

# **Mojave Desert Air Quality Management District Governing Board Meeting**

## **Agenda**

### LOCATION

**MOJAVE DESERT AQMD BOARD CHAMBERS  
14306 PARK AVENUE  
MONDAY, MAY 23, 2016  
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

**CONSENT CALENDAR**

1. [Approve Minutes from Regular Governing Board Meeting of April 25, 2016.](#)
2. [Set date of June 27, 2016 to conduct a Public Hearing to consider the amendment of Regulation XIII – New Source Review and adoption of Rule 1600 – Prevention of Significant Deterioration and approval of California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio](#)
3. [Adopt the Investment Guidelines Document for the Mojave Desert Air Quality Management District Other Post-Employment Benefits Trust \(OPEB\), April 2016, and authorize the Executive Director, or designee, to execute the document, subject to review by Special Counsel to the Governing Board. Presenter: Jean Bracy](#)
4. [Adopt Policy 16-01 Technical Advisory Committee \(TAC\). Presenter: Eldon Heaston](#)
5. [Receive and File: Finance Report and Budget Performance. Presenter: Jean Bracy](#)
6. [Receive and File: The Legislative Report for May 5, 2016. Presenter: Eldon Heaston](#)

**ITEMS FOR DISCUSSION**

7. DEFERRED ITEMS.
8. PUBLIC COMMENT.
9. [Conduct a Public Hearing to receive comments and staff presentation for the proposed MDAQMD Budget for FY 2016-17: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing and continue item to the Governing Board meeting of June 27, 2016 for adoption. Presenter: Jean Bracy](#)
10. [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 27, 2016. Presenter: Alan De Salvio](#)
11. [Conduct a Public Hearing to consider the amendment of Rule 219 – Equipment Not Requiring a Permit: 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 the rule and directing staff actions. Presenter: Alan De Salvo](#)

12. [Reports: Executive Director](#)
13. Board Members Comments and Suggestions for future agenda items.

**CLOSED SESSION**

14. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(b): (1 Case)
15. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6). Agency Designated Representatives: Eldon Heaston. Employee Organization: SBPEA, Teamsters Local 1932.
16. PUBLIC EMPLOYMENT (Government Code Section 54957). Position to be filled: Executive Director/Air Pollution Control Officer

**OPEN SESSION**

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

*In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact Deanna Hernandez, Executive Lead, 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: Tuesday, May 17, 2016**

Approved:

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Deanna Hernandez, Executive Lead

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
REGULAR GOVERNING BOARD MEETING  
MONDAY, APRIL 25, 2016 - 10:00 A.M.  
BOARD CHAMBERS, MDAQMD OFFICES  
VICTORVILLE, CA**

MINUTES

Board Members Present:

Robert Lovingood, Chair, San Bernardino County  
Jim Cox, Vice-Chair, City of Victorville  
Barb Stanton, Town of Apple Valley  
Carmen Hernandez, City of Barstow  
Barbara Riordan, Public Member  
Joseph “Joey” DeConinck, City of Blythe  
Robert Leone, Town of Yucca Valley  
Ed Camargo, City of Adelanto  
Paul Russ, City of Hesperia  
John Cole, City of Twentynine Palms  
Jeff Williams, City of Needles

Board Members Absent:

James Ramos, San Bernardino County  
John J. Benoit, Riverside County

**CALL TO ORDER**

Chair **ROBERT LOVINGOOD** called the meeting to order at 10:00 a.m. and asked Vice-Chair **JIM COX** to lead the Pledge of Allegiance.

Chair **ROBERT LOVINGOOD** asked the Clerk to call roll; roll was called.

**CONSENT CALENDAR** - The following consent items were acted upon by the Board at one time without discussion, upon motion by Board Member **BARBARA RIORDAN**, Seconded by Board Member **BARB STANTON**, and carried by unanimous roll call vote, as follows:

Agenda Item 1 –Approve Minutes from Regular Governing Board Meeting of February 22, 2016.

**Approved** the minutes from the Regular Governing Board meeting of February 22, 2016.

Agenda Item 2 – Receive and file Finance Report and Budget Performance.

**Received and filed** finance report and budget performance for District operations through February 2016.

Agenda Item 3 – Appoint Mr. David Hernandez Esq. to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the attorney member for a 3 year term to expire April 2019.

**Appointed** Mr. David Hernandez Esq. to the Hearing Board of the Mojave Desert Air Quality Management District (MDAQMD) as the attorney member for a 3 year term to expire April 2019.

Agenda Item 4 – Approve contract extension not to exceed \$17,000.00 to CPS HR Consulting to perform additional consulting services.

**Approved** contract extension not to exceed \$17,000.00 to CPS HR Consulting to perform additional consulting services.

Agenda Item 5 – Approve Annual Review of Mojave Desert Air Quality Management District (MDAQMD) Board Policies (as amended), Board Ethics (District Conflict of Interest Code as amended), Personnel Policies and Procedures (PPP) and other personnel documents and direct staff actions.

**Approved** Annual Review of Mojave Desert Air Quality Management District (MDAQMD) Board Policies (as amended), Board Ethics (District Conflict of Interest Code as amended), Personnel Policies and Procedures (PPP) and other personnel documents and **directed** staff actions.

Agenda Item 6 – DEFERRED FOR DISCUSSION (see Agenda Item 13 Deferred Items).

Agenda Item 7 – DEFERRED FOR DISCUSSION (see Agenda Item 13 Deferred Items).

Agenda Item 8 – Approve a revised Agreement between the Mojave Desert Air Quality Management District (MDAQMD) and the Antelope Valley Air Quality Management District (AVAQMD) to deliver contracted services to the AVAQMD and authorize the Chair to execute the Agreement.

**Approved** a revised Agreement between the Mojave Desert Air Quality Management District (MDAQMD) and the Antelope Valley Air Quality Management District (AVAQMD) to deliver contracted services to the AVAQMD and **authorized** the Chair to execute the Agreement.

Agenda Item 9 – Amend the Mobile Source Emissions Reductions Program (MSERP) Work Plan to better reflect the current and future administration of the Program(s); and 2. Authorize the Executive Director to revise the Work Plan to reflect future administrative changes in the CARB guidelines.

**Amended** the Mobile Source Emissions Reductions Program (MSERP) Work Plan to better reflect the current and future administration of the Program(s); and 2. **Authorized** the Executive Director to revise the Work Plan to reflect future administrative changes in the CARB guidelines.

Agenda Item 10 – DEFERRED FOR DISCUSSION (see Agenda Item 13 Deferred Items).

Agenda Item 11 – Approve Set date of May 23, 2016 to conduct a public hearing to consider the amendment of Rule 219 – Equipment Not Requiring a Permit and approval of California Environmental Quality Act (CEQA) documentation.

**Approved** Set date of May 23, 2016 to conduct a public hearing to consider the amendment of Rule 219 – Equipment Not Requiring a Permit and approval of California Environmental Quality Act (CEQA) documentation.

Agenda Item 12 – Ratify the “FY 15-16 Application for Carl Moyer Program Funds” and its submission to CARB, 2. Approve the required match funding for the Carl Moyer Memorial Air Quality Standards Attainment Program (the Carl Moyer Program), and 3. Authorize the Executive Director to execute the agreement, approved as to legal form, with CARB which binds the parties to the terms and conditions set forth in the application and the 2011 Carl Moyer Program Guidelines.

**Ratified** the “FY 15-16 Application for Carl Moyer Program Funds” and its submission to CARB, 2. **Approved** the required match funding for the Carl Moyer Memorial Air Quality Standards Attainment Program (the Carl Moyer Program), and 3. **Authorized** the Executive Director to execute the agreement, approved as to legal form, with CARB which binds the parties to the terms and conditions set forth in the application and the 2011 Carl Moyer Program Guidelines.

Agenda Item 13 – DEFERRED ITEMS:

Agenda Items #6, 7 and 10 were deferred for discussion.

Agenda Item 6 – Receive and File: Burn Analysis Report.

Deferred for discussion by Board Member **CARMEN HERNANDEZ**. Staff member Alan DeSalvio presented the Burn Analysis Report that was conducted by Sonoma Technologies. Mr. DeSalvio explained that it was the District’s intent to establish whether or not the District can improve the burn forecasting to increase the number of burn days. Mr. DeSalvio provided a brief overview of the existing burn program. Board Member Hernandez indicated that the agenda item did not clearly explain and had left her wondering. Mr. DeSalvio answered questions from Board Members. Following discussion, and upon request from Chair **ROBERT LOVINGOOD** to call for each item and carried by unanimous roll call vote, the Board **RECEIVED AND FILED** the Burn Analysis Report.

Agenda Item 7 – Receive and File: SPG - Legislative Report.

Deferred for discussion by Board Member **CARMEN HERNANDEZ**. Board Member Hernandez explained that she also sits on the Mojave Integrated Waste Joint Powers Authority and remarked that the JPA had just sent a letter to the state objecting AB45 as not being a good idea for our cities. Mrs. Hernandez expressed her concerns about other recommendations contained in the legislative report. Executive Director Eldon Heaston explained the legislative report is an informative tool and does not ask the board to take a position. Mr. Heaston indicated

**Agenda Item #1**

the authors are expressing their opinions regarding potential impact on the air district. Board Member Hernandez wanted it clarified that AB45 has been objected to by other area agencies and the legislative report was not a position of the Board. Following discussion, and upon request from Chair **ROBERT LOVINGOOD** to call for each item and carried by unanimous roll call vote, the Board **RECEIVED AND FILED** the Legislative Report.

Agenda Item 10 – Receive and File: This item reports the June 30, 2015 actuarial valuation of the District’s retiree health insurance program, also known as Other Post-Employment Benefits (OPEB). Deferred for discussion by Board Member **PAUL RUSS**. Board Member Russ wished a more detailed explanation of certain portions of the OPEB program. Staff member Jean Bracy provided an overview of the District’s OPEB program. Ms. Bracy answered questions from Board Members. Discussion ensued and various Board members indicated that a complete review of policies, including those regarding retiree medical benefits, would be advisable due to changes in Board members. Board member discussion directed staff to return to the Board with 1) clarification of the Retiree Health Benefits program and the credit for service with member agencies; 2) a strategy to address regular reviews of all policies; 3) a review of the contracting obligations of the AVAQMD for the contributing toward the future liability of retirement benefits for employees dedicated to that contract; and 4) clarify statements in the OPEB actuarial concerning references to “40 year olds” and benefit eligibility and a commitment to review the actuary’s recommendation to waive the “implicit subsidy.” Following discussion, and upon request from Chair **ROBERT LOVINGOOD** to call for each item and carried by unanimous roll call vote, the Board **RECEIVED AND FILED** the June 30, 2015 actuarial valuation of the District’s retiree health insurance program, also known as Other Post-Employment Benefits (OPEB).

Agenda Item 14 – PUBLIC COMMENT.

None.

Agenda Item 15 – Appoint the Executive Director/APCO as the Chief Negotiator for the purpose of conducting labor negotiations for a successor agreement with the employees’ organization, SBPEA, Teamsters Local 1932.

**Appointed** the Executive Director/APCO as the Chief Negotiator for the purpose of conducting labor negotiations for a successor agreement with the employees’ organization, SBPEA, Teamsters Local 1932.

Agenda Item 16 – Receive and File Report 2016 Customer Service Satisfaction Survey Results (no backup material included).

**Received and Filed** Report 2016 Customer Service Satisfaction Survey Results. Executive Director Eldon Heaston gave a presentation on the results of the survey as each board member received a binder containing the results. Mr. Heaston addressed comments and answered questions from Board Members. Board Member Barb Stanton publicly complimented staff member Violette Roberts for all her efforts with this task and keeping the cost down. Board Member Paul Russ also publicly thanked staff for their efforts. No action was required on this item. No motion. No roll call.



Agenda Item 17 – Discuss and Direct staff regarding existence and composition of the Technical Advisory Committee.

**Discussed and Directed** staff regarding existence and composition of the Technical Advisory Committee. Executive Director Eldon Heaston gave a brief overview of the Technical Advisory Committee’s purpose and requested direction. After discussion, consensus of the Board was to keep the Technical Advisory Committee as the committee has served the agency well and will continue to build the relationships in the broader community. No action was required on this item. No motion. No roll call.

Agenda Item 18 – Reports:

Executive Director Eldon Heaston addressed security issues in light of increasing incidents of workplace violence. Physical changes have been made to lobby. Security cameras have been installed and the District’s Zero Tolerance policy and Standard Practice against workplace violence have been reviewed. These actions reflect the District’s commitment to the safety of the employees and the security of the workplace.

Mr. Heaston publicly thanked the Records Management Group for their efforts and support of the Clerk of Boards duties. The group has worked hard to come up to speed to make meetings move seamlessly.

Mr. Heaston announced that staff members Trevor Samorajski and William Berghoff traveled to Needles, California to install the newly purchased video teleconferencing equipment in Needles, California.

Mr. Heaston announced that the Proposed Budget for FY 17 has been published and is now available on the website and in hard copy. The budget committee will schedule a meeting by the May 23, 2016 to review the proposed budget with staff members and the budget hearing will take place on May 23, 2016.

Mr. Heaston announced that the Lawn Mower and Garden Equipment Exchange program took place and it was successful, all 150 items were distributed.

Agenda Item 19 - Board Member Comments and Suggestions for Future Agenda Items.

Board Member Barb Stanton complimented staff for the reports provided.

Board Member Barbara Riordan commented that May 23, 2016 is an important meeting for board members as the Personnel Committee will have candidates for APCO for the full Board to interview so please place on calendars.

Board Member Paul Russ commented that on May 23, 2016 there is a ICSC conference in Las Vegas and will not be available for May 23, 2016 meeting and requested the applications of the recommended candidates for review prior to the meeting.

Board Member Jeff Williams commented the he also will not be available for May 23, 2016 meeting as he will be in Las Vegas for the conference.

Board Member Barbara Riordan indicated that the information would be provided to all board members prior to the meeting.

**Agenda Item #1**

Board Member Robert Lovingood stated for the record that he would depart as soon as the Board moved into closed session and that Board Member Jim Cox would chair the closing of the meeting.

**CLOSED SESSION**

Upon Motion by Board Member **BARBARA RIORDAN**, Seconded by Board Member **JOHN COLE** and carried by unanimous roll call vote, the Board adjourned to Closed Session at 11:00 a.m.

Agenda Item 20 - CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to Government Code Section 54956.9 (b): (1 Case).

Agenda Item 21 – CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6). Agency Designated Representatives: Designation of Labor Negotiator(s). Employee Organization: SBPEA, Teamsters Local 1932.

Agenda Item 22 – PUBLIC EMPLOYMENT - (Government Code Section 54957). Position to be filled: Executive Director/Air Pollution Control Officer.

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 11:39 a.m.**, and Special Counsel Piero Dallarda stated that the Board met in Closed Session on Items #20, 21 and 22 and there was no reportable action.

Being no further business, Vice-Chair **JIM COX** adjourned the meeting at **11:40 a.m.** to the next Regular Meeting of **May 23, 2016**.

