation Facility of Southern California Edison, or its successor, located at Coolwater Facility in Daggett, California, shall not operate the facility with facility-wide NOx emissions in excess of the following aggregated annual limits:

Year	Aggregated Annual Cap (Tons/year)

Year	Aggregated Annual Cap (Tons/year)
Ending December 31, 1996	1,516
Ending December 31, 1997	1,484
Ending December 31, 1998	1,453
Ending December 31, 1999	1,421
Ending December 31, 2000	1,387
Ending December 31, 2001	1,353
Ending December 31, 2002	1,319
After December 31, 2002	1,319
After June 26, 2017	1,319 less 10 %

4) Emission Limitations during Start-up, Shut-down, and Thermal Stabilization Periods



(a) The emission limits in found in subsections (C)(1) and (C)(2), do not apply during start-up, shut-down, and thermal stabilization periods.

(b) Boilers or Steam Generators shall meet at least one of the following averaged over the duration of the Start-up or Shut-down Period:

(i) 115 ppm @ 3% O<sub>2</sub> on gaseous fuels,

(ii) 135 ppm @ 3% O<sub>2</sub> on liquid fuels.

(c) Combined-Cycle Turbine Units shall not emit NO<sub>x</sub> in excess of the following averaged over the duration of the Start-up, Shut-down, or Thermal Stabilization Period:

(i) 70 ppm @ 15% O<sub>2</sub> for turbines fired on gas or,

(ii) 0.16 pounds per MMBtu input for turbines fired on gas or liquid fuels or,

(iii) 226 ppm @ 15% O<sub>2</sub> for turbines fired on liquid fuels.

(5) General Equipment Requirements:

(a) The owner/operator of any units which are subject to the requirements of subsections (C)(1) and (2) above, shall:

(i) install volumetric flow rate meters in each liquid fuel line; or

(ii) install volumetric flow rate meters in conjunction with temperature and pressure probes in each gaseous fuel line; or

(iii) maintain a fuel log in the form and manner prescribed and approved by the APCO.

(b) The owner/operator of any units which are subject to the requirements of subsections (C)(1) and(2) shall have CEMS equipment installed, certified, and operating on all emissions points. The CEMS equipment shall be certified in accordance with 40 CFR 75, Appendix A, Section 6.

(c) The owner/operator of any unit subject to the requirements of subsection (C)(1) and(2) above shall submit an Emissions Control Plan for District approval.

(d) When any exemption pursuant to subsection (D)(3) is no longer applicable, the facility shall submit an Emissions Control Plan to the District within 90 days following such termination of exempt status.

(6) Loss of Low Use status

(a) Any operation of a unit qualifying as Low Use, and subsequently exceeding the Low Use threshold, shall require the operator to comply with the

applicable non-Low Use emission limit specified in section (C) above, according to the compliance schedule in subsection (G)(4).

#### (D) Exemptions

- (1) During periods of unexpected curtailment of gaseous fuels, Boiler or Steam Generator units subject to the requirements of subsection (C)(1) which normally burn only gaseous fuel shall:
  - (a) Comply with a NO<sub>x</sub> emission limit of 225 ppmv NO<sub>x</sub> when burning liquid fuel.
  - (b) This exemption shall not exceed the period of natural gas curtailment.
  - (c) This exemption shall apply when equipment is undergoing compliance testing. For the purpose of this exemption, the applicable compliance testing time period shall not exceed 48 hours per calendar year.
- (2) Units, which are subject to District Rules 1157 - *Boilers and Process Heaters* or 1159 - *Stationary Gas Turbines*, are exempt from this rule.
- (3) The provisions of subsection (C)(1) of this rule shall not apply to units which have no Annual Heat Input (Annual Heat Input equals zero).
  - (a) The owner/operator of any unit who wishes to claim an exemption pursuant to this subsection shall meet the record keeping requirements of this rule so as to be able to prove the exemption status.
- (4) Electric Power Generation Facility located outside of the Federal Ozone Non-attainment Area are exempt from requirements of this rule.

#### (E) Monitoring and Records

- (1) CEMS Quality Assurance Testing:
  - (a) An initial CEMS Certification Test shall be conducted on or before May 31, 1995, and the report shall be submitted to the District within 90 days of the completion of the testing.
  - (b) Following the initial certification of the installed CEMS, the company shall follow the Quality Assurance Procedures as outlined in 40 CFR 75, Appendix B. The Quality Assurance Program includes, but is not limited to: a daily Calibration Error determination; a quarterly Linearity Error Test; and an annual Relative Accuracy Test Audit.
- (2) Testing Procedures:

- (a) All testing required by this rule shall be in accordance with the applicable procedures outlined in 40 CFR 60, and/or 40 CFR 75. All testing shall be approved by the District pursuant to the District's Compliance Test Procedural Manual.
  - (b) Relative Accuracy Test Audits shall be conducted in accordance with provisions of 40 CFR 75, Appendix A, Section, Part 6.5.
  - (c) All pounds of NO<sub>x</sub> per day shall be determined as the sum of the hourly mass emissions.
- (3) Additional Procedures – Boilers or Steam Generators:
- (a) All concentration emission limits specified in subsections (C)(1) and (D)(1) for Boilers or Steam Generators are referenced at dry stack-gas conditions and 3.0 percent by volume stack-gas oxygen as an hourly average.
- (4) Additional Procedures – Combined-Cycle Turbine Units
- (a) All concentration emission limits specified in subsection (C)(2) for Combined-Cycle Turbine Units are referenced at dry stack-gas conditions and 15.0 percent by volume stack-gas oxygen as an hourly average.
- (5) Records and Reporting
- (a) The owner/operator of a unit subject to this rule shall monitor and record for each unit:
    - (i) The cumulative annual usage of each fuel. (The cumulative annual usage of each fuel shall be monitored from service meters, purchase or tank fill records, or by any other acceptable methods, as approved by the Air Pollution Control Officer (APCO)).
    - (ii) The HHV for liquid fuels burned shall be determined from daily samples and reported as a monthly average for each month.
    - (iii) Units claiming Low Use shall monitor and record operating hours on a daily basis.
  - (b) Boiler or Steam Generator and Combined-Cycle Turbine Operating Logs: On a daily basis for each unit, the owner/operator shall maintain an operating log that includes, as a minimum, the following information:
    - (i) The actual start-up and shut-down times;
    - (ii) The hours of operation per day;
    - (iii) The hourly averaged NO<sub>x</sub> emission concentration for each unit; and
    - (iv) A monthly summary of the accumulative aggregated annual pounds of NO<sub>x</sub> emissions for the facility; and
    - (v) The type and quantity of fuel used.

- (c) The owner/operator of a unit exempt pursuant to section (D)(1), shall monitor and record for each unit the hours of operation on liquid fuel, on a daily basis.
- (d) The owner/operator of any unit required to perform CEMS Quality Assurance Testing shall make the reports available to the MDAQMD upon request.
- (e) All data and records required to be kept pursuant to this rule shall:
  - (i) Be kept current and on site for a minimum of three (3) years, and
  - (ii) Provided to District or state personnel on request.

**(F) Test Methods**

- (1) Certification and Quality Assurance Testing shall be subject to the protocols prescribed in the District's Compliance Procedural Manual as well as 40 CFR 60, Appendix A and 40 CFR 75 Appendix A and B.
- (2) Compliance Testing for Boilers or Steam Generators shall be performed in accordance with the following methods.
  - (a) Oxides of Nitrogen - EPA Method 7E- Determination of Nitrogen Oxides Emissions From Stationary Sources or ARB Method 100-Procedures for Continuous Gaseous Emission Stack Sampling.
  - (b) Stack Gas Oxygen - EPA Method 3- Gas Analysis for the Determination of Dry Molecular Weight or 3A- Determination of Oxygen and Carbon Dioxide Concentrations in Emissions From Stationary Sources or ARB Method 100-Procedures for Continuous Gaseous Emission Stack Sampling.
  - (c) NO<sub>x</sub> Mass Emission Rate - EPA Method 19-Determination of Sulfur Dioxide Removal Efficiency and Particulate Matter, Sulfur Dioxide, and Nitrogen Oxide Emission Rates.
  - (d) HHV determination shall be by one of the following test methods:
    - (i) For liquid hydrocarbon fuels - ASTM D 240-87 or ASTM D 2382-88; or
    - (ii) For gaseous fuels - ASTM D 1826-88, or ASTM D 1945-81 in conjunction with ASTM D 3588-89.
- (3) Compliance Testing for Combined-Cycle Turbine Units shall be performed in accordance with the following methods.
  - (a) NO<sub>x</sub> Concentrations/Mass Emissions NO<sub>x</sub> Emissions shall be determined by EPA Test method 7E and 3A or by EPA Test Method 20.