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

*AGENDA ITEM 2*

**DATE:** May 23, 2016

**RECOMMENDATION:** Set date of June 27, 2016 to conduct a public hearing to consider the amendment of Regulation XIII – *New Source Review* and adoption of Rule 1600 – *Prevention of Significant Deterioration* and approval of California Environmental Quality Act (CEQA) documentation.

**SUMMARY:** This item officially sets the date for the mandatory public hearing to be held on the amendment of Regulation XIII – *New Source Review* and adoption of Rule 1600 – *Prevention of Significant Deterioration*. These rules are proposed for amendment and adoption to allow the Mojave Desert Air Quality Management District (MDAQMD) to officially be delegated authority to implement the Federal Prevention of Significant Deterioration (PSD) Program and to upgrade various provisions in the New Source Review (NSR) program pursuant to U.S. Environmental Protection Agency (USEPA) requirements.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The Federal Clean Air Act (FCAA) requires that states/local air districts adopt a preconstruction review program for all new and modified stationary sources of pollutants for which their jurisdiction has been classified nonattainment for the Federal Ambient Air Quality Standards (FAAQS) (See 42 USC §7511a(b)). This program is commonly referred to as “New Source Review” or “Nonattainment New Source Review” (NSR or NANSR) and must comply with the applicable Federal implementing regulations which are primarily contained in 40 CFR 51.160 et seq. In addition, the California Clean Air Act (CCAA) requires local air districts to not only have a permitting program (Health & Safety Code §§42300 et seq.) but also to develop appropriate plans to attain and maintain the State Ambient Air Quality Standards (SAAQS) (Health & Safety Code §§40910 et seq.). The MDAQMD has complied with these two requirements in part through the adoption, amendment and implementation of Regulation XIII – *New Source Review*.

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

*AGENDA ITEM 2*

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The FCAA also requires that a preconstruction review be performed on certain large stationary sources of attainment air pollutants to ensure that degradation of the air quality does not occur in areas which are currently in compliance with the FAAQS (42 U.S.C §§7470 et seq.). This program is commonly referred to as “Prevention of Significant Deterioration” (PSD) and must also comply with applicable Federal implementing regulations which are primarily contained in 40 CFR 52.21. Historically this type of preconstruction review has been performed for many local air districts, the MDAQMD included, by the regional office of USEPA.

USEPA has recently been requesting and requiring local air districts to adopt rules and regulation such that they can implement the PSD preconstruction review process and be delegated the authority to issue PSD permits at the local level. At the same time USEPA is requiring that all local districts’ rules involving NANSR provide public notice for a significant number of so called “minor” permitting activities. Furthermore, the Federal Operating Permit Program (Title V Program) contains provisions which would, if approved by USEPA, allow NANSR, PSD and Title V permits and permit amendments to be issued simultaneously. These provisions, called “Enhanced NSR,” enable a delegated air district to cut down substantially on the notice and review time required to issue Federal Operating Permits and their amendments.

The proposed amendments to Regulation XIII – *New Source Review* and proposed new Rule 1600 – *Prevention of Significant Deterioration* are designed to allow USEPA to delegate PSD authority, adjust the noticing requirements of NANSR to comply with recent USEPA directives regarding the noticing of “minor” source permitting activities, and to allow the MDAQMD to request Enhanced NSR designation such that permitting activities for facilities subject to Title V may be performed concurrently. Additionally the proposed amendments and new rule adoption will clarify some provisions, provide appropriate cross-citations, and correct some minor discrepancies with USEPA requirements contained in the current rules.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the proposed amendment of Regulation XIII – *New Source Review* and adoption of Rule 1600 – *Prevention of Significant Deterioration* 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.

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

*AGENDA ITEM 2*

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**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 May 9, 2016.

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

**PRESENTER:** Alan DeSalvio; Deputy Executive Director, Mojave Desert Operations.

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

*AGENDA ITEM 3*

**DATE:** May 23, 2016

**RECOMMENDATION:** Adopt the Investment Guidelines Document for the Mojave Desert Air Quality Management District Other Post-Employment Benefits Trust (OPEB), April 2016, and authorize the Executive Director, or designee, to execute the document, subject to review by Special Counsel to the Governing Board.

**SUMMARY:** The item adopts an updated Investment Guidelines Document for the MDAQMD OPEB Trust, April 2016 and authorizes the Executive Director or designee to execute the document subject to by Special Counsel to the Governing Board.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** On November 23, 2009, the Governing Board adopted Resolution No. 09-10 which established an irrevocable trust (“Trust”) to address the District’s liability for Other Post-Employment Benefits (OPEB) for retired employees. The purpose of the Trust is to offset the District’s future liability for contributions required for promised retiree health care benefits.

The District has contracted with the Public Agency Retirement Services (PARS) to be the administrator of the Trust account. The funds in the Trust are invested on behalf of the District according to the selected investment outcome and the Investment Guidelines Document (IGD). The purposes of the IGD are to facilitate communications, confirm investment goals, provide a framework to construct a well-diversified asset mix, and other similar goals (p. 2).

PARS notified the District that the 2013 IGD (attached) has become outdated and has provided an updated version. First adopted at the inception of the Trust in 2009, the IGD was administratively revised in 2013 to change the Trustee from Union Bank to U.S. Bank.

The updated document (attached) clearly states the scope and purpose of the investment strategy, clarifying some ambiguity about the account, governance, discount rates and investment objectives. In addition, the current document seeks to be as specific as possible with regard to the day-to day to day operation of the investment portfolio.

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

*AGENDA ITEM 3*

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**REASON FOR RECOMMENDATION:** The Governing Board is the Plan Sponsor for the OPEB Trust and as such should adopt the Investment Guidelines Document.

**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 May 9, 2016.

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

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



## Investment Guidelines Document

Mojave Desert Air Quality Management District  
-  
Other Post-Employment Benefits Trust (OPEB)

April 2016



# Investment Guidelines Document

## Scope and Purpose

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The purpose of this Investment Guidelines Document is to:

- Facilitate the process of ongoing communication between the Plan Sponsor and its plan fiduciaries;
- Confirm the Plan's investment goals and objectives and management policies applicable to the investment portfolio identified below and obtained from the Plan Sponsor;
- Provide a framework to construct a well-diversified asset mix that can potentially be expected to meet the account's short- and long-term needs that is consistent with the account's investment objectives, liquidity considerations and risk tolerance;
- Identify any unique considerations that may restrict or limit the investment discretion of its designated investment managers;
- Help maintain a long-term perspective when market volatility is caused by short-term market movements.

### Key Plan Sponsor Account Information as of April 2016

<b>Plan Sponsor:</b>	Mojave Desert Air Quality Management District
<b>Governance:</b>	The Governing Board for the Mojave Desert Air Quality Management District
<b>Plan Name ("Plan"):</b>	Mojave Desert Air Quality Management District Post-Retirement Health Care Trust
<b>Trustee:</b>	US Bank Contact: Susan Hughes, Tel. 949-224-7209 susan.hughes@usbank.com
<b>Type of Account:</b>	GASB 45/Other Post-Employment Benefits Trust (OPEB)
<b>ERISA Status:</b>	Not subject to ERISA
<b>Investment Manager:</b>	US Bank, as discretionary trustee, has delegated investment management responsibilities to HighMark Capital Management, Inc. ("Investment Manager"), an SEC-registered investment adviser Contact: Christiane Tsuda, 858-551-5359 Christiane.Tsuda@highmarkcapital.com

**Investment Authority:** Except as otherwise noted, the Trustee, US Bank, has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser. Investment Manager has full investment discretion over the managed assets in the account. Investment Manager is authorized to purchase, sell, exchange, invest, reinvest and manage the designated assets held in the account, all in accordance with account's investment objectives, without prior approval or subsequent approval of any other party(ies).

## **Investment Objectives and Constraints**

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The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should earn, on a long-term average basis, a rate of return equal to or in excess of the target rate of return of 7.0%.
- The Plan should seek to earn a return in excess of its policy benchmark over the long-term.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Plan Sponsor allocates its assets (asset allocation) with a strategic, long-term perspective of the capital markets.

**Investment Time Horizon:** Long-term

**Anticipated Cash Flows:** Distributions are expected to be low in the early years of the Plan.

**Target Rate of Return:** 7.0% annual target

**Investment Objective:** The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth herein. The investment objective the Plan Sponsor has selected is the Balanced Objective, which has a dual goal to seek growth of income and principal.

**Risk Tolerance:** *Moderate*  
The account's risk tolerance has been rated moderate, which demonstrates that the account can accept price fluctuations to pursue its investment objectives.

**Strategic Asset Allocation:** The asset allocation ranges for this objective are listed below:

<i>Strategic Asset Allocation Ranges</i>		
Cash	Fixed Income	Equity
0-20%	30%-50%	50%-70%
Policy: 5%	Policy: 35%	Policy: 60%

Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The Investment Manager will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with your objectives.

**Security Guidelines:**

Equities

With the exception of limitations and constraints described above, Investment Manager may allocate assets of the equity portion of the account among various market capitalizations (large, mid, small) and investment styles (value, growth). Further, Investment Manager may allocate assets among domestic, international developed and emerging market equity securities.

Total Equities	50%-70%
<i>Equity Style</i>	<i>Range</i>
Domestic Large Cap Equity	20%-50%
Domestic Mid Cap Equity	0%-15%
Domestic Small Cap Equity	0%-20%
International Equity (incl. Emerging Markets)	0%-20%
Real Estate Investment Trust (REIT)	0%-15%

Fixed Income

In the fixed income portion of the account, Investment Manager may allocate assets among various sectors and industries, as well as varying maturities and credit quality that are consistent with the overall goals and objectives of the portfolio.

Total Fixed Income	30%-50%
<i>Fixed Income Style</i>	<i>Range</i>
Long-term bonds (maturities >7 years)	0%-20%
Intermediate-term bonds (maturities 3-7 years)	15%-50%
Short-Term bonds (maturities <3 years)	0%-15%
High Yield bonds	0%-8%

**Performance Benchmarks:**

The performance of the total Plan shall be measured over a three and five-year periods. These periods are considered sufficient to accommodate the market cycles experienced with investments. The performance shall be compared to the return of the total portfolio blended benchmark shown below.

Total Portfolio Blended Benchmark

- 32.00% S&P500
- 6.00% Russell Mid Cap
- 9.00% Russell 2000
- 4.00% MSCI EM FREE
- 7.00% MSCI EAFE
- 2.00% Wilshire REIT
- 27.00% BC US Aggregate
- 6.75% ML 1-3 Year US Corp/Gov't
- 1.25% US High Yield Master II
- 5.00% Citi 1Mth T-Bill

Asset Class/Style Benchmarks

Over a market cycle, the long-term objective for each investment strategy is to add value to a market benchmark. The following are the benchmarks used to monitor each investment strategy:

- |                        |                          |
|------------------------|--------------------------|
| Large Cap Equity       | S&P 500 Index            |
| Growth                 | S&P 500 Growth Index     |
| Value                  | S&P 500 Value Index      |
| Mid Cap Equity         | Russell MidCap Index     |
| Growth                 | Russell MidCap Growth    |
| Value                  | Russell MidCap Value     |
| Small Cap Equity       | Russell 2000 Index       |
| Growth                 | Russell 2000 Growth      |
| Value                  | Russell 2000 Value       |
| REITs                  | Wilshire REIT            |
| International Equity   | MSCI EAFE                |
| Investment Grade Bonds | BarCap US Aggregate Bond |
| High Yield             | US High Yield Master II  |

**Security Selection**

Investment Manager may utilize a full range of investment vehicles when constructing the investment portfolio, including but not limited to individual securities, mutual funds, and exchange-traded funds. In addition, to the extent permissible, Investment Manager is authorized to invest in shares of mutual funds in which the Investment Manager serves as advisor or sub-adviser.

### ***Investment Limitations:***

The following investment transactions are prohibited:

- Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
- Venture Capital
- Short sales\*
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions\*
- Commodities Transactions Puts, calls, straddles, or other option strategies\*
- Purchases of real estate, with the exception of REITs
- Derivatives, with exception of ETFs\*

*\*Permissible in diversified mutual funds and exchange-traded funds*

## **Duties and Responsibilities**

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### ***Responsibilities of Plan Sponsor***

The OPEB Investment Committee of the Mojave Desert Air Quality Management District is responsible for:

- Confirming the accuracy of this Investment Guidelines Document, in writing.
- Advising Trustee and Investment Manager of any change in the plan/account's financial situation, funding status, or cash flows, which could possibly necessitate a change to the account's overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to the overall investment objective and goals for the account.
- Monitoring and supervising all service vendors and investment options, including investment managers.
- Avoiding prohibited transactions and conflicts of interest.

### ***Responsibilities of Trustee***

The plan Trustee is responsible for:

- Valuing the holdings.
- Collecting all income and dividends owed to the Plan.
- Settling all transactions (buy-sell orders).

### ***Responsibilities of Investment Manager***

The Investment Manager is responsible for:

- Assisting the OPEB Investment Committee with the development and maintenance of this Investment Policy Guideline document annually.
- Meeting with OPEB Investment Committee-annually to review portfolio structure, holdings, and performance.
- Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- Researching and monitoring investment advisers and investment vehicles.
- Purchasing, selling, and reinvesting in securities held in the account.
- Monitoring the performance of all selected assets.
- Voting proxies, if applicable.

- Recommending changes to any of the above.
- Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
- Preparing and presenting appropriate reports.
- Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

## **Acknowledgement and Acceptance**

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I/We being the Plan Sponsor with responsibility for the account(s) held on behalf of the Plan Sponsor specified below, designate Investment Manager as having the investment discretion and management responsibility indicated in relation to all assets of the Plan or specified Account. If such designation is set forth in the Plan/trust, I/We hereby confirm such designation as Investment Manager.

I have read the Investment Guidelines Document, and confirm the accuracy of it, including the terms and conditions under which the assets in this account are to be held, managed, and disposed of by Investment Manager. This Investment Guidelines Document supersedes all previous versions of an Investment Guidelines Document or investment objective instructions that may have been executed for this account.