- (b) Heating Value The Higher Heating Value shall be determined:
  - (i) for liquid fuels - ASTM Test Method D 240-87
  - (ii) for distillate fuel - ASTM Test Method D 2382-88
  - (iii) for gaseous fuels - ASTM Test Method 3588-91; or ASTM Test Method D 1826-88; or ASTM Test Method D 1945-81.

### (G) Compliance Schedule

- (1) The owner/operator of a unit subject to the requirements of section (C) shall submit to the District for approval an initial Emissions Control Plan for the facility six (6) months after date of rule adoption.
- (2) The owner/operator of a unit subject to the requirements of section (C) shall demonstrate final compliance with all applicable standards and requirements of the rule:
  - (a) Twelve (12) months after rule adoption or loss of Low Use status, for units with NOx control technology in place or units subject to subsection (C)(2); or
  - (b) Within six (6) months of installation of NOx reduction technology.
- (3) The owner/operator of a unit exempt pursuant to section (D) shall fulfill the following requirements, if and when such exemption no longer applies, shall:
  - (a) Submit a revised Emissions Control Plan within 90 days of the date of the change of status; and
  - (b) When applicable, submit an application(s) for an Authority To Construct/Permit To Operate (ATC/PTO) to the District no later than six months after the date of the change of status.
  - (c) No later than one (1) calendar year following the submission of the Emissions Control Plan, demonstrate final compliance with all applicable standards and requirements of the rule.
- (4) The owner or operator of any unit claiming Low Use status must notify the APCO within seven (7) days if the hour-per-year limit is exceeded. If the hour per-year-limit is exceeded, the exemption shall be permanently withdrawn. Within 30 days after the exceedance, the owner or operator must submit an Emission Control Plan.

### (H) Severability of Portions of this Rule

- (1) If any portion of this rule is found to be invalid or unenforceable, such finding shall have no effect on the validity and enforceability of the remaining portions of the rule, which are severable and shall continue to be in full force and effect.

*Mojave Desert*  
Air Quality Management District



Draft  
Staff Report  
Proposed Amendments to  
Rule 1158 – *Electric Power Generating Facilities*

For amendment on  
June 26, 2017

14306 PARK AVE, VICTORVILLE, CA 92392-2310  
PHONE: (760) 245-1661  
FAX: (760) 245-2699

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## List of Acronyms

ACT	Alternative Control Techniques
BACT	Best Available Control Technology
BARCT	Best Available Retrofit Control Technology
CARB	California Air Resources Board
CCAA	California Clean Air Act
CEQA	California Environmental Quality Act
FCAA	Federal Clean Air Act
H&S Code	California Health & Safety Code
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
NOx	Oxides of Nitrogen
SCAQMD	South Coast Air Quality Management District
SIP	State Implementation Plan
SOx	Oxides of Sulfur
USEPA	U.S. Environmental Protection Agency
VOC	Volatile Organic Compounds

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**STAFF REPORT**  
**Rule 1158 – *Electric Power Generating Facilities***

I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

II. EXECUTIVE SUMMARY

The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO<sub>x</sub>) which are ozone precursors. The District adopted the *8-Hour Reasonably Available Control Technology – State Implementation Analysis (RACT SIP Analysis)* in February, 2015 for the 2008 75 ppb ozone National Ambient Air Quality Standards (NAAQS). This document committed to amending current RACT for electric power generating facilities. The Mojave Desert Air Quality Management District (MDAQMD) has an electric power generating facilities rule which was approved as RACT into the State Implementation Plan (SIP) in 1999 (64 FR 38832, 07/20/1999). While there is no CTG for this source category, EPA has published an Alternative Control Techniques (ACT) document titled, “NO<sub>x</sub> Emissions from Stationary Gas Turbines” (EPA 453/R-93-007, January 1993) which describes available control techniques and their estimated costs. This ACT and other state and local rules for this category were used to help evaluate the RACT requirements of CAA §182(b)(2) and §182(f).

The proposed amendments to Rule 1158 address the 2015 *RACT SIP Analysis* commitment. The proposed amendments update definitions, impose more restrictive NO<sub>x</sub> emission limits, exemptions, monitoring and records, and compliance schedule. The amendments are based on Imperial County Air Pollution Control District (ICAPCD) Rule 400.2 – Boilers, Process Heaters and Steam Generators, as adopted February 23, 2010 and Ventura County Air Pollution Control District (VCAPCD) Rule 74.23 – Stationary Gas Turbines, as adopted January 8, 2002. ICAPCD Rule 400.2 was approved into the SIP as RACT at 78 FR 896, January 7, 2013 and VCAPCD Rule 74.23 was approved into the SIP as RACT at 68 FR 33018, June 3, 2003. Therefore, MDAQMD staff recommends amending Rule 1158 – *Electric Power Generating Facilities*.

### III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD or District) amend proposed Rule 1158 – *Electric Power Generating Facilities* and approve the appropriate California Environmental Quality Act (CEQA) documentation. This action is necessary to satisfy 42 U.S.C. §§7511a (FCAA) §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

#### IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendment of Rule 1158 – *Electrical Power Generating Facilities*. Each item is discussed, if applicable, in Section V. Copies of related documents are included in the appropriate appendices.

##### **FINDINGS REQUIRED FOR RULES & REGULATIONS:**

- Necessity
- Authority
- Clarity
- Consistency
- Nonduplication
- Reference
- Public Notice & Comment
- Public Hearing

##### **REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):**

- Public Notice & Comment
- Availability of Document
- Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- Public Hearing
- Legal Authority to adopt and implement the document.
- Applicable State laws and regulations were followed.

##### **ELEMENTS OF A FEDERAL SUBMISSION:**

N/A Elements as set forth in applicable Federal law or regulations.

##### **CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):**

- N/A Ministerial Action
- N/A Exemption
- Negative Declaration
- N/A Environmental Impact Report
- Appropriate findings, if necessary.
- Public Notice & Comment

##### **SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):**

- Environmental impacts of compliance.
- N/A Mitigation of impacts.
- N/A Alternative methods of compliance.

##### **OTHER:**

- Written analysis of existing air pollution control requirements
- Economic Analysis
- Public Review



## V. DISCUSSION OF LEGAL REQUIREMENTS

### A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed amendment of Rule 1158. These are actions that need to be performed and/or information that must be provided in order to amend the rule in a procedurally correct manner.

#### 1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the District Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Board in making these findings.

##### a. Necessity:

The proposed amendments to Rule 1158 are necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

##### b. Authority:

The District has the authority pursuant to California Health and Safety Code (H & S Code) §40702 to adopt, amend or repeal rules and regulations.

##### c. Clarity:

The proposed amendments to Rule 1158 are clear in that they are written so that the persons subject to the Rule can easily understand the meaning.

##### d. Consistency:

The proposed amendments to Rule 1158 are in harmony with, and not in conflict with or contradictory to any State law or regulation, Federal law or regulation, or court decisions.

##### e. Nonduplication:

The proposed amendments to Rule 1158 do not impose the same requirements as any existing State or Federal law or regulation because the District is amending this rule in response to federal NOx RACT requirements.

f. Reference:

The District has the authority pursuant to H & S Code §40702 to adopt, amend or repeal rules and regulations.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendments to Rule 1158 was published May 12, 2017. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying Federal law that requires the submittal. The information below indicates which elements are required for the proposed amendments to Rule 1158 and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The FCAA requires areas designated non-attainment and classified moderate and above to implement RACT for sources subject to CTG documents issued by USEPA and for “major sources” of VOCs and NO<sub>x</sub> that are ozone precursors. Because the District has an existing SIP rule for major sources, the District committed to adopting an updated RACT rule for this source category as part of the *RACT SIP Analysis*. The MDAQMD is proposing to update Rule 1158 – *Electric Power Generating Facilities* to reflect current federal RACT. While there is no CTG for Stationary Gas Turbines or Boilers, EPA has published an Alternative Control Techniques (ACT) document titled, “NO<sub>x</sub> Emissions from Stationary Gas Turbines” (EPA 453/R-93-007, January 1993) which describes available control techniques and their estimated costs. This ACT and other state and local rules for Stationary Gas Turbines and Boilers were used to help evaluate the RACT requirements of CAA §182(b)(2) and §182(f).

b. Public Notice and Comment:

Notice for the public hearing for the proposed amendments to Rule 1158 was published May 12, 2017. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

c. Availability of Document:

Copies of the proposed amendments to Rule 1158 and the accompanying draft staff report were made available to the public on May 12, 2017. The proposed amendments were also reviewed by the Technical Advisory Committee, a committee consisting of a variety of regulated industry and local governmental entities, on February 2, 2017.

d. Notice to Specified Entities:

Copies of the proposed amendments to Rule 1158 and the accompanying draft staff report were sent to all affected agencies. The proposed amendments were sent to the California Air Resources Board (CARB) and U.S. Environmental Protection Agency (USEPA) on April 28, 2017.

e. Public Hearing:

A public hearing to consider the proposed amendments to Rule 1158 has been set for June 12, 2017.

f. Legal Authority to Adopt and Implement:

The District has the authority pursuant to H&S Code §40702 to adopt, amend, or repeal rules and regulations and to do such acts as may be necessary or proper to execute the duties imposed upon the District.

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S Code §40727.2. See Section (V)(C) for compliance with economic analysis requirements pursuant to H&S Code §40920.6. See Section (V)(D) below for compliance with provisions of the CEQA.

## B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H & S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district.

The FCAA requires areas designated non-attainment for ozone and classified moderate and above to adopt and maintain RACT rules to control the emissions of VOCs and NO<sub>x</sub> for categories which the USEPA has adopted a CTG and for all categories where there

are major stationary sources of air pollution (42 U.S.C. §7511a(b)(2), FCAA 182(b)(2)). For purposes of the FCAA, portions of the District have been designated non-attainment for ozone and classified severe-17.

The MDAQMD has an electric power generating facilities rule which was approved as RACT into the SIP in 1999 (64 FR 38832, 07/20/1999). While there isn't a national CTG for this source category to help define RACT, the proposed update of Rule 1158 is more stringent than EPA's 1993 ACT and applicable New Source Performance Standards, such as "Standards of Performance for Stationary Combustion Turbines" (40 CFR 60 Subpart KKKK) and "Standards of Performance for Electric Utility Steam Generating Units" (40 CFR 60 Subpart Da). In addition, USEPA approved Imperial County Air Pollution Control District (ICAPCD) Rule 400.2 – Boilers, Process Heaters and Steam Generators, as adopted February 23, 2010, as a RACT rule on January 8, 2002 (78 FR 896) and Ventura County Air Pollution Control District (VCAPCD) Rule 74.23 – Stationary Gas Turbines, as adopted January 8, 2002, as a RACT rule June 3, 2003 (68 FR 33018) and USEPA approved Placer County APCD Rule 250 – Stationary Gas Turbines as amended October 8, 2015, as a RACT rule August 1, 2015 (81 FR 50348). These rules were used as a basis for amendment. As a result, we propose to determine that this rule fulfills RACT requirements.

#### C. ECONOMIC ANALYSIS

##### 1. General

Rule 1158 applies to all electric utility electrical generating facilities. There are no active sources subject to this rule. The most recently active sources were electric generating boilers and turbines located at the Coolwater Facility in Daggett, California. These units were shut down in March 2015.

##### 2. Incremental Cost Effectiveness

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act (CCAA) requirements for Best Available Retrofit Control Technology (BARCT) or "all feasible measures" to control volatile compounds (VOCs), oxides of nitrogen (NOx) or oxides of sulfur (SOx). An incremental cost effectiveness analysis is not required as there are currently no active sources subject to Rule 1158.

#### D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed amendments to Rule 1158 was determined.

1. The proposed amendments to Rule 1158 meet the CEQA definition of "project". They are not "ministerial" actions.

2. The proposed amendments to Rule 1158 are exempt from CEQA review because the proposed amendments will not create any adverse impacts on the environment. Because there is no potential that the amendment might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The potential environmental impacts of compliance with the proposed amendments to Rule 1158 will impose more stringent NOx emission limits, monitoring and records, and compliance schedule.

2. Mitigation of Impacts

N/A.

3. Alternative Methods of Compliance

N/A.

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) and (2)(b), as well as Appendix “B”

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

This rule applies to all electric utility electrical power generating boiler or steam generators, including any auxiliary boiler used in conjunction with an electrical generating boiler or steam generator, combined-cycle turbine units and to successor and replacement units, located in the Federal Ozone Non-attainment Area.

B. EMISSIONS

While emission limits have been lowered for this category in line with current RACT emission limits, emission reductions are not anticipated because there are no active sources.

C. CONTROL REQUIREMENTS

Rule 1158 does not require controls to be installed on an applicable unit, however dependent upon unit rating, NOx emissions limits are particularly stringent enough that retrofit could be required. Common retrofits for boilers and turbines could encompass flue gas recirculation, low NOx burners, water injection, selective catalytic reduction, and other common industry controls.

#### D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 1158.

The proposed changes update definitions (including placement of definitions common amongst MD rules into Rule 102 which is being amended concurrently), update NOx emission limits notably lowering them, including efficiency factor for turbines, add startup and shutdown emission limits, include low use provision, and refine exemptions, update monitoring and records and test methods.

#### E. SIP HISTORY

##### 1. SIP History.

##### a. SIP in the San Bernardino County Portion of MDAQMD

On July 1, 1993 the MDAQMD was formed pursuant to statute. Pursuant to statute it also retained all the rules and regulations of the San Bernardino County Air Pollution Control District (SBCAPCD) until such time as the Governing Board of the MDAQMD wished to adopt, amend or rescind such rules. The MDAQMD Governing Board, at its very first meeting, reaffirmed all the rules and regulations of the SBCAPCD. Rule 1158 was originally adopted 02/22/1995 and amended 08/25/1997 with SIP submittal date of 03/10/1998 and approval date 07/20/1999 (64 FR 38832).

##### b. SIP in the Riverside County (Blythe/Palo Verde Valley) Portion of the MDAQMD

One of the provisions of the legislations which created the MDAQMD allowed areas contiguous to the MDAQMD boundaries and within the same air basin to leave their current air district and become a part of the MDAQMD. On July 1, 1994 the area commonly known as the Palo Verde Valley in Riverside County, including the City of Blythe, left the South Coast Air Quality Management District (SCAQMD) and joined the MDAQMD.

Since USEPA adopts SIP revisions in California as effective within the jurisdictional boundaries of local air districts, when the local boundaries change the SIP as approved by USEPA for that area up to the date of the change remains as the SIP in that particular area. Upon annexation of the Blythe/Palo Verde Valley the MDAQMD acquired the SIP prior to July 1, 1994 that was effective in the Blythe/Palo Verde Valley. Therefore, the SIP history for the Blythe/Palo Verde Valley Portion of the MDAQMD

is based upon the rules adopted and approved for that portion of Riverside County by SCAQMD.

As Rule 1158 was adopted after the aforementioned July 1, 1994 date, the SIP history for Palo/Verde Blythe area is the same as for the San Bernardino County area.

2. SIP Analysis.

The District will request CARB to submit the proposed amendments to Rule 1158 to replace the SIP versions in effect in the San Bernardino County portion of the MDAB and the Blythe/Palo Verde Valley portion of Riverside County. This submission is necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

Since there are previously existing SIP rules for this category the District will request that they be superseded. In order to replace existing SIP rules the District is required to show that the proposed amendments are not less stringent than the provisions currently in the SIP. The new version of Rule 1158 is more stringent than the current rule in the SIP because the NOx emission limits are more stringent and all other applicable requirements are at least as stringent as the existing SIP rule.

## Appendix “A”

### Rule 1158 – *Electric Power Generating Facilities* Iterated Version

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.
2. ~~Lined out text~~ identifies language which is being deleted.
3. Normal text identifies the current language of the rule which will remain unchanged by the adoption of the proposed amendments.
4. *[Bracketed italicized text]* is explanatory material that is not part of the proposed language. It is removed once the proposed amendments are adopted.



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(Adopted: 02/22/95; Amended: 08/25/97; Amended: tbd)

## RULE 1158

### Electric Power Generating Facilities

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#### (A) General

##### (1) Purpose:

- (a) The purpose of this rule is to limit NOx emissions from Electric Power Generating Facilities.

##### (2) Applicability:

- (a) This rule applies to all ~~Electric Utility~~~~existing~~ electrical ~~power~~ generating ~~Boiler or Steam Generator~~~~steam boilers~~, including any auxiliary boiler used in conjunction with an electrical generating ~~Boiler or Steam Generator~~~~steam boiler~~, ~~combined cycle turbine unit~~~~Combined-Cycle Turbine Units~~ and to ~~successor and~~ replacement units that are located within the Federal Ozone Non-attainment Area.

*[Updated this section consistent with the use of the terms and definitions found elsewhere in the rule]*

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#### (B) Definitions

The definitions contained in District Rule 102 – Definition of Terms shall apply unless the term is otherwise defined herein: [Definitions that are commonly used throughout the MDAQMD rule book are being relocated to existing Rule 102, which is being simultaneously amended.]