\_\_\_\_\_  
 Date: \_\_\_\_\_  
 Plan Administrator: Mojave Desert Air Quality Management District

\_\_\_\_\_  
 Date: \_\_\_\_\_  
 Investment Manager:  
 Christiane Tsuda, Senior Portfolio Manager, (858) 551-5359

2013

# **INVESTMENT GUIDELINES DOCUMENT**

## **Mojave Desert Air Quality Management District**

# Investment Guidelines Document

## Overview

In response to the Government Accounting Standards Board (GASB) Statement Number 45 new disclosure requirements for Other Post-employment Benefit (OPEB) Plans, the Mojave Desert Air Quality Management District has adopted a Section 115 Trust and Plan that seeks to satisfy these liabilities for certain eligible employees

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## Executive Summary

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**Client Name:** Mojave Desert Air Quality Management District

**Investment Authority:** Full Investment Authority

**Risk Tolerance:** High

**Time Horizon:** Long-Term

**Investment Objective:** The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth below. The Investment objective the District has selected is the Balanced / Moderately Aggressive-Active Investment Objective. The asset allocation ranges for this objective are listed below:

**Strategic Ranges:** 0% - 20% Cash  
30% - 50% Fixed Income  
50% - 70% Equity

**Communication Schedule:** Meetings to be conducted at least annually

**HCM Portfolio Manager:** L. Michael Ladd, CFA 619-230-4703  
[Mike.Ladd@HighmarkCapital.com](mailto:Mike.Ladd@HighmarkCapital.com)

**HCM Back up -Portfolio Manager:** Andrew Brown, CFA 415-705-7605  
[Andrew.Brown@HighmarkCapital.com](mailto:Andrew.Brown@HighmarkCapital.com)

**Trustee:** U.S. Bank

*The managing director for HighMark Capital Management is Kevin Rogers. He can be reached at 949-553-2580.*

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**Portfolio Constraints**

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**Income Needs/Cash Flow Required:** None to date; future needs to be determined via periodic review.

**Unique Needs and Circumstances:** None

**Client Signature:** 

**Date:** 6-10-13

**HCM Portfolio Manager:** 

**Date:** 2/19/13

## Detailed Information for Investment Guidelines Document

### Overview

The purpose of this Investment Guidelines document (IGD) is to assist you and your Portfolio Manager in effectively supervising, monitoring and evaluating the investment of your portfolio. Your investment program is defined in the various sections of the IGD by:

1. Stating in a written document your attitudes, expectations, objectives and guidelines for the investment of all assets.
2. Setting forth an investment structure for managing your portfolio. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce an appropriate level of overall diversification and total investment return over the investment time horizon.
3. Encouraging effective communications between you and your Portfolio Manager.
4. Complying with all applicable fiduciary, prudence and due diligence requirements experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state, and federal entities that may impact your assets

### Diversification

Your Portfolio Manager is responsible for maintaining the balance between fixed income and equity securities based on the asset allocation. The following parameters shall be adhered to in managing the portfolio:

#### *Fixed Income*

- The long-term fixed income investments (greater than seven-years in maturity) shall constitute no more than 20%, and as little as 0% of the total Plan assets.
- The intermediate-term fixed income investments (between three-seven years in maturity) shall constitute no more than 50%, nor less than 15% of the total Plan assets.
- The high-yield portion of the Plan shall constitute no more than 8%, and as little as 0% of the total Plan assets.
- The convertible bond exposure shall constitute no more than 8%, and as little as 0% of the total Plan assets.
- The short-term fixed income investments (between one-three years in maturity) shall constitute no more than 15%, and as little as 0% of the total Plan assets.

#### *Equity*

- The domestic large cap equity investments of the Plan shall constitute no more than 50% nor less than 20% of the total Plan assets.
- The domestic mid-capitalization equity investments of the Plan shall constitute no more than 15%, and as little as 0% of the total Plan assets.
- The domestic small capitalization equity investments of the Plan shall constitute no more than 20% nor less than 0% of the total Plan assets.

- The international equity investments of the Plan shall constitute no more than 20% and as little as 0% of the total Plan assets.
- The real estate investments of the Plan shall constitute no more than 10% and as little as 0% of the total Plan assets.

### **Permitted Asset Classes and Security Types**

The following asset classes and security types have been approved by HighMark for use in client portfolios:

#### ***Asset Classes***

- Fixed Income
  - Domestic Bonds
  - Non-U.S. Bonds
- Equities
  - Domestic
  - Non-U.S.
  - Emerging Markets
  - Real Estate Investment Trust (REITs)
- Cash and Cash Equivalents

#### ***Security Types***

- Equity Securities
  - Domestic listed and unlisted securities
  - Equity and equity-related securities of non-US corporations, in the form of American Depository Receipts ("ADRs")
- Equity Mutual Funds
  - Large Cap Core, Growth and Value
  - Mid Cap Core, Growth and Value
  - Small Cap Core, Growth and Value
  - International and Emerging Markets
  - REITs
- Exchange Traded Funds (ETFs)
- Fixed Income Securities
  - Government/Agencies
  - Mortgage Backed Bonds
  - Corporate Bonds and Notes
- Fixed Income Mutual Funds
  - Corporate
  - Government
  - High Yield
  - International and Emerging Market
  - Convertible
  - Preferred
- Closed end funds
- Cash and Cash Equivalents
  - Money Market Mutual Fund
  - Commercial Paper
  - CDs and Bankers Acceptance

#### **Prohibited assets**

- Precious metals
- Venture Capital

- Short sales
- Purchases of Letter Stock, Private Placements, or direct payments
- Leveraged Transactions
- Commodities Transactions Puts, calls, straddles, or other option strategies,
- Purchases of real estate, with the exception of REITs
- Derivatives, with exception of ETFs

**Rebalancing Procedures**

From time to time, market conditions may cause your asset allocation to vary from the established target. To remain consistent with the asset allocation guidelines established by this Investment Guidelines document, your Portfolio Manager will rebalance the portfolio on at least a quarterly basis.

**Duties and Responsibilities of Portfolio Manager**

Your portfolio manager is expected to manage your portfolio in a manner consistent with this Investment Guidelines document and in accordance with State and Federal law and the Uniform Prudent Investor Act. HighMark Capital Management is a registered investment advisor and shall act as such until you decide otherwise.

***Your portfolio manager shall be responsible for:***

1. Designing, recommending and implementing an appropriate asset allocation consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
2. Advising the committee about the selection of and the allocation of asset categories.
3. Identifying specific assets and investment managers within each asset category.
4. Monitoring the performance of all selected assets.
5. Recommending changes to any of the above.
6. Periodically reviewing the suitability of the investments, being available to meet with the committee at least once each year, and being available at such other times within reason at your request.
7. Preparing and presenting appropriate reports.
8. Informing the committee if changes occur in personnel that are responsible for portfolio management or research.

***You shall be responsible for:***

1. The oversight of the investment portfolio.
2. Providing your portfolio manager with all relevant information on the Plan, and shall notify him or her promptly of any changes to this information.
3. Advising your portfolio manager of any change in the Plan's circumstances, such as a change in the actuarial assumptions, which could possibly necessitate a change to your overall risk tolerance, time horizon or liquidity requirements; and thus would dictate a change to your overall investment objective and goals for the portfolio.
4. Monitoring performance by means of regular reviews to assure that objectives are being met and that the policy and guidelines are being followed.

### **Communication**

As a matter of course, your portfolio manager shall keep you apprised of any material changes in HighMark Capital's outlook, recommended investment policy and tactics. In addition, your portfolio manager shall meet with you no less than annually to review and explain the portfolio's investment results and any related issues. Your portfolio manager shall also be available on a reasonable basis for telephone communication when needed.

Any material event that affects the ownership of HighMark Capital Management or the management of the portfolio must be reported immediately to you.

### **Disclosures**

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HighMark Capital Management, Inc. is a wholly owned subsidiary of UnionBanCal Corporation. However, investments are not deposits or bank obligations, are not guaranteed by any government agency, and involve risk, including loss of principal

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

*AGENDA ITEM 4*

**DATE:** May 23, 2016

**RECOMMENDATION:** Adopt Policy 16-01 *Technical Advisory Committee (TAC)*.

**SUMMARY:** This item will adopt a Governing Board Policy to update and standardize policy regarding the existence and composition of the TAC.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The TAC was first created by the Governing Board in 1993 as a successor to the Advisory Council authorized by District Rule 712. Its membership was revised slightly in 1996. Over the years the TAC has review substantive rule adoptions/amendments as proposed by staff as well as mandated planning documents and provided recommendations to the Governing Board regarding same. Occasionally the TAC has identified issues which needed further study, discovered inconsistencies, and detected inadvertent impacts of a proposed regulation on non-directly affected industry. On April 25, 2016 the Air Pollution Control Officer requested guidance from the Governing Board regarding the existence and composition of the TAC. The Governing Board indicated that the TAC was a useful body and that it should be continued.

Previous actions governing the TAC were done by minute item however it has over the years become the standard for the Governing Board to memorialize policy and procedural items as Governing Board policies. The current action will adopt a Governing Board Policy setting forth the nature, scope and composition of the TAC. This policy will adjust the membership to have 2 General Members, 2 Utility Members, 1 Agricultural Member, 1 Building Industry Member, 1 Cement Industry Member, 1 Mining Industry Member, 1 Military Member, and 1 Member representing the Environmental Health Department of either San Bernardino or Riverside County. Due to past difficulties in obtaining a quorum the quorum is specifically set at 4 members with the TAC being able to act as a committee so long as the recommendation is labeled as a committee recommendation as opposed to the full TAC. In addition, due to past difficulties in appointing persons to the TAC the appointment power is delegated to the APCO with the Governing Board providing advice and consent over such appointments.

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

*AGENDA ITEM 4*

**PAGE 2**

**REASON FOR RECOMMENDATION:** Governing Board action is required to adopt Governing Board Policies.

**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 May 9, 2016.

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

**PRESENTER:** Eldon Heaston, Executive Director/Air Pollution Control Officer.

**GOVERNING BOARD POLICY**  
*Mojave Desert Air Quality Management District*

Policy No: 16-01  
Effective Date: May 23, 2016

Adopted: May 23, 2016  
Amended:

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Robert Lovingood, Chair

Last Review:

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**SUBJECT: Technical Advisory Committee (TAC)**

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**POLICY:**

It is the policy of the Governing Board of the Mojave Desert Air Quality Management District (District) to have an appointed Technical Advisory Committee (TAC) made up of various interested parties within the District's jurisdiction to advise the Governing Board on various technical air quality related matters including but not limited to the development and amendments of District Rules and Regulations and District planning documents.

**AMPLIFICATION OF POLICY:**

A. General

The TAC is a committee created by the Governing Board and charged with providing technical advice on air quality related matters primarily regarding substantive rule changes and the adoption/amendment of state and federal planning documents. The TAC was the successor body to an advisory committee created by District Rule 712 – *Advisory Council* (as originally adopted by the District's predecessor agency the Southern California Air Pollution Control District). The TAC was created by Governing Board action in 1993 and its membership was revised in 1996. It has met on an as needed basis.

B. Composition and Appointment

The members of the TAC shall be appointed by the Air Pollution Control Officer (APCO) with the advice and consent of the Governing Board. Upon appointment of a member the APCO shall cause the member's name and position to be placed upon the Governing Board agenda for the next regularly scheduled Governing Board meeting so that the Governing Board may provide such approval.

Members shall be appointed to represent the following specific areas and interests:

- 2 General Members
- 2 Utility Members
- 1 Agricultural Member
- 1 Building Industry Member



- 1 Cement Industry Member
- 1 Mining Industry Member
- 1 Military Member
- 1 Member representing San Bernardino or Riverside County Department of Environmental Health

### C. Meetings

The TAC shall meet when the APCO deems such a meeting is necessary to review a substantive adoption or change to a Rule, Regulation and/or Plan document. The TAC may meet on another day if necessary to obtain a quorum.

A quorum of the TAC shall be 4 members. Absent a quorum the TAC may act as a committee and provide recommendations to the Governing Board so long as such recommendation is clearly identified as being from a committee of the TAC as opposed to the TAC itself.

As a Governing Board created body the TAC is subject to the provisions of the Ralph M. Brown Act (Government Code 54950 et seq.) and as such is required to comply with the provisions of the act.

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

*AGENDA ITEM 5*

**DATE:** May 23, 2016

**RECOMMENDATION:** Receive and file.

**SUMMARY:** The Financial Report is provided for financial information and budget performance concerning the fiscal status of the District.

**CONFLICT OF INTEREST:** None

**BACKGROUND:** The Financial Report provides financial information and budget performance concerning the fiscal status of the District. The included reports reflect the business activities of the District for the period referenced. The target variance for March is 75% of Fiscal Year 2016.

The March financial statements (most recent available) indicate that the financial position for the District remains strong with sufficient funds available to execute the budget as adopted. Fiscal Year 16 Program Revenue from AB2766 will be received through September 2016, which explains the 57% received to date. Overall, revenue received to the end of the referenced period is 71% of the budget expectations. Expenditures in the General Fund continue under budget (70%) and Personnel Expenses (71%) are below budget as one position remains budgeted but unfilled. The Fiscal Year 16 Budget anticipates the use of the unassigned fund balance if executed as adopted.

At this time there is nothing out of the ordinary to report. Reports attached include:

**BALANCE SHEET – GOVERNMENTAL FUNDS** – This report is the District’s financial picture (a “snapshot”) as of the date of report including all funds. “Mobile Emissions” and “Carl Moyer” are totally restricted funds. The “Fiduciary Fund” is the District’s OPEB (Other Post-Employment Benefits) Fund which is held in an irrevocable trust with PARS (Public Agency Retirement Services).

**STATEMENT OF REVENUES & EXPENDITURES** – This report describes the financial activities for each of the District’s funds during the month indicated.

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

*AGENDA ITEM 5*

**PAGE 2**

STATEMENT OF ACTIVITY – This report reflects the revenues received and expenses made all funds for the each month closed and the year to date against the adopted budget for FY 16. The line items “Program” and “Program Costs” refer to the revenue and those payments made from the District’s grant funds (AB 2766 and Carl Moyer Fund).

CHECK REGISTERS – These reports list payments made for goods and services and fund transfers for the following District accounts since the last report to the Board:

WELLS FARGO OPERATING – This report lists the payments made from the District’s primary operating account deposited at Wells Fargo Bank. The District issues payments to vendors in-house. Periodically the account is reimbursed from the funds on deposit with the San Bernardino County Auditor/Controller. References to “Credit Card Transaction” indicate Visa payments received via a third party contractor for invoices usually relating to permit application or annual renewal fees. The reports now reflect check amounts for those payments made via electronic fund transfers.

GENERAL FUND MPA (San Bernardino County) – This account is held by the San Bernardino County Treasurer who is the custodian of District funds. Requests for reimbursement to the District’s other accounts are made through the San Bernardino County Audit/Controller who is appointed the District’s accounting officer, as set forth in the Health & Safety Code (§41245 and §41246).

CARL MOYER MPB (San Bernardino County) - This report lists the activity and payments made from the District’s Grant Fund Account held in trust at San Bernardino County. The items on these lists are included on the Statement of Activity as “Program Costs.”

AB2766 MPE (San Bernardino County) - This report lists the activity and payments made from the District’s Grant Fund Account held in trust at the San Bernardino County. The items on these lists are included on the Statement of Activity as “Program Costs.”

PARS Held in Trust – This reports the activity related to the District’s Other Post Employment Benefit trust.

BANK REGISTERS – DISTRICT CARDS – These reports show the purchases made using the District’s Mastercards. The items on these lists are the expenditure detail for the payments made to BUSINESS CARD as shown on the Check Register Wells Fargo Operating Account.