For the purposes of this rule, the following definitions shall apply:

- (1) “~~Aggregated (Facility-wide) Limit~~” – means the annual emissions limit applicable to any Electric Power Generating Facilities (facility). The aggregated emissions cap is expressed in pounds of NOx; expressed as total annual NOx emissions in pounds from each permit unit and then aggregated (summed) for all boilers and combined-cycle turbine units at the facility.
- ~~(2) “Annual Capacity Factor (ACF)” – The ACF determines which level of emissions limits of subsection (C)(1) will apply to the boiler permit unit. The ACF shall be determined for peaking units, cycling units or baseload units, respectively, by the following calculation: [Definition no longer used.]~~

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$$ACF_{\text{perm}} = \frac{\text{(actual megawatt hours)}}{(9760 \text{ hrs/yr}) \times \text{(rated capacity in megawatts)}}$$

$$ACF_{eu} = \frac{\textit{(actual megawatt hours)}}{\textit{(8760 hrs/yr)} \times \textit{(rated capacity in megawatts)}}$$

$$ACF_{bu} = \frac{\textit{(actual megawatt hours)}}{\textit{(8760 hrs/yr)} \times \textit{(rated capacity in megawatts)}}$$

- (3) ~~“Annual Heat Input”~~ Heat Input ~~—The total heat input~~ of fuels, in Btu, burned by a permit unit in a calendar year, as determined from the Hhigher Hheating Vvalue and cumulative annual usage of each fuel. [Relocated to District Rule 102 – Definition of Terms.]
- (4) ~~“Boiler or Steam Generator”~~ Boiler or Steam Generator ~~—aAny combustion equipment (fired with any fuel) used to produce steam. Boiler or steam generator~~ does not include any waste heat recovery boiler that is used to recover sensible heat from the exhaust of a combustion turbine. [Relocated to District Rule 102 – Definition of Terms.]
- (5) ~~“Cogeneration Facility”~~ Cogeneration Facility ~~— a facility which produces:~~
  - (a) ~~electric energy; and~~
  - (b) ~~steam or forms of useful energy (such as heat) which are used for industrial or commercial heating or cooling purposes. [Definition not used]~~
- (62) ~~“Combined-Cycle Turbine Unit”~~ Combined-Cycle Turbine Unit – Any stationary gas turbine operated both for the production of electrical energy from shaft work and the useful energy produced from heat recovered from its exhaust gases.
- (327) ~~“Electric Utility”~~ Electric Utility – ~~A~~ power plant which is directly regulated by the Public Utilities Commission, which provides power directly to rate-payers, and which is not a Qualifying Small Power Production Facility per Public Utility Regulatory Policies Act regulations (18 CFR Ch.1, Subpart B).
- (48) ~~“Electric Power Generation Facility”~~ Electric Power Generation Facility – ~~a~~Any electrical power generating Boiler or Ssteam Generatorboilers, including auxiliary boilers, or ~~combined-cycle turbine unit~~Combined-Cycle Turbine Units used in conjunction with an electrical generating Boiler or Ssteam Generatorboiler.
- (59) ~~“Emissions Aggregating”~~ Emissions Aggregating – means the sum of the emissions for the facility. Aggregated annual emissions are expressed as the accumulated pounds of NOx per (specified time period).

$$EM1 + EM2 + EM3 + EM4 = EM_{cap}$$

Where:

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EM1	=	lbs NOx/time (boiler 1)
EM2	=	lbs NOx/time (boiler 2)
EM3	=	lbs NOx/time (unit 3)
EM4	=	lbs NOx/time (unit 4)
EM <sub>cap</sub>	=	the emissions cap per time

(640) “Emissions Control Plan” – ~~a~~A document prepared by the facility which outlines how an existing facility will comply with the requirements of this rule. The plan shall contain the following:

- (a) ~~a~~A list of all ~~permit~~ units with their ~~Rated~~ ~~heat input~~ Heat Inputs and ~~estimated annual capacity factors~~; and
- (b) ~~f~~For each ~~permit~~ unit subject to the emissions limits of subsection (C)(12) or (C)(23), a ~~description of the emissions control systems proposed for each unit, as well as a description of any ancillary equipment related to the control of emissions, and expected technical performance specifications for any NOx emissions control systems, statement as to the selected method of achieving the applicable standard~~; and
- (c) ~~f~~For ~~permit~~ units for which installation of NOx reduction technology by ~~May 31, 1995~~the date specified in section G is not practicable, a demonstration of why such installation cannot be achieved by that date, and a schedule of clearly defined compliance milestones that represent the most expeditious schedule practicable toward final compliance.
- (d) ~~a~~And shall be reviewed by the District at least once every three (3) years or at such time as applications are received by the District for new or revised Authority(ies) to Construct or Permit(s) to Operate.

(744) “Emission Control System Operating Parameters” – Any operating parameter(s) that the District deems necessary for the determination of compliance.

~~(12) “Federal Ozone Non-attainment Area” – That portion of San Bernardino County that lies within the lines which begin at: (a) the San Bernardino – Riverside County boundary, running north along the range line common to Range 3 East and Range 2 East; (b) then west along the township line common to Township 2 North and Township 3 North; (c) then north along the San Bernardino – Los Angeles County Boundary and the San Bernardino – Kern County Boundary; (d) then east along latitude 35 degrees, 10 minutes north; (e) then south along longitude 115 degrees, 45 minutes west, and west along the San Bernardino – Riverside County Boundary. [Contained in District Rule 102 – Definition of Terms.]~~

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~~(13) “Heat Input” (The chemical heat released due to fuel combustion in a permit unit, using the higher heating value of the fuel. This does not include the sensible heat of incoming combustion air. [Relocated to District Rule 102 – Definition of Terms.]~~

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~~(14) “Heat input Weighted Average (Combined fuels)” When a permit unit is operated on combinations of gaseous and liquid fuels, the emissions limits for the applicable annual capacity factor class shall be calculated for each boiler by the following formula: [Definition not used.]~~

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Sample calculation:

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$$Emission\ Limit = \frac{(gas\ ppmv * x) + (liquid\ ppmv * y)}{x + y}$$

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Where:

x = actual heat input from gaseous fuel

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y = actual heat input from liquid and/or solid fuel

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~~(85) “Higher Heating Value (HHV)” – The total heat liberated per mass of fuel burned (Btu per pound), when fuel and dry air at standard conditions undergo complete combustion and all resultant products are brought to standard conditions.~~

~~(69) “Independent Power Producer” a power plant which is not directly regulated by a Public Utilities Commission, which provides power to an Electric Utility rather than directly to rate payers, and which is a Qualifying Small Power Production Facility per Public Utility Regulatory Policies Act regulations (18 CFR Ch. I, Subpart B); “Low Use” – A unit whose annual operation does not exceed 1000 hours.~~

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~~(107) “NOx Emissions (NOx)” – The sum of any oxides of nitrogen which can be measured in the flue gas, expressed as nitrogen dioxide (NO2).~~

~~(18) “Parts per Million (by Volume), (ppmv)” (The number of gas molecules of a given species, or group, in one million total gas molecules. [Relocated to Rule 102 – Definition of Terms.]~~

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~~(19) “Permit Unit” any boiler or steam generator and/or combined cycle turbine unit required to have a Permit to Operate pursuant to District Rule 203. [See Rule 102.]~~

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~~(20) “Process Heater” any combustion equipment fired with any fuel, which transfers heat from combustion gases to water or process streams. Process heater does not include any dryers in which the material being dried is in direct contact with the~~

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~~products of combustion, such as: cement or lime kilns, glass melting furnaces, or smelters. [Definition not used.]~~

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- (211) ~~“Rated Heat InputHeat Input” – The heat inputHeat Input capacity (in MMBtu/hr) specified on the nameplate of the permit unit, unless:~~
  - (a) ~~The permit unit is limited by permit condition to a lesser heat inputHeat Input than specified on the nameplate, in which case the limiting condition shall be used as the rated heat inputRated Heat Input; or~~
  - (b) ~~The permit unit is operated above the heat inputHeat Input capacity specified on the nameplate, in which case the maximum operated rate shall be used as the Rated heat inputHeat Input.~~
- (22) ~~“Reasonably Available Control Technology (RACT)” – The lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility. [See Rule 102.]~~
- (1223) ~~“Shut-down Period” – The one (1) hour time period immediately preceding a continuous period in which fuel flow to the permit unit is zero, or shut off for 30 minutes or longer.~~
- (24) ~~“Solar Power Production Facility” – an independent power producer which is a Solar Thermal Power plant per Public Resources Code §25140.~~
- (2513) ~~“Start-up Period” – The one (1) hour time period immediately following a continuous period in which fuel flow to the permit unit is zero, or shut off for 30 minutes or longer.~~
- (1426) ~~“Thermal Stabilization Period” – The start up or shut down time necessary to bring the heat recovery steam generator to the proper operating temperature, not to exceed two (2) hours.~~

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(C) Requirements

- (1) NOx RACT Emissions Limits for Boilers or Steam Generators: ~~[Added for clarity]~~
  - (a) All ~~b~~Boilers or Steam Generators shall not emit ~~NOxoxides of nitrogen~~ in excess of the following: ~~[NOx limits updated to reflect current RACT]~~

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NOx Emissions (ppmv)	
Gaseous Fuel	Liquid Fuel
30	40
70 (Low Use)	70 (Low Use)

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Permit Unit Classification	NOx Limit
For Baseline units (ACF <sub>bu</sub> = 60% and greater)	70 ppmv on gaseous fuels 115 ppmv on liquid fuels
For Cycling units (ACF <sub>cu</sub> = 31 to 59%)	100 ppmv on gaseous fuels 115 ppmv on liquid fuels
For Peaking units (ACF <sub>pu</sub> = less than 30%)	125 ppmv on gaseous fuels 225 ppmv on liquid fuels

(b) All ppmv emission limits for Boilers or Steam Generators are referenced at dry stack-gas conditions and 3.0 percent by volume stack-gas oxygen as an hourly average.