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

*AGENDA ITEM 5*

**PAGE 3**

**REASON FOR RECOMMENDATION:** Receive and file.

**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 May 9, 2016.

**FINANCIAL DATA:** No change in appropriation is required at this time.

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

**Mojave Desert AQMD**  
**Balance Sheet - Governmental Funds**  
**As of March 31, 2016**

## Financial Report

	<u>General Fund</u>	<u>Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Fiduciary Fund</u>	<u>Total</u>
<b>Assets</b>					
Current Assets					
Cash	2,146,524.79	2,919,381.40	503,332.08	550,182.47	6,119,420.74
Cash Held For Other Fund	123,193.74	(8,568.09)	(101,413.18)	(13,212.47)	0.00
Receivables	947,637.45	0.00	725,201.13	0.00	1,672,838.58
Pre-Paids	27,153.01	0.00	0.00	0.00	27,153.01
<b>Total Current Assets</b>	<b>3,244,508.99</b>	<b>2,910,813.31</b>	<b>1,127,120.03</b>	<b>536,970.00</b>	<b>7,819,412.33</b>
Long Term Receivables	820,800.76	0.00	0.00	0.00	820,800.76
<b>Total Assets</b>	<b>4,065,309.75</b>	<b>2,910,813.31</b>	<b>1,127,120.03</b>	<b>536,970.00</b>	<b>8,640,213.09</b>
<b>Liabilities and Net Position</b>					
Current Liabilities					
Payables	325,291.07	28,397.44	0.00	1,981.89	355,670.40
Accruals	41,743.64	0.00	0.00	0.00	41,743.64
Due to Others	1,715.00	(0.05)	0.00	0.00	1,714.95
Payroll Taxes Liability	4,135.83	0.00	0.00	0.00	4,135.83
Retirement	(6,758.63)	0.00	0.00	0.00	(6,758.63)
Health	(30,716.08)	0.00	0.00	0.00	(30,716.08)
Unearned Revenue	0.00	0.00	918,512.85	0.00	918,512.85
<b>Total Current Liabilities</b>	<b>335,410.83</b>	<b>28,397.39</b>	<b>918,512.85</b>	<b>1,981.89</b>	<b>1,284,302.96</b>
Restricted Fund Balance	0.00	3,042,907.72	336,060.48	567,408.04	3,946,376.24
Cash Reserves	690,000.00	0.00	0.00	0.00	690,000.00
Building Improvements	200,000.00	0.00	0.00	0.00	200,000.00
Litigation Reserves	300,000.00	0.00	0.00	0.00	300,000.00
Budget Stabilization	250,000.00	0.00	0.00	0.00	250,000.00
Retirement Reserves	1,000,000.00	0.00	0.00	0.00	1,000,000.00
Unassigned Fund Balance	530,418.54	0.00	0.00	0.00	530,418.54
Compensated Absences	150,000.00	0.00	0.00	0.00	150,000.00
Pre Paid	27,153.01	0.00	0.00	0.00	27,153.01
Long Term Receivable Reserves	820,800.76	0.00	0.00	0.00	820,800.76
Change in Net Position	(238,473.39)	(160,491.80)	(127,453.30)	(32,419.93)	(558,838.42)
<b>Total Liabilities &amp; Net Position</b>	<b>4,065,309.75</b>	<b>2,910,813.31</b>	<b>1,127,120.03</b>	<b>536,970.00</b>	<b>8,640,213.09</b>

**Mojave Desert AQMD**  
**Statement of Revenues & Expenditures**  
**For the Period Ending March 31, 2016**

## Financial Report

	<u>General Fund</u>	<u>Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Fiduciary Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Antelope Valley Air Quality Mngmnt Contract	105,774.52	0.00	0.00	0.00	105,774.52
Other Contracts	0.00	0.00	0.00	0.00	0.00
Application and Permit Fees	425,209.82	0.00	0.00	0.00	425,209.82
AB 2766 and Other Program Revenues	56,969.89	56,794.88	28,175.00	0.00	141,939.77
Fines	300.00	0.00	0.00	0.00	300.00
Investment Earnings	0.00	0.00	0.00	25,515.79	25,515.79
Federal and State	0.00	0.00	0.00	0.00	0.00
Other Revenue	0.00	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>588,254.23</b>	<b>56,794.88</b>	<b>28,175.00</b>	<b>25,515.79</b>	<b>698,739.90</b>
<b><u>Expenditures</u></b>					
Salaries and Benefits	397,801.85	0.00	0.00	1,681.89	399,483.74
Services and Supplies	80,237.95	108,765.01	92,748.20	425.89	282,177.05
Contributions to Other Participants	45,000.00	0.00	0.00	0.00	45,000.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>523,039.80</b>	<b>108,765.01</b>	<b>92,748.20</b>	<b>2,107.78</b>	<b>726,660.79</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>65,214.43</b>	<b>(51,970.13)</b>	<b>(64,573.20)</b>	<b>23,408.01</b>	<b>(27,920.89)</b>

**Mojave Desert AQMD**  
**Statement of Activity - All Funds**  
**For the Period Ending March 31, 2016**

## Financial Report

	<u>M-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Budget</u>	<u>% Budget</u> <u>to Actual</u>
<b>Revenues</b>				
Revenue - Permitting	422,888.85	3,099,742.82	4,240,000.00	73.11
Revenue - Programs	141,939.77	1,012,073.19	2,267,533.00	44.63
Revenue - Application Fees	6,964.00	83,729.29	89,850.00	93.19
Revenue - State	0.00	189,298.43	180,000.00	105.17
Revenue - Federal	0.00	105,490.86	131,615.00	80.15
Fines & Penalties	300.00	26,950.00	60,000.00	44.92
Interest Earned	25,515.79	4,800.31	55,150.00	8.70
Revenue - Contracts & Unidentified	105,774.52	990,768.52	1,314,715.00	75.36
Permit Cancellations	(4,643.03)	(89,735.08)	0.00	0.00
<b>Total Revenues</b>	<b>698,739.90</b>	<b>5,423,118.34</b>	<b>8,338,863.00</b>	<b>65.03</b>
<b>Expenditures</b>				
Office Expenses	22,588.61	156,021.75	206,700.00	75.48
Communications	2,688.30	41,075.61	55,300.00	74.28
Vehicles	5,237.38	49,829.58	79,800.00	62.44
Program Costs	246,613.21	912,960.27	1,529,183.00	59.70
Travel	884.81	42,877.22	80,650.00	53.16
Professional Services	27,420.57	149,561.37	245,100.00	61.02
Maintenance & Repairs	5,567.03	54,418.99	53,775.00	101.20
Non-Depreciable Inventory	985.88	10,538.51	34,325.00	30.70
Dues & Subscriptions	7,221.76	34,691.90	27,275.00	127.19
Legal	7,388.76	115,906.04	115,700.00	100.18
Miscellaneous Expense	581.95	6,037.06	5,000.00	120.74
Suspense	(1.21)	(9,862.63)	0.00	0.00
Capital Expenditures	0.00	215,773.27	280,000.00	77.06
<b>Total Expenditures</b>	<b>327,177.05</b>	<b>1,779,828.94</b>	<b>2,712,808.00</b>	<b>65.61</b>
<b>Salaries &amp; Benefits</b>				
Personnel Expenses	399,483.74	4,202,127.82	5,957,973.00	70.53
<b>Total Salaries &amp; Benefits</b>	<b>399,483.74</b>	<b>4,202,127.82</b>	<b>5,957,973.00</b>	<b>70.53</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(27,920.89)</b>	<b>(558,838.42)</b>	<b>(331,918.00)</b>	<b>168.37</b>

## Mojave Desert AQMD

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<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
EFT	3/02/2016	Pay period ending 2/19/2016	91,227.85	0.00	680,813.65
ACH030216	3/02/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP05/16 - SWT	5,000.95	0.00	675,812.70
20130657	3/03/2016	Credit Card Transaction - Pivox	0.00	125.00	675,937.70
20130657	3/03/2016	Credit Card Transaction - US Army	0.00	240.67	676,178.37
ACH030316	3/03/2016	[14296] INTERNAL REVENUE SERVICE-PP05/16 - FITW, FICA, Med	19,006.37	0.00	657,172.00
ACH030316/	3/03/2016	[14296] INTERNAL REVENUE SERVICE-PP05/16 - 3rd Party FICA/Med	13.50	0.00	657,158.50
0005489	3/04/2016	[10193] ANTELOPE VALLEY AQMD-Mileage for MD Compliance Activities Nov-Dec 2015	401.93	0.00	656,756.57
0005490	3/04/2016	[11853] ELDON HEASTON-Governing Board Meeting expense on Monday, February 22, 2016.	26.70	0.00	656,729.87
0005491	3/04/2016	[10263] IN SHAPE HEALTH CLUBS INC-Pay Period 05/2016 - GymDed	168.39	0.00	656,561.48
0005492	3/04/2016	[10081] VOYA 401(A) ACCT-401a Contribution - Heaston - March 2016	954.93	0.00	655,606.55
0005493	3/04/2016	[02133] MARTINEZ COLLISION CENTER-Refund of Inv MD2949 - Invoice Paid in Error	247.11	0.00	655,359.44
EFT	3/04/2016	[10200] MOJAVE DESERT AQMD-Credit Card Transactions Transfer - February 2016	10,040.99	0.00	655,359.44
EFT	3/04/2016	[10200] MOJAVE DESERT AQMD-Pay Period 05/2016 - FSADed	350.01	0.00	655,359.44
0005494	3/04/2016	[10244] PAUL'S PRECISION MAINTENANCE-Monthly Maintenance Contract Feb 16	1,500.00	0.00	653,859.44
0005495	3/04/2016	[10109] PHELAN PINON HILLS CSD-Electric use fees Feb 16	160.00	0.00	653,699.44
0005496	3/04/2016	[10126] SBCERA-Pay Period 05/2016 - SBCERADefer, SBCERAMatch, SBCERAPickUp, SurvivorInsBen, SurvivorInsDed, RetireCashBen	65,975.96	0.00	587,723.48
0005497	3/04/2016	[10213] SBPEA-Pay Period 05/2016 - GeneralUnitDues	858.32	0.00	586,865.16
0005498	3/04/2016	[10130] SELECT STAFFING-Temp Help Receptionist	523.13	0.00	586,342.03
0005499	3/04/2016	[14266] SONOMA TECHNOLOGY INC-Professional Services - Prescribed Burn Forecast Analysis	1,491.50	0.00	584,850.53
0005500	3/04/2016	[10146] STATE DISBURSEMENT UNIT - STATE DISBURSEMENT UNIT-CS Garnishment #BL0059318 - ChildSupport	125.07	0.00	584,725.46
0005501	3/04/2016	[10161] UNITED WAY DESERT COMMUNITIES-Pay Period 05/2016 - UnitedWay	5.00	0.00	584,720.46
0005502	3/04/2016	[00084] US ARMY-Refund: Invoices 5689, 5691	54.00	0.00	584,666.46
EFT	3/04/2016	[10082] VOYA FINANCIAL (457)-Pay Period 05/2016 - 457Ded	8,769.79	0.00	584,666.46
0005503	3/04/2016	[14323] VSP-Invoices 2016-03, 2016-04, VSP0316	642.24	0.00	584,024.22
0005504	3/04/2016	[10096] MOJAVE ENVIRONMENTAL EDUCATION CONSORTIUM-Annual sponsorship/contribution 2nd Installment	45,000.00	0.00	519,863.43
0005645	3/09/2016	[10047] COLONIAL INSURANCE-Invoices 2014-25, 2014-26, 2016-04	375.16	0.00	519,488.27
0005505	3/10/2016	[10029] CAPITAL ONE COMMERCIAL-Costco Card Charges Feb 16	48.48	0.00	519,439.79
0005506	3/10/2016	[10046] CLARK PEST CONTROL-Pest Control Service March 16	45.00	0.00	519,394.79
0005507	3/10/2016	[14263] CSMFO-Membership dues 2016 H. Arreola	110.00	0.00	519,284.79
0005508	3/10/2016	[11853] ELDON HEASTON-Expense Reimbursement CAPCOA Medium District Meeting	54.66	0.00	519,230.13
0005509	3/10/2016	[10079] HIGH DESERT LASER GRAPHICS-Appreciation Plauqe - GB Member E. Schmidt	64.58	0.00	519,165.55
EFT	3/10/2016	[10117] RICOH AMERICAS CORP-Copier Lease 2/15/16 - 3/14/16	1,284.81	0.00	519,165.55



## Mojave Desert AQMD

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<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005510	3/10/2016	[10125] SB COUNTY-FY15 Service Cost Billing	951.52	0.00	518,214.03
0005511	3/10/2016	[10130] SELECT STAFFING-Extra help reception - WE 2/28/16	496.00	0.00	517,718.03
0005512	3/10/2016	[10167] VERIZON CALIFORNIA-Phone Services Feb 16	687.61	0.00	517,030.42
EFT	3/10/2016	[10173] VOYAGER FLEET SERVICE-Fuel Card Charges Feb 16	707.51	0.00	517,030.42
0005513	3/10/2016	[10180] WOMEN IN MINING-Organization dues for annual WIM - Sheri Haggard	40.00	0.00	516,990.42
20130657	3/10/2016	Credit Card Transaction - Federal Bureau of Prisons	0.00	490.00	515,488.10
	3/11/2016	Service Charge	164.82	0.00	515,323.28
20130657	3/14/2016	Credit Card Transaction - SBCo Fleet Mgmt	0.00	94.67	515,417.95
2016014	3/15/2016	Op Fund Rep #13	0.00	408,892.01	924,309.96
EFT	3/16/2016	Pay period ending 3/04/2016	92,045.00	0.00	832,264.96
20130657	3/16/2016	Credit Card Transaction - US Army	0.00	216.61	832,481.57
ACH031716	3/17/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP6/16 SWT	5,107.05	0.00	827,374.52
ACH031716	3/17/2016	[14296] INTERNAL REVENUE SERVICE-PP6/16 FWIT, FICA, Med	18,798.86	0.00	808,575.66
ACH031171	3/17/2016	[14296] INTERNAL REVENUE SERVICE-PP06/16 - 3rd Party Sick Leave	48.20	0.00	808,527.46
ACH031716	3/17/2016	[10064] EMPLOYMENT DEVELOPMENT DEPARTMENT-PP06/16 - Payment in error	48.20	0.00	808,479.26
20130657	3/18/2016	Credit Card Transaction - Pivox	0.00	125.00	808,604.26
20130657	3/21/2016	Credit Card Transaction - E2C	0.00	510.28	809,114.54
0005514	3/24/2016	[14262] AGA-Membership dues L. Cole	55.00	0.00	809,059.54
0005515	3/24/2016	[10057] ALLIED ADMIN-Invoices 2016-05, 2016-06, AA0316	2,185.43	0.00	806,874.11
0005516	3/24/2016	[10013] AT & T-Complaint Line Charges Feb 16	39.45	0.00	806,834.66
EFT	3/24/2016	[10121] SALLY BODE-2016 clean air flyer	200.00	0.00	806,834.66
0005517	3/24/2016	[10019] BRADCO HIGH DESERT REPORT-yearly advertising	450.00	0.00	806,384.66
0005518	3/24/2016	[10027] CAPCOA-2016 Agency Membership Dues	6,000.00	0.00	800,384.66
0005519	3/24/2016	[14342] COVENANT CARE-Donation - Betty Tibbets	77.00	0.00	800,307.66
0005520	3/24/2016	[10053] CPS HR CONSULTING-Consulting Services	21,228.73	0.00	779,078.93
0005521	3/24/2016	[10059] DEMSEY FILLIGER & ASSOC-GASB 45 - Actuarial Evaluation Date: July 2015	3,000.00	0.00	776,078.93
0005522	3/24/2016	[11853] ELDON HEASTON-CAPCOA Medium District Meeting.	62.12	0.00	776,016.81
0005523	3/24/2016	[10263] IN SHAPE HEALTH CLUBS INC-Pay Period 06/2016 - GymDed	168.39	0.00	775,848.42
0005524	3/24/2016	[10086] KELLY PAPER COMPANY-Copy Paper	474.93	0.00	775,373.49
0005525	3/24/2016	[10094] MOJAVE COPY & PRINTING-Business Cards - C Tran	23.78	0.00	775,349.71
EFT	3/24/2016	[10200] MOJAVE DESERT AQMD-Pay Period 06/2016 - FSADed	350.01	0.00	775,349.71
0005526	3/24/2016	[10550] VICTOR RAMIREZ-Needles Inspections	209.42	0.00	775,140.29
0005527	3/24/2016	[10126] SBCERA-Pay Period 06/2016 - SBCERADefer, SBCERAMatch, SBCERAPickUp, SurvivorInsBen, SurvivorInsDed, RetireCashBen	66,512.14	0.00	708,628.15
0005528	3/24/2016	[10213] SBPEA-Pay Period 06/2016 - GeneralUnitDues	858.32	0.00	707,769.83
0005529	3/24/2016	[10232] SCANNING SERVICE CORP-Payroll Files 2015	381.93	0.00	707,387.90
0005530	3/24/2016	[10130] SELECT STAFFING-Invoices SL1615704, SL1622220	1,108.25	0.00	706,279.65
0005531	3/24/2016	[14221] ROBYN SIMPSON-Order ergonomic back support for Danielle Ramos	53.88	0.00	706,225.77
0005532	3/24/2016	[10146] STATE DISBURSEMENT UNIT - STATE DISBURSEMENT UNIT-CS Garnishment #BL0059318 - ChildSupport	125.07	0.00	706,100.70
0005533	3/24/2016	[14245] SARAH STROUT-Inspection of China Lake - NAWS	62.12	0.00	706,038.58

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0005534	3/24/2016	[10161] UNITED WAY DESERT COMMUNITIES-Pay Period 06/2016 - UnitedWay	5.00	0.00	706,033.58
0005535	3/24/2016	[10166] VERIZON BUSINESS-VOIP & Internet Service March 16	1,161.06	0.00	704,872.52
0005536	3/24/2016	[10167] VERIZON CALIFORNIA - VERIZON-Barstow AM Station Internet Service March 16	77.99	0.00	704,794.53
0005537	3/24/2016	[10167] VERIZON CALIFORNIA - VERIZON-Phelan AM Station Internet Service March 16	94.99	0.00	704,699.54
EFT	3/24/2016	[10082] VOYA FINANCIAL (457)-Pay Period 06/2016 - 457Ded	8,769.79	0.00	704,699.54
20130658	3/28/2016	Credit Card Transaction - US Army	0.00	261.00	695,640.74
EFT	3/30/2016	Pay period ending 3/18/2016	86,729.49	0.00	608,911.25
20130659	3/30/2016	Credit Card Transaction - Time Warner	0.00	262.33	609,173.58
20130660	3/31/2016	Credit Card Transaction - FAA	0.00	261.00	609,434.58
<b>Total for Report:</b>			<b>574,085.49</b>	<b>411,478.57</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
General Fund MPA

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
20130665	3/01/2016	Daily Deposit - Deposited in Error to MPB-Moyer should be MPA - General Fund	0.00	101,313.18	1,631,490.31
2016013	3/03/2016	Transfer AB2766 - December 2015	57,378.66	0.00	1,574,111.65
0007931	3/04/2016	Daily Deposit	0.00	8,581.06	1,582,692.71
20130655	3/07/2016	SBCo ACH - MDAQMD	0.00	10,391.00	1,593,083.71
20130656	3/08/2016	SBCo ACH - NAWS	0.00	225.91	1,593,309.62
0007932	3/08/2016	Daily Deposit	0.00	148,706.78	1,742,016.40
0007933	3/14/2016	Daily Deposit	0.00	23,077.67	1,765,094.07
	3/14/2016	Service Charge	207.81	0.00	1,764,886.26
2016015	3/15/2016	Transfer AB2766 - January 2016	56,794.88	0.00	1,708,091.38
2016014	3/15/2016	Op Fund Rep #13	408,892.01	0.00	1,299,199.37
0007934	3/18/2016	Daily Deposit	0.00	13,489.48	1,312,688.85
0007935	3/18/2016	Daily Deposit	0.00	7,409.09	1,320,097.94
0007936	3/24/2016	Daily Deposit	0.00	114,696.08	1,434,794.02
0007937	3/24/2016	Daily Deposit	0.00	72,506.12	1,507,300.14
20130658	3/25/2016	SBCo ACH - MDAQMD	0.00	350.01	1,507,650.15
0007938	3/30/2016	Daily Deposit	0.00	5,061.62	1,512,711.77
0007939	3/30/2016	Daily Deposit	0.00	15,632.40	1,528,344.17
<b>Total for Report:</b>			<b>523,273.36</b>	<b>521,440.40</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
**AB2766 MPE**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
2016013	3/03/2016	Transfer AB2766 - December 2015	0.00	57,378.66	3,126,203.09
MPE 2016-	3/08/2016	[10042] CITY OF NEEDLES-AB2766 - Local Agency	1,649.24	0.00	3,124,553.85
MPE 2016-	3/08/2016	[10157] TOWN OF YUCCA VALLEY-AB2766 - Local Agency	6,963.46	0.00	3,117,590.39
MPE 2016-	3/08/2016	[10156] TOWN OF APPLE VALLEY-AB2766 - Local Agency	23,455.87	0.00	3,094,134.52
MPE 2016-	3/08/2016	[01913] RIVERSIDE COUNTY-AB2766 - Local Agency	2,748.76	0.00	3,091,385.76
MPE 2016-	3/08/2016	[10044] CITY OF VICTORVILLE-AB2766 - Local Agency	39,948.28	0.00	3,051,437.48
MPE 2016-	3/08/2016	[10043] CITY OF TWENTYNINE PALMS-AB2766 - Local Agency	8,795.96	0.00	3,042,641.52
MPE 2016-	3/08/2016	[10040] CITY OF HESPERIA-AB2766 - Local Agency	30,419.33	0.00	3,012,222.19
MPE 2016-	3/08/2016	[10038] CITY OF BLYTHE-AB2766 - Local Agency	6,230.46	0.00	3,005,991.73
MPE 2016-	3/08/2016	[10037] CITY OF BARSTOW-AB2766 - Local Agency	7,696.45	0.00	2,998,295.28
MPE 2016-	3/08/2016	[10036] CITY OF ADELANTO-AB2766 - Local Agency	10,811.69	0.00	2,987,483.59
MPE 2016-	3/08/2016	[10125] SB COUNTY-AB2766 - Local Agency	44,529.50	0.00	2,942,954.09
2016015	3/15/2016	Transfer AB2766 - January 2016	0.00	56,794.88	2,999,748.97
MPE 2016-	3/23/2016	[14339] VICTOR VALLEY COLLEGE FOUNDATION-AB2766 Grant	80,367.57	0.00	2,919,381.40
<b>Total for Report:</b>			<b>263,616.57</b>	<b>114,173.54</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
**Carl Moyer MPB**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
MPB 16-11	3/01/2016	[14348] CENTRAL CALIFORNIA POWER INC-Moyer Grant	87,198.40	0.00	407,568.70
20130662	3/01/2016	Deposited in Error to MPB-Moyer should be MPA - General Fund	0.00	101,313.18	508,881.88
MPB 16-13	3/08/2016	[10240] ENVIRONMENTAL ENGINEERING STUDIES-Moyer Grant	5,549.80	0.00	503,332.08
<b>Total for Report:</b>			<b>92,748.20</b>	<b>101,313.18</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
**PARS Held in Trust**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	3/01/2016	Service Charge	125.89	0.00	524,666.68
	3/01/2016	Interest Earned	0.00	25,515.79	550,182.47
<b>Total for Report:</b>			<b>125.89</b>	<b>25,515.79</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
**District Card - Assigned**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000102	3/15/2016	[13961] JEAN BRACY-CALPELRA Negotiation Training - Registration and Lodging	487.37	0.00	3,382.21
0000103	3/15/2016	[11809] CHRIS COLLINS-Home Depot - Water Heater for Kitchen sink	264.60	0.00	3,117.61
0000104	3/15/2016	[11809] CHRIS COLLINS-WE Materials - Materials for Surveillance Remodel	272.12	0.00	2,845.49
0000105	3/15/2016	[11809] CHRIS COLLINS-Digi Key - Cooling fan for AM Equipment	33.74	0.00	2,811.75
0000106	3/15/2016	[11809] CHRIS COLLINS-Marie Callendars - Staff Meeting Refreshments	17.58	0.00	2,794.17
0000107	3/15/2016	[11809] CHRIS COLLINS-Southwest - Aifare EPA Symposium Aug 13, 2016 C. Collins and O. Salinas	900.93	0.00	1,893.24
0000108	3/15/2016	[11809] CHRIS COLLINS-Lowes - Materials for Surveillance Remodel	151.06	0.00	1,742.18
0000109	3/15/2016	[11809] CHRIS COLLINS-Met One - Inlet Tube and Coupler Vert Sample Intake for BAM	195.00	0.00	1,547.18
0000110	3/15/2016	[11853] ELDON HEASTON-Governing Board Personnel Committee Meeting expense - refreshments.	16.25	0.00	1,530.93
0000111	3/15/2016	[11853] ELDON HEASTON-Lunch with Karen Harold of CPS.	21.90	0.00	1,509.03
0000112	3/15/2016	[11853] ELDON HEASTON-Parking Cal State University San Bernardino - Class lecture March 1, 2016.	6.00	0.00	1,503.03
0000113	3/15/2016	[11853] ELDON HEASTON-CAPCOA Medium District Meeting. Airfare Lodging	497.28	0.00	1,005.75
0000114	3/15/2016	[11853] ELDON HEASTON-Rotary Club of Victorville Monthly membership dues.	137.00	0.00	868.75
0000115	3/15/2016	[11067] VIOLETTE ROBERTS-Shutterstock - Stock photo license for outreach photos	49.00	0.00	819.75
0000116	3/15/2016	[11067] VIOLETTE ROBERTS-CAPIO Annual Conference 2016 Chico, CA Lodging, Fuel, Meals V. Roberts, C. Robinson	556.39	0.00	263.36
0000014	3/31/2016	March Payment	0.00	2,647.89	2,911.25
<b>Total for Report:</b>			<b>3,606.22</b>	<b>2,647.89</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
**District Card - 0059**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000066	3/04/2016	[10044] CITY OF VICTORVILLE-Water Service Nov 15	144.33	0.00	3,884.63
0000067	3/04/2016	[10044] CITY OF VICTORVILLE-Fire Sprinkler Service Nov 15	10.00	0.00	3,874.63
0000068	3/04/2016	[14254] LAQUITA COLE-GFOA Annual Conference - 2016 - Airfare	511.74	0.00	3,362.89
0000069	3/04/2016	[10070] FEDERAL EXPRESS CORPORATION-Invoices 522275992, 525204860	79.43	0.00	3,283.46
0000070	3/04/2016	[14219] VILMA LANDSMAN-Professional Services to modify existing Autofiling definition	250.00	0.00	3,033.46
0000071	3/04/2016	[10099] NEOPOST-Postage Meter Print Cartridge	207.60	0.00	2,825.86
0000072	3/04/2016	[10138] SPARKLETTS-Invoices 4296603111815, 4296603121615	115.13	0.00	2,710.73
0000073	3/04/2016	[14245] SARAH STROUT-Inspections - 29 Palms Area. Post Inspection with 29 Palms Base.	98.10	0.00	2,612.63
0000066	3/04/2016	[10044] CITY OF VICTORVILLE-Void check 0000066	0.00	144.33	2,756.96
0000067	3/04/2016	[10044] CITY OF VICTORVILLE-Void check 0000067	0.00	10.00	2,766.96
0000068	3/04/2016	[14254] LAQUITA COLE-Void check 0000068	0.00	511.74	3,278.70
0000069	3/04/2016	[10070] FEDERAL EXPRESS CORPORATION-Void check 0000069	0.00	79.43	3,358.13
0000070	3/04/2016	[14219] VILMA LANDSMAN-Void check 0000070	0.00	250.00	3,608.13
0000071	3/04/2016	[10099] NEOPOST-Void check 0000071	0.00	207.60	3,815.73
0000072	3/04/2016	[10138] SPARKLETTS-Void check 0000072	0.00	115.13	3,930.86
0000073	3/04/2016	[14245] SARAH STROUT-Void check 0000073	0.00	98.10	4,028.96
0000084	3/15/2016	[14252] WILLIAM BERGHOFF-4TB Replacement Drive	124.20	0.00	3,904.76
0000085	3/15/2016	[10033] CHARTER BUSINESS-Internet Service Jan 16	1,717.22	0.00	2,187.54
0000086	3/15/2016	[10044] CITY OF VICTORVILLE-Water Service December 15	144.33	0.00	2,043.21
0000087	3/15/2016	[10044] CITY OF VICTORVILLE-Fire Sprinkler Service December 15	10.00	0.00	2,033.21
0000088	3/15/2016	[10044] CITY OF VICTORVILLE-Water Service January 16	146.64	0.00	1,886.57
0000089	3/15/2016	[10044] CITY OF VICTORVILLE-Fire Sprinkler Service January 16	10.00	0.00	1,876.57
0000090	3/15/2016	[10055] HIGH DESERT MEDIA GROUP-High Desert Exemplar Awards Advert and MEEC Sponsorship Advert	1,145.12	0.00	731.45
0000091	3/15/2016	[10055] HIGH DESERT MEDIA GROUP-Notice of Title V Permit	264.80	0.00	466.65
0000092	3/15/2016	[10055] HIGH DESERT MEDIA GROUP-Notice of Preliminary Determination	294.20	0.00	172.45
0000093	3/15/2016	[10055] HIGH DESERT MEDIA GROUP-Notice of Title V Permit	296.65	0.00	-124.20
0000021	3/31/2016	March Payment	0.00	124.20	
<b>Total for Report:</b>			<b>5,569.49</b>	<b>1,540.53</b>	



**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
District Card - 5717

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000060	3/15/2016	[14218] ROSEANA NAVARRO-BRASINGTON-Capcoa Vapor Recovery - Chico	1,191.24	0.00	204.76
0000061	3/15/2016	[10066] PRESS ENTERPRISE-Invoices 0010120074, 0010123605, 0010127740	684.00	0.00	-479.24
0000062	3/15/2016	[10066] PRESS ENTERPRISE-Title V Permit Renewal	236.00	0.00	-715.24
0000063	3/15/2016	[10066] PRESS ENTERPRISE-Legal Notice	252.00	0.00	-967.24
0000064	3/15/2016	[10066] PRESS ENTERPRISE-Public notice: Edwards AFB Research Laborator	224.00	0.00	-1,191.24
0000020	3/31/2016	March Payment	0.00	1,191.24	
<b>Total for Report:</b>			<b>2,587.24</b>	<b>1,191.24</b>	

**Mojave Desert AQMD**  
**Bank Register from 3/01/2016 to 3/31/2016**  
**District Card- 8958**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000074	3/15/2016	[10055] HIGH DESERT MEDIA GROUP-Invoices 20416, 20996, 21465, 627, 629	1,190.60	0.00	1,626.06
0000075	3/15/2016	[14255] CHRISTIANA ROBINSON-DAC Ent - Desert Air Monitoring newsletter 1st qtr 2016 printing mailing	1,626.06	0.00	
<b>Total for Report:</b>			<b>2,816.66</b>	<b>0.00</b>	

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

*AGENDA ITEM 6*

**DATE:** May 23, 2016

**RECOMMENDATION:** Receive and file

**SUMMARY:** The Legislative Report for May 5, 2016

**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.

The list of seventy measures that were of particular interest has been pared. Nine that remain of particular interest to the MDAQMD are marked "\*\*\*\*\*" for easy reference on report. 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 Alan De Salvio, Deputy Director – Mojave Desert Operations on or about May 9, 2016.