~~(c) If the ACF of a permitted unit becomes greater than that prescribed for its permit unit classification, then such unit shall thereafter be classified as belonging to the next greater permit unit classification.~~

(2) NOx RACT Emissions Limits for Combined-Cycle Turbines:

(a) All Combined-Cycle Turbine Units shall not emit NOx in excess of the following: [NOx emission limits updated to reflect current RACT.]

Unit Rating (MW)	NOx Emissions (ppmv)	
	Gaseous Fuel	Liquid Fuel
<u>0.3 to &lt;2.9</u>	<u>42</u>	<u>65</u>
<u>2.9 to &lt;10.0</u>	<u>25 x E/25</u>	<u>65</u>
<u>10.0 and up, With SCR</u>	<u>9 x E/25</u>	<u>25 x E/25</u>
<u>10.0 and up, Without SCR</u>	<u>15 x E/25</u>	<u>42 x E/25</u>
<u>4.0 and up, Low Use</u>	<u>42</u>	<u>65</u>

Unit efficiency (E) shall be determined as follows:

1158-6

MDAQMD RULE 1158  
Electric Power Generating Facilities  
D2

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$$E = \frac{(MRE \text{ [Continuous] at LHV})(LHV)}{(HHV)}$$

where

LHV = the lower heating value of the fuel

HHV = the higher heating value of the fuel

MRE = manufacturer's rated thermal efficiency of gas turbine only without consideration of any downstream energy recovery

Turbine efficiency (E) shall not be less than 25 percent; a turbine with an efficiency lower than 25 percent shall be assigned an efficiency of 25 percent for the purposes of this rule.

<u>NOx Limit</u>
<u>42 ppmv on gaseous fuels</u>
<u>65 ppmv on liquid fuels</u>

- (b) All ppmv emission limits for ~~combined-cycle turbine unit~~ Combined-Cycle Turbine Unit is referenced at dry stack-gas conditions and 15.0 percent by volume stack-gas oxygen as an hourly average.

(3) Aggregated Annual NOx Emissions Cap:

- (a) The Electric Power Generation Facility of Southern California Edison, or its successor, located at Coolwater Facility in Daguerre, California, shall not operate the facility with facility-wide NOx emissions in excess of the following aggregated annual limits:

Year	Aggregated Annual Cap (Tons/year)
Ending December 31, 1996	1,516

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Year	Aggregated Annual Cap (Tons/year)
Ending December 31, 1997	1,484
Ending December 31, 1998	1,453
Ending December 31, 1999	1,421
Ending December 31, 2000	1,387
Ending December 31, 2001	1,353
Ending December 31, 2002	1,319
After -December 31, 2002	1,319
<u>After June 26, 2017</u>	<u>1,319 less 10 %</u>

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[10% reduction to aggregated total in response to USEPA comment and EIP Guidance.]

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1158-8

**MDAQMD RULE 1158**  
Electric Power Generating Facilities

D2

(4) Emission Limitations during Start-up, Shut-down, and Thermal Stabilization Periods

(a) The emission limits in found in subsections (C)(1) and (C)(2), do not apply during start-up, shut-down, and thermal stabilization periods.

(b) Boilers or Steam Generators shall meet at least one of the following averaged over the duration of the Start-up or Shut-down Period:

(i) 115 ppm @ 3% O2 on gaseous fuels,

(ii) 135 ppm @ 3% O2 on liquid fuels.

(c) Combined-Cycle Turbine Units shall not emit NOx in excess of the following averaged over the duration of the Start-up, Shut-down, or Thermal Stabilization Period:

(i) 70 ppm @ 15% O2 for turbines fired on gas or,

(ii) 0.16 pounds per MMBtu input for turbines fired on gas or liquid fuels, or,

(iii) 226 ppm @ 15% O2 for turbines fired on liquid fuels.

*[All units are required to install Continuous Emissions Monitoring Systems (CEMS) under (C)(5)(b) and shall operate CEMS at all times. Subsection (E)(2)(c) was deleted and language added here to explicitly avoid an interpretation that compliance determinations cannot be made using testing or CEMS data during startup, shutdown, or thermal stabilization periods. Additionally, pursuant to EPA ruling pertaining to SIP, limits have been added to address CTG emissions during Start-up, Shut-down, and Thermal Stabilization Periods. Boiler emission rates are based on data provided by Coolwater (CEMS report 4<sup>th</sup> quarter 2010). Turbine emission rates are based on Placer County APCD's turbine rule number 250 (as amended 10-08-15).*

(5) General Equipment Requirements:

(a) The owner/operator of any permit-units which are subject to the requirements of Subsections (C)(1) and (-23) above, shall:

- (i) install volumetric flow rate meters in each liquid fuel line; or
- (ii) install volumetric flow rate meters in conjunction with temperature and pressure probes in each gaseous fuel line; or
- (iii) maintain a fuel log in the form and manner prescribed and approved by the APCO.

(b) The owner/operator of any permit-units which are subject to the requirements of subsections (C)(1) and(-23) shall have CEMS equipment installed, certified, and operating on all emissions points. The CEMS

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equipment shall be certified in accordance with 40 CFR 75, Appendix A, Section 6.

- (c) The owner/operator of any ~~permit~~-unit subject to the requirements of subsection (C)(1) and (-2) above shall submit an Emissions Control Plan for District approval.
- (d) When any exemption pursuant to subsection (D)(3) is no longer applicable, the facility shall submit an Emissions Control Plan to the District within 90 days following such termination of exempt status.

~~(e) When the annual capacity factor (ACF) threshold for the permit unit classification is exceeded, the permit unit is thereafter to be permitted as belonging to the next higher classification. [As all items related to annual capacity factor including emission limits have been removed there is no need for this provision.]~~

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~~(6) Loss of Low Use status~~

- ~~(a) Any operation of a unit qualifying as Low Use, and subsequently exceeding the Low Use threshold, shall require the operator to comply with the applicable non-Low Use emission limit specified in section (C) above, according to the compliance schedule in subsection (G)(4). [This provision establishes what happens in the event that a facility no longer qualifies for "Low Use" status.]~~

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(D) Exemptions

- (1) During periods of unexpected curtailment of gaseous fuels, ~~B~~Boiler permit or Steam Generator units subject to the requirements of subsection (C)(1) which normally burn only gaseous fuel shall:

- ~~(a) e~~Comply with a NOx emission limit of 225 ppmv NOx when burning liquid fuel.
- (b) This exemption shall not exceed the period of natural gas curtailment.
- (c) This exemption shall apply when equipment is undergoing compliance testing. For the purpose of this exemption, the applicable compliance testing time period shall not exceed 48 hours per calendar year).

- (2) ~~Units~~The following classes of facilities, which are subject to District Rules 1157 ~~-~~Boilers and Process Heaters or 1159 ~~-~~Stationary Gas Turbines, are exempt from this rule.

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~~(a) Cogeneration Facility~~

~~(b) Process Heaters~~

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1158-10

MDAQMD RULE 1158  
Electric Power Generating Facilities  
D2

~~(e) Independent Power Producers~~

~~(d) Solar Power Production Facilities~~

~~*[The deleted terms are superfluous, as units subject to Rules 1157 and 1159 are exempt.]*~~

(3) The provisions of ~~subs~~Section (C)(1) of this rule shall not apply to ~~permit~~ units which have no ~~annual heat input~~ Annual Heat Input (~~annual heat input~~ Annual Heat Input equals zero).

(a) The owner/operator of any ~~permit~~ unit who wishes to claim an exemption pursuant to this subsection shall meet the record keeping requirements of this rule so as to be able to prove the exemption status.

(4) Electric Power Generation Facility located outside of the Federal Ozone Non-attainment Area are exempt from requirements of this rule.

#### (E) Monitoring and Records

(1) CEMS Quality Assurance Testing:

(a) An initial CEMS Certification Test shall be conducted on or before May 31, 1995, and the report shall be submitted to the District within 90 days of the completion of the testing.

(b) Following the initial certification of the installed CEMS, the company shall follow the Quality Assurance Procedures as outlined in 40 CFR 75, Appendix B. The Quality Assurance Program includes, but is not limited to: a daily Calibration Error determination; a quarterly Linearity Error Test; and an annual Relative Accuracy Test Audit.

(2) Testing Procedures:

(a) All testing required by this rule shall be in accordance with the applicable procedures outlined in 40 CFR 60, and/or 40 CFR 75. All testing shall be approved by the District pursuant to the District's Compliance Test Procedural Manual.

(b) Relative Accuracy Test Audits shall be conducted in accordance with provisions of 40 CFR 75, Appendix A, Section, Part 6.5.

~~(c) Compliance determinations shall not be established based on data obtained from testing, including integrated sampling methods, during a start up period or shut down period of boilers nor during the thermal stabilization period for combined cycle turbine units. [See subsection (C)(4)]~~

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~~(d)~~ All pounds of NOx per day shall be determined as the sum of the hourly mass emissions.

(3) Additional Procedures — Boilers or Steam Generators:

(a) All concentration emission limits specified in subsections (C)(1) and (D)(1) for Boilers or Steam Generators~~boilers~~ are referenced at dry stack-gas conditions and 3.0 percent by volume stack-gas oxygen as an hourly average.

(4) Additional Procedures — ~~e~~Combined-Cycle Turbine Units

(a) All concentration emission limits specified in subsection (C)(2) for ~~combined cycle turbine unit~~Combined-Cycle Turbine Units are referenced at dry stack-gas conditions and 15.0 percent by volume stack-gas oxygen as an hourly average.

(5) Records and Reporting

(a) The owner/operator of a ~~permit~~ unit subject to this rule shall monitor and record for each unit:

(i) The cumulative annual usage of each fuel. (The cumulative annual usage of each fuel shall be monitored from service meters, purchase or tank fill records, or by any other acceptable methods, as approved by the Air Pollution Control Officer (APCO)).

(ii) The HHV for liquid fuels burned shall be determined from daily samples and reported as a monthly average for each month.

(iii) Units claiming Low Use shall monitor and record operating hours on a daily basis. [Added requirement for tracking hours of operation to ensure compliance with low use operating requirements]

(b) Boiler or Steam Generator and Combined-Cycle Turbine Operating Logs: On a daily basis for each ~~permit~~ unit, the owner/operator shall maintain an operating log that includes, as a minimum, the following information:

(i) ~~¶~~The actual start-up and ~~shut-down~~~~top~~ times;

(ii) ~~¶~~The hours of operation per day;

(iii) ~~¶~~The hourly averaged NOx emission concentration for each ~~permit~~ unit; and

(iv) A monthly summary of the accumulative aggregated annual pounds of NOx emissions for the facility; and

(v) ~~¶~~The type and quantity of fuel used.

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- (c) The owner/operator of a ~~permit~~ unit exempt pursuant to ~~subsection (D)(1)~~, shall monitor and record for each ~~permit~~ unit the hours of operation on liquid fuel, on a daily basis.
- (d) The owner/operator of any ~~permit~~ unit required to perform CEMS Quality Assurance Testing shall make the reports available to the MDAQMD upon request.
- (e) All data and records required to be kept pursuant to this rule shall:
  - (i) ~~b~~Be kept current and on site for a minimum of three (3) years, and
  - (ii) ~~p~~Provided to District or state personnel on request.

(F) Test Methods

- (1) Certification and Quality Assurance Testing shall be subject to the protocols prescribed in the District's Compliance Procedural Manual as well as 40 CFR 60, Appendix A and 40 CFR 75 Appendix A and B.
- (2) Compliance Testing for Boilers or Steam Generators shall be performed in accordance with the following methods.
  - (a) Oxides of Nitrogen - EPA Method 7E- Determination of Nitrogen Oxides Emissions From Stationary Sources or ARB Method 100-Procedures for Continuous Gaseous Emission Stack Sampling.
  - (b) Stack Gas Oxygen - EPA Method 3- Gas Analysis for the Determination of Dry Molecular Weight or 3A- Determination of Oxygen and Carbon Dioxide Concentrations in Emissions From Stationary Sources or ARB Method 100-Procedures for Continuous Gaseous Emission Stack Sampling.
  - (c) NOx Mass Emission Rate - EPA Method 19-Determination of Sulfur Dioxide Removal Efficiency and Particulate Matter, Sulfur Dioxide, and Nitrogen Oxide Emission Rates.
  - (d) HHV determination shall be by one of the following test methods:
    - (i) ~~f~~For liquid hydrocarbon fuels - ASTM D 240-87 or ASTM D 2382-88; or
    - (ii) ~~f~~For gaseous fuels - ASTM D 1826-88, or ASTM D 1945-81 in conjunction with ASTM D 3588-89.
- (3) Compliance Testing for Combined-~~e~~Cycle Turbine Units shall be performed in accordance with the following methods.
  - (a) NOx Concentrations/Mass Emissions NOx Emissions shall be determined by EPA Test method 7E and 3A or by EPA Test Method 20.

- (b) Heating Value The Higher Heating Value shall be determined:
- (i) for liquid fuels - ASTM Test Method D 240-87
  - (ii) for distillate fuel - ASTM Test Method D 2382-88
  - (iii) for gaseous fuels - ASTM Test Method 3588-91; or ASTM Test Method D 1826-88; or ASTM Test Method D 1945-81.

(G) Compliance Schedule

- (1) The owner/operator of a permit-unit subject to the requirements of section (C) shall submit to the District for approval an initial Emissions Control Plan for the facility ~~on or before April 15, 1995~~ six (6) months after date of rule adoption.
- (2) The owner/operator of a permit-unit subject to the requirements of section (C) shall demonstrate final compliance with all applicable standards and requirements of the rule:
  - (a) ~~By May 31, 1995~~ Twelve (12) months after rule adoption or loss of Low Use status, for permit-units with NOx control technology in place or ~~permit~~-units subject to subsection (C)(2) ~~and (C)(3)~~; or
  - (b) Within six (6) months of installation of NOx reduction technology.
- (3) The owner/operator of a permit-unit exempt pursuant to section (D) shall fulfill the following requirements, if and when such exemption no longer applies, shall:
  - (a) Submit a revised Emissions Control Plan within 90 days of the date of the change of status; and
  - (b) When applicable, submit an application(s) for an Authority To Construct/Permit To Operate (ATC/PTO) to the District no later than six months after the date of the change of status.
  - (c) No later than ~~one~~ three (1) calendar years following the submission of the Emissions Control Plan, demonstrate final compliance with all applicable standards and requirements of the rule.
- (4) The owner or operator of any unit claiming Low Use status must notify the APCO within seven (7) days if the hour-per-year limit is exceeded. If the hour per-year limit is exceeded, the exemption shall be permanently withdrawn. Within 30 days after the exceedance, the owner or operator must submit an Emission Control Plan.

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(H) Severability of Portions of this Rule

- (1) If any portion of this rule is found to be invalid or unenforceable, such finding shall have no effect on the validity and enforceability of the remaining portions of the rule, which are severable and shall continue to be in full force and effect.

[SIP: Approved 07/20/99 64 FR 38832, 40 CFR 52.220(c)(254)(i)(H)(2)]





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**Appendix “B”**  
Public Notice Documents

1. Draft Proof of Publication – Daily Press
2. Draft Proof of Publication – Riverside Press Enterprise

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**PROOF OF PUBLICATION**

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,  
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

May 12

**All in the year 2017.**

**I certify (or declare) under penalty of perjury that the foregoing is true and correct.**

**Dated this: 12th day of May, 2017.**

*Leslie Jacobs*  
**Signature**  
**Leslie Jacobs**

**This space is the County Clerk's Filing Stamp**

**FILED  
MOJAVE DEBERT AQMD  
CLERK OF THE BOARD**

**MAY 16 2017**

**BY**

**Proof of Publication of  
NOTICE OF HEARING**

**NOTICE OF HEARING**

**NOTICE IS HEREBY GIVEN** that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct public hearings on June 12, 2017 at 10:00 A.M. to consider the proposed actions: a. The amendment of Rule 102 - Definition of Terms; b. The amendment of Rule 1158 - Electric Utility Operations; and c. The amendment of Rule 1162 - Polyester Resin Operations.

**SAID HEARINGS** will be conducted in the Governing Board Chambers located at the MDAQMD offices: 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the proposed amended Rules and the Staff Reports are on file and may be obtained from the Executive Office Manager at the MDAQMD Offices. Written comments may be submitted to Brad Polites, Executive Director at the above office address. Comments must be received no later than June 9, 2017 to be considered. If you have any questions regarding Rule 102 or Rule 1162, you may contact Tracy Walters at (760) 245-1661 extension 6122 for further information. If you have any questions regarding Rule 1158 you may contact Chris Anderson at (760) 245-1661 extension 1846 for further information. Traducción esta disponible por solicitud.

The proposed amendment of Rule 102 - Definition of Terms is necessary to shift common definitions used in the MDAQMD rulebook to Rule 102, and to update them for consistency and clarity.

The proposed amendment of Rule 1158 - Electric Power Generating Facilities will satisfy 42 U.S.C. §5751a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Technology Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for "major sources" of volatile organic compounds (VOCs) and oxides of nitrogen (NOx) which are ozone precursors.