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

**PRESENTER:** Eldon Heaston, Executive Director



*Government Affairs and Communication Consulting*

FRANK T. SHEETS, III  
LAURIE HANSEN SHEETS

## MEMORANDUM

**TO:** Eldon Heaston  
Bret Banks

**FROM:** Frank Sheets  
Laurie Hansen

**DATE:** May 5, 2016

**RE:** Bill Tracking Report

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Strategic Partners group is pleased to provide an update on California proposed legislation we are currently tracking on behalf of the Mojave Desert and the Antelope Valley Air Quality Management Districts as well as provide some recent media coverage that we feel you will find of interest. As previously mentioned, this report is being submitted electronically in that the bill list contains internet links that can be useful for additional review of bills should the reader care to do so. For example, several bills now have current analyses that can help to interpret the intent of proposed legislation.

This report lists 60 bills we are tracking for the Districts, 10 less than our previous report. Eleven Assembly bills failed to move out of their respective committees and are therefore "DEAD". Additionally we have added one bill SPG feels of interest, namely SB1387 by Senator de Leon. The bills now qualified as "DEAD" are: AB 1555, AB 1569, AB 1589, AB 1590, AB 1698, AB 1717, AB 1973, AB 1982, AB 2145, AB 2426, and AB 2452.

Of these bills, we are not surprised AB 1717 failed in that it proposed to re-appropriate 25% of the GHG intended be used for the State High Speed Rail Project to other transportation projects. Additionally, AB 1982 failed. This bill would have directed GHG funds to improved traffic synchronization that SPG felt to be a reasonable proposal. AB 1550, a proposal to add additional members to the State Water Resources Control Board is DEAD as well.

We have added **SB 1387** by Senator de Leon. Although the bill required State Air Districts to seek approval for independent emissions trading programs, specifically referencing South Coast AQMD RECLAIM program, **the bill also allows for the addition of three new board member positions to SCAQMD**. Senator de Leon had been openly critical of the South Coast Board in the action to remove Barry Wallerstein from the APCO position and clearly this bill intends to change the make up of this board as a result of that decision.

Readers will note that several Assembly bills have now been moved to the Suspense file. This does not mean the bills will not be considered, but rather, **legislation that may cost the state in excess of \$150,000 are placed on the "Suspense Calendar" and then considered at a later date** all at the same time. All Suspense file bills, including bills having fiscal impact must be heard and passed out of their relative committees by May 27<sup>th</sup>. Considering other deadlines, all non-fiscal bills must be out of their committees by May 6<sup>th</sup>, and subsequently all bills must have passed out of their respective houses in order to proceed to the next house for consideration by June 3<sup>rd</sup>.

Once again, should Staff or Members of the Board have questions or comments regarding proposed legislative measures, SPG is always available.

## AQMD 2016 Bills Wednesday, May 04, 2016

[AB 45](#)  
\*\*\*\*\*

**(Mullin D)** Household hazardous waste.  
*Current Text: Amended: 1/21/2016 [pdf](#) [html](#)*  
*Current Analysis: 01/26/2016 [Assembly Floor Analysis \(text 1/21/2016\)](#)*  
*Introduced: 12/1/2014*  
*Last Amend: 1/21/2016*  
*Location: 2/4/2016-S. E.Q.*

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

*Summary: Would require the Department of Resources Recycling and Recovery to adopt one or more model ordinances for a comprehensive program for the collection of household hazardous waste and would authorize a local jurisdiction that provides for the residential collection and disposal of solid waste that proposes to enact an ordinance governing the collection and diversion of household hazardous waste to adopt one of the model ordinances adopted by the department.*

*Vote Events:*  
 01/27/2016 ASM. FLOOR (Y:50 N:18 A:11) (P)  
 01/21/2016 ASM. APPR. (Y:12 N:0 A:5) (P)  
 04/28/2015 ASM. E.S. & T.M. (Y:4 N:2 A:1) (P)  
 04/22/2015 ASM. L. GOV. (Y:6 N:3 A:0) (P)

*Notes 1: SPG fels this to be a reasonable proposal and wonders why none have proposed it in the past. Such a household hazardous waste collection program could assist in the proper management of this waste stream.*

[AB 1115](#)  
\*\*\*\*\*

**(Salas D)** School zones: state highways.  
*Current Text: Amended: 1/13/2016 [pdf](#) [html](#)*  
*Current Analysis: 01/19/2016 [Assembly Appropriations \(text 1/13/2016\)](#)*  
*Introduced: 2/27/2015*  
*Last Amend: 1/13/2016*  
*Location: 2/4/2016-S. T. & H.*

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

*Summary: Current law generally provides that the Department of Transportation and local authorities have authority over the highways under their respective jurisdictions. This bill would designate a specified portion of State Highway Route 184 in the County of Kern as a school zone and require the zone to be identified with standard "SCHOOL" warning signs. The bill would provide that the specified referenced provisions governing prima facie speed limits in school zones apply in that zone. This bill contains other current laws.*

*Vote Events:*  
 01/27/2016 ASM. FLOOR (Y:78 N:0 A:1) (P)  
 01/21/2016 ASM. APPR. (Y:17 N:0 A:0) (P)  
 01/11/2016 ASM. TRANS. (Y:16 N:0 A:0) (P)

*Notes 1: SPG felt members of the Mojave Desert AQMD might have interest in this bill as it has similarities to*

efforts to deal with vehicular traffic in school districts.

[AB 1550](#)

(Gomez D) Greenhouse gases: investment plan: disadvantaged communities.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 3/28/2016\)](#)

Introduced: 1/4/2016

Last Amend: 4/11/2016

Location: 4/12/2016-A. APPR.

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

Summary: Current law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. This bill would require the investment plan to allocate a minimum of 25% of the available moneys in the fund to projects located within, and benefitting individuals living in, disadvantaged communities and a separate and additional unspecified percentage to projects that benefit low-income households, as specified, with a fair share of those moneys targeting households with incomes at or below 200% of the federal poverty level.

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:7 N:0 A:2) (P)

Notes 1: AB 1532, codified in 2012, mandates the state to use monies generated by the Cap and Trade program and deposited in the California Green House Gas Reduction fund to be used to the benefit of disadvantaged communities. This bill would mandate 25% of the funds be used for projects in disadvantages communities and another 25% of the fund be used for projects that benefit low-income households. This accounts for 50% of such funds be used in the proposed manners. To provide a feel for how much money this represents, based on the February 2016 auction proceeds, approximately \$2.360 billion will be generated in 2016. This bill proposes a request for 50% of those funds for such programs. Of coarse these numbers are estimates only and should only be represents as such, but gives the reader a flavor for the amounts of moneys such bills seed to direct to specific projects.

4/11 amendments resulted in no significant modifications to the bill.

[AB 1591](#)

(Frazier D) Transportation funding.

Current Text: Introduced: 1/6/2016 [pdf](#) [html](#)

Introduced: 1/6/2016

Location: 2/1/2016-A. TRANS.

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 to ensure efficient use of the funds available for the program. This bill contains other related provisions and other existing laws.

Notes 1: The generation of "performance criteria" to be used in the the evaluation of proposed projects to maintain and repair of transportation infrastructure is an interesting proposal. The cement industry is a major advocate of such a proposal.

[AB 1657](#)

(O'Donnell D) Air pollution: public ports and intermodal terminals.

Current Text: Amended: 4/7/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Transportation \(text 4/7/2016\)](#)

Introduced: 1/13/2016

Last Amend: 4/7/2016  
Location: 4/19/2016-A. APPR.

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

*Summary: Would establish the Zero- and Near-Zero-Emission Intermodal Terminals Program to be administered by the State Air Resources Board to fund equipment upgrades and investments at intermodal terminals, as defined, to help transition the state's freight system to be zero- and near-zero-emission operations. The bill would authorize the program to be implemented with moneys from the Greenhouse Gas Reduction Fund. This bill contains other related provisions and other existing laws.*

Vote Events:

04/18/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)  
04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

Notes 1: Another grab for GHG Reduction Fund monies to help improve infrastructure at intermodal facilities.

This bill had minor amendments and has moved from Assembly Transportation to Assembly Appropriations.

[AB 1683](#)

*(Eggman D) Alternative energy financing.*

Current Text: Amended: 3/8/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Revenue And Taxation \(text 3/8/2016\)](#)

Introduced: 1/20/2016

Last Amend: 3/8/2016

Location: 4/4/2016-A. REV. & TAX SUSPENSE FILE

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

Calendar: 5/9/2016 2:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION  
SUSPENSE, RIDLEY-THOMAS, Chair

*Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance in the form of a sales and use tax exclusion for projects, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, the reduction of greenhouse gases, or the reduction in air and water pollution or energy consumption. The act prohibits the sales and use tax exclusions from exceeding \$100,000,000 for each calendar year. This bill would instead prohibit the sales and use tax exclusions from exceeding \$200,000,000 for each calendar year.*

[AB 1685](#)

*(Gomez D) Vehicular air pollution: civil penalties.*

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 05/02/2016 [Assembly Appropriations \(text 4/11/2016\)](#)

Introduced: 1/20/2016

Last Amend: 4/11/2016

Location: 4/19/2016-A. APPR.

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

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

*Summary: Current law provides that a manufacturer or distributor who does not comply with the emission standards or the test procedures adopted by the State Air Resources Board is subject to a civil penalty of \$50 per vehicle. This bill would increase those penalties to \$37,500 per action or vehicle. The bill would require the state board to adjust those penalties for inflation, as specified.*

Vote Events:

04/18/2016 ASM. TRANS. (Y:10 N:5 A:1) (P)

Sacramento: 1107 9th St., Suite 930 Sacramento, CA 95814 · Telephone (916) 447-9884 · Fax (916) 441-4211

Inland Empire: 32012 Masters Place, Llano, CA 93544 (661) 944-9460

Email: lhansen@strategicpartnersgroup.org; fsheets@strategicpartnersgroup.org

Notes 1: April 11 amendments to this bill significantly increase penalties for individuals who sell, rent, lease new vehicles or provide new replacement engines that fail state emission limitations and has moved from Assembly Transportation to Assembly Appropriations.

[AB 1691](#)

(Gipson D) Vehicular air pollution: vehicle retirement.

Current Text: Amended: 4/20/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Transportation \(text 4/12/2016\)](#)

Introduced: 1/21/2016

Last Amend: 4/20/2016

Location: 4/21/2016-A. APPR.

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

Summary: Current law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. Current law requires the program's guidelines to be updated no later than June 30, 2015. Current law requires the updated guidelines to ensure vehicle replacement be an option for all motor vehicle owners and may be in addition to compensation for vehicles retired, as specified. This bill would require the state board, by June 30, 2017, to update the guidelines, as specified, that would be operative until July 1, 2022.

Vote Events:

04/18/2016 ASM. TRANS. (Y:13 N:1 A:2) (P)

Notes 1: This bill proposes to update the states plan to utilize state general funds to replace high polluting vehicles in disadvantaged communities if certain conditions are met.

[AB 1710](#)

(Calderon D) Vehicular air pollution: zero-emission and near-zero-emission vehicles.

Current Text: Amended: 4/5/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Revenue And Taxation \(text 4/5/2016\)](#)

Introduced: 1/26/2016

Last Amend: 4/5/2016

Location: 4/19/2016-A. APPR.

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

Summary: Would require, on or before January 1, 2019, the State Air Resources Board to develop and implement a comprehensive program comprised of a portfolio of incentives to promote zero-emission and near-zero-emission vehicle deployment in the state to drastically increase the use of those vehicles and to meet specified goals established by the Governor and the Legislature. This bill contains other related provisions and other existing laws.

Vote Events:

04/18/2016 ASM. REV. & TAX. (Y:6 N:3 A:0) (P)

04/11/2016 ASM. TRANS. (Y:11 N:4 A:1) (P)

[AB 1773](#)

(Oberholte R) Local government renewable energy self-generation program.

Current Text: Amended: 4/13/2016 [pdf](#) [html](#)

Current Analysis: 05/02/2016 [Assembly Appropriations \(text 4/13/2016\)](#)

Introduced: 2/3/2016

Last Amend: 4/13/2016

Location: 5/4/2016-A. CONSENT CALENDAR

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

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair



*Summary: Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities. Existing law authorizes a local governmental entity, except a joint powers authority, to receive a bill credit to a designated benefiting account, for electricity exported to the electrical grid by an eligible renewable generating facility and requires the commission to adopt a rate tariff for the benefiting account. This bill would include as a local governmental entity for this purpose a joint powers authority, except as specified. This bill contains other related provisions and other existing laws.*

Vote Events:

04/20/2016 ASM. L. GOV. (Y:9 N:0 A:0) (P)

04/06/2016 ASM. U. & C. (Y:15 N:0 A:0) (P)

[AB 1780](#)

*(Medina D) Greenhouse Gas Reduction Fund: trade corridors.*

Current Text: Amended: 3/28/2016 [pdf](#) [html](#)

Current Analysis: 04/18/2016 [Assembly Appropriations \(text 3/28/2016\)](#)

Introduced: 2/3/2016

Last Amend: 3/28/2016

Location: 4/20/2016-A. APPR. SUSPENSE FILE

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

*Summary: Would, beginning in the 2016-17 fiscal year, continuously appropriate 20% of the annual proceeds of the Greenhouse Gas Reduction Fund to the California Transportation Commission to be allocated to reduce greenhouse gas emissions in trade corridors consistent with specified guidelines, thereby making an appropriation.*

Vote Events:

04/04/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

Notes 1: Another request for GHG Reduction Funds.