The proposed amendments to Rule 1162 - Polyester Resin Operations are necessary to satisfy 42 U.S.C. §5751a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Technology Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for "major sources" of volatile organic compounds (VOCs) and oxides of nitrogen (NOx) which are ozone precursors.

Pursuant to the California Environmental Quality Act (CEQA) the MDAQMD has determined that a Categorical Exemption (Class 8 - 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

Published in the  
Daily Press  
May 12, 2017  
(P-71)

# THE PRESS-ENTERPRISE

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**PROOF OF PUBLICATION**  
**(2010, 2015.5 C.C.P)**

Publication(s): The Press-Enterprise

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Ad Desc.: /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 66673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

05/12/2017

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: May 12, 2017  
At: Riverside, California

  
\_\_\_\_\_  
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## NOTICE OF HEARING

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The proposed amendment of Rule 102 - Definition of Terms is necessary to shift common definitions used in the MDAQMD rulebook to Rule 102, and to update them for consistency and clarity.

The proposed amendment of Rule 1158 - Electric Power Generating Facilities will satisfy 42 U.S.C. §5721(a) (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for "major sources" of volatile organic compounds (VOCs) and oxides of nitrogen (NOX) which are ozone precursors.

The proposed amendments to Rule 1162 - Polyester Resin Operations are necessary to satisfy 42 U.S.C. §5751(a) (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for "major sources" of volatile organic compounds (VOCs) and oxides of nitrogen (NOX) which are ozone precursors.

Pursuant to the California Environmental Quality Act (CEQA) the MDAQMD has determined that a Categorical Exemption (Class 8 - 14 Cal. Code Reg. §15308) applies and has prepared a Notice of Exemption for this action. 5/12

FILED  
MOJAVE DESERT AQMD  
CLERK OF THE BOARD

MAY 18 2017

BY 

**Appendix “C”**  
Public Comments and Responses

1. EPA comment on preliminary draft.
2. EPA comment on Draft



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**EPA Comments on Preliminary Draft Mojave Desert AQMD Rule 1158, “Electric Power Generating Facilities”**

(A)(2)(a) "Applicability": We recommend changing the term "electrical generating" to "electric power generating," consistent with use of the term elsewhere (e.g., in the rule title and at (B)(7)).

(B)(2) "Annual Capacity Factor": If the District is deleting this definition, please replace use of the term appropriately throughout the rule (see, e.g., (B)(13), (C)(4)(e)).

(B)(9) "Emissions Control Plan": We recommend expanding the descriptive requirements for emissions control to include other documentation, including any operational requirements or parameters needed to meet the emissions limit. See, for example, Monterey Bay Unified Air Pollution Control District Rule 431, paragraph 4.1.2.2.

*A description of the emissions control systems proposed for each unit, as well as a description of any ancillary equipment related to the control of emissions, and expected technical performance specifications for any CO and NO<sub>x</sub> emissions control systems.*

(B)(19) "Permit Unit": This definition, and the use of this definition in this rule, is confusing, as it seems all units that are applicable to the specific requirements throughout this rule are "Permit Units" and that all units that would be power plant combined cycle turbines or boilers would be by their nature permit units otherwise. Consider removing all references to the term, and replacing with simply, "unit".

(B)(20) "Process Heater": This rule (e.g., paragraph (A)(2)) does not appear to apply to process heaters. Therefore, it seems unnecessary and confusing to define and then explicitly exempt this class of sources.

(B)(24) "Solar Power Production Facility": The California Public Resources Code section referenced is not a SIP-approved regulation. Please provide the intended language from this section directly in the rule.

(C)(3): This section provides for an aggregate emission limit for the Coolwater Facility in Daggett, CA. EPA understands that the Coolwater Facility was recently retired. As a result, we recommend deleting this provision and all references to it. If this language is retained, please consider that aggregating emissions from multiple units over time is considered averaging and would be evaluated under EPA's Economic Incentive Programs (EIP) policy. Among other requirements, EIPs which provide operating flexibility must generally assure some degree of environmental benefit in exchange for the flexibility. This is commonly seen as a 10% reduction in the emission limit that would otherwise be applicable.

There also appears to be a typographic error, as the last applicable date in the table is December 31, 2017, but the first applicable date for all units at the facility to comply with the rest of the requirements of this rule is December 31, 2016 (which has already passed).

(D)(3): This exempts units with no annual heat input from the boiler NO<sub>x</sub> limits in (C)(1). This exemption seems unnecessary. Any unit with zero annual heat input should be meeting all the provisions of (C)(1).

(E)(2)(c): All units are required to install Continuous Emissions Monitoring Systems (CEMS) under (C)(4)(b). Section (E)(2)(c) could be interpreted as an exemption from compliance determinations made from a CEMS during startup and shutdown periods. Such exemptions are not approvable into SIPs. Please revise (E)(2)(c) appropriately.

(G)(3)(c): A three calendar year implementation and compliance schedule seems excessively long for a facility that was formerly exempt under the provisions of section (D). The only provisions which would seem to be readily changed in this scenario are deactivation (zero annual

heat input per (D)(3)) or inclusion into the nonattainment area per (D)(4). Please consider reducing this period to a shorter time frame.

C-4

MDAQMD Rule 1158  
Staff Report d2, 05182017

**Response to EPA Preliminary Draft Comments.**

A(2)(a) – Updated the term in the revised Draft 1 "electrical generating" to "electric power generating," consistent with use of the term elsewhere.

(B)(2) – The provisions for incorporating an annual capacity factor into emission limits has been removed and hence all related terms were deleted.

(B)(9) – Incorporated EPA suggested text expanding the descriptive requirements for emissions control.

(B)(19) – EPA noted that the term "Permit Unit" was confusing as all applicable units are "Permit Units". The District does not disagree and has removed the definition and simply replaced "Permit Unit" with "unit".

(B)(20) – Deleted all definitions and terms related to "Process Heater" as the exemption in subsection (D)(2) was rewritten and no longer refers to "Process Heater".

(B)(24) – Deleted all definitions and terms related to "Solar Power Production Facility" as the exemption in subsection (D)(2) was rewritten and no longer refers to "Solar Power Production Facility".

(C)(3) – This section provides for an aggregate emission limit for the Coolwater Facility in Daggett, CA. Pursuant to EPA's Economic Incentive Programs (EIP) policy, to assure some degree of environmental benefit in exchange for the operational flexibility the aggregate limit affords, a 10% reduction to the aggregate emission limit was made.

(D)(3) – The District respectfully intends to maintain the provision that a unit with no annual heat input from the boiler is exempt from the boiler NOx emission limits.

(E)(2)(c) – All units are required to install Continuous Emissions Monitoring Systems (CEMS) under (C)(5)(b) and shall operate CEMS at all times. Subsection (E)(2)(c) was deleted and language added, as subsection (C)(4), to explicitly avoid an interpretation that compliance determinations cannot be made using testing or CEMS data during startup, shutdown, or thermal stabilization periods.

(G)(3)(c) – District shortened the compliance schedule found in (G)(3)(c) from three calendar years to one calendar year to implementation and compliance.

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**EPA Comments/MDAQMD Response on Draft Mojave Desert AQMD Rule 1158, “Electric Power Generating Facilities”**

USEPA Region 9 was sent Draft 1 via email on April 28, 2017. This draft incorporated changes per USEPA Region 9 comments on the Preliminary Draft Rule 1158. USEPA Region 9 after review of Draft 1 had one additional comment which was to address EPA Policy on Startup and Shutdown. The MDAQMD addressed EPA Policy with input from K. Gong, made through an email thread to C. Anderson (MDAQMD), by adding Startup and Shutdown emission limits for Boilers and adding Startup, Shutdown, and Thermal Stabilization Period emission limits for turbines.