[AB 1787](#)

*(Gomez D) California Environmental Protection Agency: cross-media enforcement unit.*

Current Text: Introduced: 2/4/2016 [pdf](#) [html](#)

Current Analysis: 04/08/2016 [Assembly Floor Analysis \(text 2/4/2016\)](#)

Introduced: 2/4/2016

Location: 4/28/2016-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 Secretary for Environmental Protection's deputy secretary for law enforcement and counsel to, in consultation with the Attorney General, establish a cross-media enforcement unit to assist boards, departments, offices, or other agencies that implement a law or regulation within the jurisdiction of CalEPA, as specified. This bill would require the cross-media enforcement unit to prioritize the state's most disadvantaged communities, as specified.*

Vote Events:

04/11/2016 ASM. FLOOR (Y:73 N:0 A:6) (P)

04/06/2016 ASM. APPR. (Y:17 N:0 A:3) (P)

03/14/2016 ASM. NAT. RES. (Y:7 N:0 A:2) (P)

Notes 1: This bill has moved from Assembly Appropriations to Senate Environmental Quality without amendments.

[AB 1815](#)

*(Alejo D) California Global Warming Solutions Act of 2006: disadvantaged communities.*

Current Text: Amended: 5/2/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 3/28/2016\)](#)

Introduced: 2/8/2016

Last Amend: 5/2/2016  
Location: 5/3/2016-A. APPR.

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 to identify disadvantaged communities and requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Current law requires the 3-year investment plan to allocate a minimum of 25% of the available moneys in the fund to projects that provide benefits to disadvantaged communities. This bill would require the agency to establish a comprehensive technical assistance program, upon the appropriation of moneys from the fund, for eligible applicants, as specified, assisting eligible communities, as defined.*

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:7 N:2 A:0) (P)

[AB 1833](#)

*(Linder R) Transportation projects: environmental mitigation.*

Current Text: Amended: 4/25/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 3/16/2016\)](#)

Introduced: 2/9/2016

Last Amend: 4/25/2016

Location: 4/26/2016-A. APPR.

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

*Summary: Would create the Advanced Mitigation Program in the Department of Transportation to implement environmental mitigation measures in advance of future transportation projects. The bill, by February 1, 2017, would require the department to establish a steering committee to advise the department in that regard.*

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:8 N:1 A:0) (P)

04/04/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

[AB 1851](#)

*(Gray D) Vehicular air pollution: reduction incentives.*

Current Text: Amended: 4/13/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Revenue And Taxation \(text 4/13/2016\)](#)

Introduced: 2/10/2016

Last Amend: 4/13/2016

Location: 4/19/2016-A. APPR.

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

*Summary: Would, for purposes of the Clean Vehicle Rebate Project, require the State Air Resources Board, until January 1, 2026, to provide specified rebate amounts for battery electric vehicles, fuel-cell vehicles, and plug-in hybrid electric vehicles and to implement a process to allow eligible applicants to obtain prompt preapproval from the state board prior to purchasing an eligible vehicle, as specified.*

Vote Events:

04/18/2016 ASM. REV. & TAX. (Y:6 N:3 A:0) (P)

04/11/2016 ASM. TRANS. (Y:10 N:5 A:1) (P)

[AB 1903](#)

\*\*\*\*\*

*(Wilk R) Aliso Canyon gas leak: health impact study.*

Current Text: Amended: 4/4/2016 [pdf](#) [html](#)

Current Analysis: 04/25/2016 [Assembly Appropriations \(text 4/4/2016\)](#)

Introduced: 2/11/2016

Last Amend: 4/4/2016

Location: 4/27/2016-A. APPR. SUSPENSE FILE

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

**Summary:** Would require the Public Utilities Commission to authorize a study by the Office of Environmental Health Hazard Assessment of the long-term health impacts of the significant natural gas leak from the Aliso Canyon natural gas storage facility located in the County of Los Angeles that started approximately October 23, 2015, as specified. The bill would require the commission to publish and transmit the report by the Office of Environmental Health Hazard Assessment and its ongoing findings to the appropriate policy committees of the Legislature on a biennial basis, on or before January 1 of every even-numbered year, from 2018 until 2028.

**Vote Events:**

03/30/2016 ASM. U. & C. (Y:15 N:0 A:0) (P)

**Notes 1:** In response to the Porter Ranch gas leak and is currently on the Suspense file.

[AB 1904](#)

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**(Wilk R)** Hazardous materials: natural gas odorants.

**Current Text:** Introduced: 2/11/2016 [pdf](#) [html](#)

**Current Analysis:** 04/11/2016 [Assembly Appropriations \(text 2/11/2016\)](#)

**Introduced:** 2/11/2016

**Location:** 3/30/2016-A. APPR.

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

**Summary:** Would require the Office of Environmental Health Hazard Assessment to submit a report to the Legislature, on or before January 1, 2018, that includes an assessment of the danger of odorants currently used in natural gas storage facilities in the state to public health and safety and the environment, and that identifies alternative odorants for possible use in natural gas storage facilities, as specified. This bill contains other related provisions.

**Vote Events:**

03/29/2016 ASM. E.S. & T.M. (Y:7 N:0 A:0) (P)

**Notes 1:** In response to the Porter Ranch Natural gas leak.

[AB 1905](#)

\*\*\*\*\*

**(Wilk R)** Natural gas injection and storage: study.

**Current Text:** Amended: 4/7/2016 [pdf](#) [html](#)

**Current Analysis:** 04/18/2016 [Assembly Appropriations \(text 4/7/2016\)](#)

**Introduced:** 2/11/2016

**Last Amend:** 4/7/2016

**Location:** 4/20/2016-A. APPR. SUSPENSE FILE

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

**Summary:** Would require the Secretary of the Natural Resources Agency, on or before July 1, 2017, to cause to be conducted, and completed, an independent scientific study on natural gas injection and storage practices and facilities, as specified. This bill contains other related provisions.

**Vote Events:**

04/04/2016 ASM. NAT. RES. (Y:8 N:0 A:1) (P)

**Notes 1:** In response to the Porter Ranch Gas leak and is currently on the Suspense file.

[AB 1923](#)

**(Wood D)** Bioenergy feed-in tariff.

**Current Text:** Amended: 4/14/2016 [pdf](#) [html](#)

**Current Analysis:** 04/25/2016 [Assembly Appropriations \(text 4/14/2016\)](#)

**Introduced:** 2/11/2016

Last Amend: 4/14/2016

Location: 4/28/2016-A. CONSENT CALENDAR

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

Calendar: 5/5/2016 #92 ASSEMBLY CONSENT CALENDAR 2ND DAY-ASSEMBLY BILLS

Summary: Would require the Public Utilities Commission to direct the electrical corporations to authorize a bioenergy electric generation facility with a nameplate generating capacity of up to 5 megawatts to participate in the bioenergy feed-in tariff if the facility delivers no more than 3 megawatts to the grid at any time and complies with specified interconnection and payment requirements.

Vote Events:

04/27/2016 ASM. APPR. (Y:19 N:0 A:1) (P)

03/30/2016 ASM. U. & C. (Y:15 N:0 A:0) (P)

Notes 1: Appears to broaden the number of participants who can participate in providing renewable electricity into the states electrical grid.

[AB 1937](#)

(Gomez D) Electricity: procurement.

Current Text: Amended: 4/25/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 4/4/2016\)](#)

Introduced: 2/12/2016

Last Amend: 4/25/2016

Location: 4/26/2016-A. APPR.

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

Summary: Would require electrical corporations' proposed procurement plans to also include a showing that the electrical corporations (1), in soliciting bids for gas-fired generation resources from new or repowered facilities, actively seek bids for resources that are not gas-fired generation resources located in or adjacent to communities that suffer from cumulative pollution burdens and other environmental impacts and (2), in considering bids for, or negotiating bilateral contracts for, new or repowered gas-fired generation resources, give priority to generation resources that are not gas-fired generation resources located in or adjacent to those communities.

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:6 N:2 A:1) (P)

04/13/2016 ASM. U. & C. (Y:10 N:5 A:0) (P)

Notes 1: This bill has been significantly amended from its original version in that it now calls for restrictions on where electrical utilities can acquire electricity generated from natural gas fired generation.

[AB 1964](#)

(Bloom D) High-occupancy vehicle lanes: vehicle exceptions.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 04/29/2016 [Assembly Floor Analysis \(text 4/11/2016\)](#)

Introduced: 2/12/2016

Last Amend: 4/11/2016

Location: 4/28/2016-A. THIRD READING

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

Calendar: 5/5/2016 #47 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Summary: Current authorizes super ultra-low emission vehicles, ultra-low emission vehicles, partial zero-emission vehicles, or transitional zero-emission vehicles, as specified, that display a valid identifier issued by the Department of Motor Vehicles to use these HOV lanes until January 1, 2019, or until the date federal authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first. This bill would extend the operation of the provisions allowing specified vehicles to use HOV lanes until the date federal

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authorization expires, or until the Secretary of State receives a specified notice, whichever occurs first.

Vote Events:

04/27/2016 ASM. APPR. (Y:12 N:6 A:2) (P)

04/04/2016 ASM. TRANS. (Y:14 N:2 A:0) (P)

[AB 1965](#)

*(Cooper D) Vehicle retirement and replacement.*

Current Text: Amended: 3/16/2016 [pdf](#) [html](#)

Current Analysis: 05/02/2016 [Assembly Appropriations \(text 3/16/2016\)](#)

Introduced: 2/12/2016

Last Amend: 3/16/2016

Location: 5/4/2016-A. APPR. SUSPENSE FILE

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

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

Summary: Current law creates an enhanced fleet modernization program for the retirement of high polluting vehicles to be administered by the Bureau of Automotive Repair pursuant to guidelines adopted by the State Air Resources Board. This bill would require the state board, no later than July 1, 2018, and every other year thereafter, to collect and post on the program's Internet Web site specified information on the program. The bill would authorize the state board to allocate moneys, upon appropriation, from specified funds to expand the vehicle replacement component of the program.

Vote Events:

04/11/2016 ASM. TRANS. (Y:12 N:3 A:1) (P)

[AB 1981](#)

*(Mayes R) California Environmental Quality Act: environmental impact report.*

Current Text: Introduced: 2/16/2016 [pdf](#) [html](#)

Introduced: 2/16/2016

Location: 2/16/2016-A. PRINT

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 determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record. This bill would make nonsubstantive changes to that provision.

[AB 2038](#)

*(Gaines, Beth R) California Environmental Quality Act: environmental impact report: substantial evidence.*

Current Text: Introduced: 2/16/2016 [pdf](#) [html](#)

Introduced: 2/16/2016

Location: 2/16/2016-A. PRINT

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

Summary: The California Environmental Quality Act requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would make nonsubstantive changes to those provisions.

[AB 2090](#)

*(Alejo D) Low Carbon Transit Operations Program.*

Current Text: Amended: 4/7/2016 [pdf](#) [html](#)

Current Analysis: 04/25/2016 [Assembly Appropriations \(text 4/7/2016\)](#)

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Introduced: 2/17/2016

Last Amend: 4/7/2016

Location: 4/27/2016-A. APPR. SUSPENSE FILE

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

*Summary: Current law continuously appropriates specified portions of the annual proceeds in the Greenhouse Gas Reduction Fund to various programs, including 5% for the Low Carbon Transit Operations Program, which provides operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. This bill would additionally authorize moneys appropriated to the program to be expended to support the operation of existing bus or rail service if the governing board of the requesting transit agency declares a fiscal emergency and other criteria are met, thereby expanding the scope of an existing continuous appropriation.*

Vote Events:

04/11/2016 ASM. TRANS. (Y:16 N:0 A:0) (P)

Notes 1: Another request for additional money from the GHG Reduction Fund and has been placed on the Suspense file.

[AB 2109](#)

*(Dahle R) Greenhouse gas emissions reduction: state agencies.*

Current Text: Introduced: 2/17/2016 [pdf](#) [html](#)

Introduced: 2/17/2016

Location: 2/17/2016-A. PRINT

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 state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020. The act requires state agencies to consider and implement strategies to reduce their greenhouse gas emissions. This bill would make technical, nonsubstantive changes to this provision.*

[AB 2125](#)

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*(Chiu D) Healthy Nail Salon Recognition Program.*

Current Text: Amended: 4/5/2016 [pdf](#) [html](#)

Current Analysis: 04/25/2016 [Assembly Appropriations \(text 4/5/2016\)](#)

Introduced: 2/17/2016

Last Amend: 4/5/2016

Location: 4/27/2016-A. APPR. SUSPENSE FILE

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

*Summary: Would require the State Department of Public Health to publish guidelines, including one or more model ordinances, for cities, counties, and city and counties to voluntarily implement local healthy nail salon recognition (HNSR) programs with specified criteria for nail salons, including the use of less toxic nail polishes and polish removers and improved ventilation. The bill would also require the department to develop awareness campaigns, model ordinances for local governments, and post specified information on its Internet Web site.*

Vote Events:

04/12/2016 ASM. E.S. & T.M. (Y:7 N:0 A:0) (P)

03/29/2016 ASM. HEALTH (Y:18 N:0 A:1) (P)

Notes 1: A bill dealing with toxic air emissions from finger nails and has been placed on the Suspense file.

[AB 2146](#)

*(Patterson R) Forestry and fire protection: greenhouse gas emissions.*

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 3/28/2016\)](#)

Introduced: 2/17/2016

Last Amend: 4/11/2016

Location: 4/12/2016-A. APPR.

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

Summary: Would provide that an amount not to exceed \$200,000,000 from the Greenhouse Gas Reduction Fund shall be made available to the Department of Forestry and Fire Prevention, upon appropriation, for specified activities that reduce greenhouse gas emissions in the state caused by uncontrolled forest fires. The bill would require the department to develop an accounting system to demonstrate that each project awarded funding will provide a long-term reduction of greenhouse gas emissions and to prioritize and fund projects based on the extent to which a project will maximize certain cobenefits, as prescribed.

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

Notes 1: This is a forestry management bill proposing to appropriate \$200,000,000 annually from the GHG Reduction Fund to reduce GHG emissions from uncontrolled forest fires. Considering the numerous requests for money from this fund, this one in our opinion has merit.

[AB 2206](#)

([Williams D](#)) Biomethane: interconnection and injection into common carrier pipelines: research.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Current Analysis: 05/02/2016 [Assembly Appropriations \(text 2/18/2016\)](#)

Introduced: 2/18/2016

Location: 5/4/2016-A. APPR. SUSPENSE FILE

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

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

Summary: Would request the California Council on Science and Technology to undertake and complete a study analyzing the regional and gas corporation specific issues relating to minimum heating value and maximum siloxane specifications adopted by the Public Utilities Commission for biomethane before it can be injected into common carrier gas pipelines. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study with the cost recoverable in rates.