**Appendix “D”**  
California Environmental Quality Act  
Documentation

**NOTICE OF EXEMPTION**

**TO:** County Clerk  
San Bernardino County  
385 N. Arrowhead, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415  
X MDAQMD Executive Assistant

**FROM:** Mojave Desert  
Air Quality Management District  
14306 Park Ave  
Victorville, CA 92392-2310

**PROJECT TITLE:** Amendment of Rule 1158 – *Electric Power Generating Facilities*.

**PROJECT LOCATION – SPECIFIC:** San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

**PROJECT LOCATION – COUNTY:** San Bernardino and Riverside Counties

**DESCRIPTION OF PROJECT:** The proposed amendment of Rule 1158 – *Electric Power Generating Facilities* will satisfy 42 U.S.C. §§7511a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO<sub>x</sub>) which are ozone precursors.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Mojave Desert AQMD

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Mojave Desert AQMD

**EXEMPT STATUS (CHECK ONE)**

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

**REASONS WHY PROJECT IS EXEMPT:** The proposed amendments to Rule 1158 are exempt from CEQA review because the proposed amendments will not create any adverse impacts on the environment. Rule 1158 will impose more restrictive NO<sub>x</sub> limits, update definitions, exemptions, and monitoring and records, and compliance schedule. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

**LEAD AGENCY CONTACT PERSON:** Brad Poiriez **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** June 12, 2017

**DATE RECEIVED FOR FILING:**

MDAQMD Rule 1158  
Staff Report d2, 05182017

D-1

## NOTICE OF EXEMPTION

**TO:** Clerk/Recorder  
Riverside County  
3470 12th St.  
Riverside, CA 92501

**FROM:** Mojave Desert  
Air Quality Management District  
14306 Park Ave  
Victorville, CA 92392-2310

MDAQMD Executive Assistant

**PROJECT TITLE:** Amendment of Rule 1158 – *Electric Power Generating Facilities*.

**PROJECT LOCATION – SPECIFIC:** San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

**PROJECT LOCATION – COUNTY:** San Bernardino and Riverside Counties

**DESCRIPTION OF PROJECT:** The proposed amendment of Rule 1158 – *Electric Power Generating Facilities* will satisfy 42 U.S.C. §§7511a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NO<sub>x</sub>) which are ozone precursors.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Mojave Desert AQMD

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Mojave Desert AQMD

**EXEMPT STATUS (CHECK ONE)**

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

**REASONS WHY PROJECT IS EXEMPT:** The proposed amendments to Rule 1158 are exempt from CEQA review because the proposed amendments will not create any adverse impacts on the environment. Rule 1158 will impose more restrictive NO<sub>x</sub> limits, update definitions, exemptions, and monitoring and records, and compliance schedule. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

**LEAD AGENCY CONTACT PERSON:** Brad Poiriez **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** June 12, 2017

**DATE RECEIVED FOR FILING:**

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D-4

MDAQMD Rule 1158  
Staff Report d2, 05182017

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## Appendix “E” Bibliography

The following documents were consulted in the preparation of this staff report.

- EPA Alternative Control Techniques (ACT) document titled, “NO<sub>x</sub> Emissions from Stationary Gas Turbines” (EPA 453/R-93-007, January 1993)
- Imperial County Air Pollution Control District (ICAPCD) Rule 400.2 – Boilers, Process Heaters and Steam Generators, as adopted February 23, 2010.
- Ventura County Air Pollution Control District (VCAPCD) Rule 74.23 – Stationary Gas Turbines, as adopted January 8, 2002.
- Placer County Air Pollution Control District (PCAPCD) Rule – 250 Stationary Gas Turbines, as amended October 8, 2015.
- CEMS Quarterly Fuel Use and Excess Emissions Report for Coolwater Generating Station. January 3, 2011.

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The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider amendments to proposed Rule 1162 – Polyester Resin Operations and 2. Continue public hearing to July 24, 2017. Presenter: Alan De Salvio.](#)

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 13*

**DATE:** June 26, 2017

**RECOMMENDATION:** Conduct a public hearing to consider amendments to proposed Rule 1162 – *Polyester Resin Operations* and 2. Continue public hearing to July 24, 2017.

**SUMMARY:** Rule 1162 is proposed for amendment to satisfy 42 U.S.C. §§7511a (Federal Clean Air Act (FCAA) §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Technique Guidelines (CTGs) and for major sources of ozone precursors. Continuation is necessary to address substantive industry comments.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The Mojave Desert Air Quality Management District (MDAQMD) has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations. The MDAQMD is proposing to amend Rule 1162 – Polyester Resin Operations for inclusion in the current rulebook.

The FCAA requires areas designated non-attainment and classified moderate and above to implement RACT for sources subject to CTG documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of Volatile Organic Compounds (VOCs) and oxides of nitrogen (NO<sub>x</sub>) which are ozone precursors. The District adopted the *8-Hour Reasonably Available Control Technology – State Implementation Analysis (RACT SIP Analysis)* in February, 2015 for the 2008 75 ppb ozone National Ambient Air Quality Standards (NAAQS). This document committed to amending current RACT for polyester resin operations. The MDAQMD has a polyester resin rule which was approved as RACT into the State Implementation Plan (SIP) in 2008 (73 FR 70883, 11/24/2008). This rule is subject to the CTG entitled *Control Techniques Guidelines for Fiberglass Boat Manufacturing* (EPA-453/R-08-004 September 2008). Rule 1162 is also subject to Subpart VVVV – *National Emission*

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

**AGENDA ITEM 13**

**PAGE 2**

Standards for Hazardous Air Pollutants for Boat Manufacturing (66 FR 44232, August 22, 2001) and Subpart WWWW – National Emissions Standards for Hazardous Air Pollutants: Reinforced Plastic Composites Production (68 FR 19402, April 21, 2003).

The MDAQMD is proposing to update Rule 1162 – *Polyester Resin Operations* to reflect current federal RACT as determined by CTG requirements, NESHAP requirements, and the rules of other California nonattainment agencies.

The proposed amendments to Rule 1162 address the *RACT SIP Analysis* commitment. The proposed amendments update rule applicability, definitions, requirements, compliant material requirements, control equipment requirements, cleaning equipment requirements, work practices, exemptions, and test methods. The amendments are based on the CTG, NESHAPS, and San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) Rule 4684 – *Polyester Resin Operations* as amended August 18, 2011. SJVUAPCD Rule 4684 was approved into the SIP as RACT at 77 FR 5709, February 6, 2012. Therefore, MDAQMD staff recommends amending Rule 1162 – *Polyester Resin Operations*.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the amendment of Rule 1162 pursuant to the requirements of CEQA.

**REASON FOR RECOMMENDATION:** Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(l) (FCAA §110(l)) requires that all SIP revisions be adopted after public notice and hearing.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about June 12, 2017.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Alan De Salvio, Deputy Director – Mojave Desert Operations



The following page(s) contain the backup material for Agenda Item: [Reports: Executive Director](#).



# Community Relations & Education

## District Activity Report

May/June 2017

### **CDAWG Conference to Head to Reno in 2017**

Mark your calendar - the 2017 California Desert Air Working Group Conference is touching down in Reno, Nevada on November 15 & 16 at the Grand Sierra Resort and Casino. Fast becoming one of the state's most popular air quality conferences, CDAWG provides unparalleled training and development opportunities for environmental professionals on emerging air quality regulations and issues affecting California's desert regions and beyond. Registration brochure and agenda are currently under development - for more information, call (760) 245-1661, ext. 6104.

### **Air-Savvy Youngsters Honored for Clean Air Month Posters**

"Fire Season is Near...Breathe Easier This Year" was the theme of the MDAQMD's 21st Annual Clean Air Month Poster Contest. Twelve winners in four grade categories between K-12 received gift card prizes and will be featured along with their winning posters in the District's 2018 calendar. Victorville Mayor/Victor Valley Transit Authority Chair Gloria Garcia assisted in presenting the awards during this year's ceremony, which was held on May 23. The annual contest - which drew more than 250 entries from throughout the District's jurisdiction - is co-sponsored by the Daily Press, VVTA and the Air & Waste Management's Mojave Desert Chapter.

### **2017 Solar Cook-Off A Sizzlin' Success**

More than 80 students and their teacher/advisors from schools as far away as the Morongo and Antelope Valleys competed for cash prizes in construction and recipe categories during the 2017 MDAQMD/MEEC Solar Cook Off Challenge on Saturday May 13 at the San Bernardino County Museum in Apple Valley. First place winners in three age groups took home \$200 and \$250 team cash prizes. The annual competition is aimed at enhancing participants' STEM (Science, Technology, Engineering and Math) knowledge while introducing them to sustainable, zero-emission technologies, such as solar power.

### **District Takes to the Airwaves to Promote EnviroFlash**

On May 27, the MDAQMD took to the High Desert's airwaves to remind residents to sign up for EnviroFlash, the District's automated air quality forecast system, now that smog season has arrived. The campaign was part of the District's "Fair Business of the Day" promotion with local radio stations Y102, KAT Country, FOX 106.5, Talk 960 and HD 96.3. Throughout the day, the five stations aired numerous radio spots on behalf of the District, while MDAQMD outreach materials were distributed at the El Dorado Broadcasting Fair booth. To sign up to receive EnviroFlash air quality alerts on your cell phone, computer or Twitter account, visit <http://mdaqmd.enviroflash.org/>

### **CSUSB Students Tour VV Air Monitoring Site**

On May 25, 15 students from Cal State San Bernardino's Environmental Health Science Program visited the MDAQMD. Students heard presentations from CRE and Air Monitoring staff regarding the District's structure, regulatory mandates and state and federal health standards. Students also received a tour of the onsite Victorville monitoring station. The District has been partnering with CSUSB to provide lab training opportunities for EHS students for more than 15 years.

*For more information on activities/projects listed above, contact the MDAQMD's Community Relations & Education Office at (760) 245-1661, ext. 6104.*