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

04/06/2016 ASM. U. & C. (Y:15 N:0 A:0) (P)

[AB 2223](#)

([Gray D](#)) Greenhouse Gas Reduction Fund: dairy digesters.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 04/12/2016 [Assembly Agriculture \(text 4/11/2016\)](#)

Introduced: 2/18/2016

Last Amend: 4/11/2016

Location: 4/13/2016-A. APPR.

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

Summary: Would provide that up to \$100,000,000 shall be made available, upon appropriation, from the Greenhouse Gas Reduction Fund to the Department of Food and Agriculture to provide incentives for the implementation of dairy digesters and other dairy methane reduction projects and management practices.

Vote Events:

04/13/2016 ASM. AGRI. (Y:10 N:0 A:0) (P)

04/04/2016 ASM. NAT. RES. (Y:8 N:1 A:0) (P)

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Notes 1: Another request for money from the GHG Reduction fund.

[AB 2276](#)

([Brown D](#)) Greenhouse gases: emissions reduction.

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Introduced: 2/18/2016

Location: 2/18/2016-A. PRINT

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

Summary: Current law requires the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities Program to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives. This bill would make nonsubstantive changes to that provision. This bill contains other current laws.

[AB 2293](#)

([Garcia, Cristina D](#)) California Green Business Program and Green Assistance Program.

Current Text: Amended: 4/27/2016 [pdf](#) [html](#)

Current Analysis: 03/31/2016 [Assembly Natural Resources \(text 3/29/2016\)](#)

Introduced: 2/18/2016

Last Amend: 4/27/2016

Location: 4/28/2016-A. APPR.

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

Summary: Current law creates the California Environmental Protection Agency, consisting of various boards, offices, and departments, including the State Air Resources Board and the Department of Toxic Substances Control. This bill would establish the Green Assistance Program within the California Environmental Protection Agency to, among other things, assist small businesses and small nonprofit organizations in applying for moneys from the Greenhouse Gas Reduction Fund. This bill contains other related provisions and other current laws.

Vote Events:

04/04/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

[AB 2313](#)

([Williams D](#)) Renewable natural gas: monetary incentive program for biomethane projects.

Current Text: Amended: 4/26/2016 [pdf](#) [html](#)

Current Analysis: 04/19/2016 [Assembly Utilities And Commerce \(text 3/16/2016\)](#)

Introduced: 2/18/2016

Last Amend: 4/26/2016

Location: 4/27/2016-A. APPR.

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

Summary: Would require the Public Utilities Commission to modify the monetary incentive program for biomethane projects so that the total available incentive limitation for a project, other than a dairy cluster biomethane project, as defined, is increased from \$1,500,000 to \$3,000,000. The bill would require the commission to increase the total available incentive limitation for a dairy cluster biomethane project to \$5,000,000 and would require that gathering lines for transport of biogas to a centralized processing facility for the project be treated as an interconnection cost.

Vote Events:

04/20/2016 ASM. U. & C. (Y:9 N:4 A:2) (P)

03/31/2016 ASM. RLS. (Y:8 N:0 A:3) (P)



[AB 2323](#)

*(Ridley-Thomas D) Electricity: rates: low-carbon fuel production facilities.*

Current Text: Amended: 4/19/2016 [pdf](#) [html](#)

Current Analysis: 04/12/2016 [Assembly Utilities And Commerce \(text 3/29/2016\)](#)

Introduced: 2/18/2016

Last Amend: 4/19/2016

Location: 4/20/2016-A. APPR.

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

Summary: Would require an electrical corporation that offers time-of-use rates, critical peak pricing, real-time pricing, or peak time rebates for the charging of electric vehicles, as part of a program to encourage transportation electrification, to offer similar rates to low-carbon transportation fuel production facilities and public and private fueling stations dedicated to providing low-carbon fuels for transportation purposes. This bill contains other related provisions and other existing laws.

Vote Events:

04/13/2016 ASM. U. & C. (Y:10 N:4 A:1) (P)

[AB 2334](#)

*(Mullin D) Alternative energy financing.*

Current Text: Introduced: 2/18/2016 [pdf](#) [html](#)

Current Analysis: 04/04/2016 [Assembly Revenue And Taxation \(text 2/18/2016\)](#)

Introduced: 2/18/2016

Location: 4/4/2016-A. REV. & TAX SUSPENSE FILE

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

Calendar: 5/9/2016 2:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION SUSPENSE, RIDLEY-THOMAS, Chair

Summary: The California Alternative Energy and Advanced Transportation Financing Authority Act authorizes, until January 1, 2021, the authority to provide financial assistance in the form of a sales and use tax exclusion for any lease or transfer of title of tangible personal property constituting a project to any participating party, and defines a project and participating party for those purposes. The act limits the sales and use tax exclusion to \$100,000,000 for each calendar year. This bill would extend the sales and use tax exclusion to any contractor for use in the performance of a construction contract for the participating party that will use that property as an integral part of the approved project.

[AB 2415](#)

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

Current Text: Amended: 5/3/2016 [pdf](#) [html](#)

Current Analysis: 04/17/2016 [Assembly Natural Resources \(text 4/6/2016\)](#)

Introduced: 2/19/2016

Last Amend: 5/3/2016

Location: 5/3/2016-A. APPR.

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

Summary: The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects. This bill, between January 2, 2018, and January 1, 2023, would require no less than 50% of the moneys allocated each year for technology development, demonstration, precommercial pilots, and early commercial deployments of zero- and near-zero-emission medium- and heavy-duty truck technology be allocated and spent to support the commercial deployment of existing zero- and near-zero-emission heavy-duty truck and heavy-duty bus technology that meets or exceeds a specified emission standard, with at least 2/3 of these funds to be allocated to heavy-duty truck projects.

Vote Events:

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04/18/2016 ASM. NAT. RES. (Y:8 N:1 A:0) (P)  
 04/04/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

[AB 2454](#)

([Williams D](#)) Energy: procurement plans.  
 Current Text: Amended: 4/26/2016 [pdf](#) [html](#)  
 Current Analysis: 04/19/2016 [Assembly Utilities And Commerce \(text 2/19/2016\)](#)  
 Introduced: 2/19/2016  
 Last Amend: 4/26/2016  
 Location: 4/27/2016-A. APPR.

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

Summary: The Public Utilities Act requires that an electrical corporation's proposed procurement plan include certain elements, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. This bill would require the electrical corporation, in determining the availability of cost-effective, reliable, and feasible demand reduction resources, to consider the findings of the Demand Response Potential Study required by a specific order of the commission, as specified. This bill contains other related provisions and other existing laws.

Vote Events:  
 04/20/2016 ASM. U. & C. (Y:10 N:3 A:2) (P)

[AB 2460](#)

([Irwin D](#)) Solar thermal systems.  
 Current Text: Amended: 4/20/2016 [pdf](#) [html](#)  
 Current Analysis: 05/02/2016 [Assembly Appropriations \(text 4/20/2016\)](#)  
 Introduced: 2/19/2016  
 Last Amend: 4/20/2016  
 Location: 5/4/2016-A. APPR. SUSPENSE FILE

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

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

Summary: Would revise the solar water heating program to, among other things, promote the installation of solar thermal systems throughout the state, set the funding cap for the program between January 1, 2017, and July 31, 2027, at \$1,000,000,000, 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, and extend the operation of the program through July 31, 2027.

Vote Events:  
 04/13/2016 ASM. U. & C. (Y:10 N:3 A:2) (P)

[AB 2564](#)

([Cooper D](#)) Air Quality Improvement Program: Clean Vehicle Rebate Project.  
 Current Text: Amended: 4/20/2016 [pdf](#) [html](#)  
 Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 4/12/2016\)](#)  
 Introduced: 2/19/2016  
 Last Amend: 4/20/2016  
 Location: 4/21/2016-A. APPR.

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

Summary: Would require the State Air Resources Board to adopt regulations for the purposes of the Clean Vehicle Rebate Project that would establish the maximum gross annual income at specified levels for a person to be eligible for a rebate; increase rebate payments by \$500 for low-income applicants, as defined; include outreach to

low-income households; and prioritize rebate payments for low-income applicants. This bill contains other existing laws.

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

[AB 2585](#)

([Williams D](#)) California Global Warming Solutions Act of 2006: market-based compliance mechanisms.

Current Text: Amended: 3/15/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 3/15/2016\)](#)

Introduced: 2/19/2016

Last Amend: 3/15/2016

Location: 4/19/2016-A. APPR.

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, no later than July 1, 2018, to review any regulation adopted as part of a market-based compliance mechanism to consider the intended purpose and consistency of requirements aimed to prevent resource shuffling, as defined, among all fuels subject to that regulation.

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:8 N:0 A:1) (P)

Notes 1: AB 2585 has been significantly amended. The bill previously dealt with the promotion of Biomethane to reduce the states GHG emissions, now deals with improving efficiencies in GHG regulatory development.

[AB 2620](#)

([Dababneh D](#)) Passenger rail projects: funding.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 05/02/2016 [Assembly Appropriations \(text 4/11/2016\)](#)

Introduced: 2/19/2016

Last Amend: 4/11/2016

Location: 5/4/2016-A. CONSENT CALENDAR

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

Calendar: 5/4/2016 9 a.m. - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS, GONZALEZ, Chair

Summary: Would reallocate funds allocated pursuant to the Clean Air and Transportation Improvement Act of 1990 that are not expended or encumbered by July 1, 2020, to any other existing passenger rail project with existing rail service. The bill would require the California Transportation Commission to determine the projects pursuant to this reallocation. By reallocating unexpended or unencumbered funds to any other existing passenger rail project, the bill would make an appropriation.

Vote Events:

04/18/2016 ASM. TRANS. (Y:15 N:0 A:1) (P)

[AB 2653](#)

([Garcia, Eduardo D](#)) Greenhouse Gas Reduction Fund: report.

Current Text: Amended: 4/27/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 2/19/2016\)](#)

Introduced: 2/19/2016

Last Amend: 4/27/2016

Location: 4/28/2016-A. APPR.

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

Summary: Current law requires state agencies to submit annually to the Secretary for Environmental Protection a specified report that includes, among other things, a list of measures that have been adopted and implemented by

that state agency to meet greenhouse gas emission reduction targets, as defined, and a status report on the actual greenhouse gas emissions reduced as a result of those measures. This bill would create additional requirements on state agencies and state entities submitting that report, including, among other things, identifying the number of business entities, as defined, receiving moneys and the actions and outcomes of those actions taken to assist residents of disadvantaged communities, as defined, and other target populations, as specified, with the business, employment, and training opportunities offered through activities funded with moneys from the fund and with any other state funding source that is related to climate change mitigation, climate change adaptation, and greenhouse gas emissions reductions.

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:9 N:0 A:0) (P)

[AB 2699](#)

*(Gonzalez D) Contractors' State License Board: solar energy systems companies: regulations.*

Current Text: Amended: 4/13/2016 [pdf](#) [html](#)

Current Analysis: 04/11/2016 [Assembly Business And Professions \(text 2/19/2016\)](#)

Introduced: 2/19/2016

Last Amend: 4/13/2016

Location: 4/18/2016-A. APPR.

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

Summary: Current law requires licensed contractors to be classified and authorizes them to be classified as, among other things, a solar contractor. Under current law, a solar contractor installs, modifies, maintains, and repairs thermal and photovoltaic solar energy systems. Current law prohibits a solar contractor from performing building or construction trades, crafts, or skills, except when required to install a thermal or photovoltaic solar energy system. This bill would require, on or before July 1, 2017, the board to develop and make available on its Internet Web site a specified "solar energy system disclosure document." The bill would require this disclosure document to be provided by the solar energy systems company to the consumer prior to completion of a sale, financing, or lease of a solar energy system.

Vote Events:

04/12/2016 ASM. B. & P. (Y:15 N:0 A:1) (P)

Notes 1: Apparently the author feels that the consumer is being taken advantage of by unscrupulous solar installation companies.

[AB 2702](#)

*(Atkins D) Greenhouse gases: study.*

Current Text: Amended: 3/18/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 3/18/2016\)](#)

Introduced: 2/19/2016

Last Amend: 3/18/2016

Location: 4/19/2016-A. APPR.

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 conduct a study that outlines best practices and policies for meeting state goals to reduce greenhouse gas emissions. The bill also would authorize the state board to collaborate with air pollution control and air quality management districts.

Vote Events:

04/18/2016 ASM. NAT. RES. (Y:6 N:2 A:1) (P)

[AB 2722](#)

*(Burke D) Transformative Climate Communities Program.*

Current Text: Amended: 4/20/2016 [pdf](#) [html](#)

Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 4/12/2016\)](#)

Introduced: 2/19/2016

Last Amend: 4/20/2016  
Location: 4/21/2016-A. APPR.

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

*Summary: Would create the Transformative Climate Communities Program, to be administered by the Strategic Growth Council. The bill would provide that, upon appropriation by the Legislature, up to \$250,000,000 shall be available from the Greenhouse Gas Reduction Fund to the council to administer the program. The bill would require the council, in coordination with the California Environmental Protection Agency Assistant Secretary for Environmental Justice and Tribal Affairs, to award competitive grants to specified eligible entities for the development of transformative climate community plans, and projects that implement plans, that contribute to the reduction of emissions of greenhouse gases.*

*Vote Events:  
04/18/2016 ASM. NAT. RES. (Y:6 N:3 A:0) (P)*

*Notes 1: Another request for money from the GHG Reduction Fund.*

[AB 2769](#)

*(Patterson R) Renewable energy.  
Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)  
Introduced: 2/19/2016  
Location: 2/19/2016-A. PRINT*

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

*Summary: Current law establishes the California Renewables Portfolio Standards Program, which is codified in the Public Utilities Act, with the target to increase the amount of electricity generated per year from eligible renewable energy resources to an amount that equals at least 50% of the total electricity sold to retail customers per year by December 31, 2030. This bill would make a nonsubstantive change to legislative findings and declarations relating to the above-described provisions.*

[AB 2800](#)  
\*\*\*\*\*

*(Quirk D) Climate change: infrastructure planning.  
Current Text: Amended: 4/12/2016 [pdf](#) [html](#)  
Current Analysis: 04/15/2016 [Assembly Natural Resources \(text 4/12/2016\)](#)  
Introduced: 2/19/2016  
Last Amend: 4/12/2016  
Location: 4/19/2016-A. APPR.*

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

*Summary: Current law requires the Natural Resources Agency, by July 1, 2017, and every 3 years thereafter, to update the state's climate adaptation strategy to identify vulnerabilities to climate change by sectors and priority actions needed to reduce the risks in those sectors. This bill would require state agencies to take into account the expected impacts of climate change when planning, designing, building, and investing in state infrastructure.*

*Vote Events:  
04/18/2016 ASM. NAT. RES. (Y:7 N:2 A:0) (P)*

*Notes 1: This bill has been significantly amended but still deals with infrastructure planning anticipating the implications of climate change on the state's infrastructure.*

[AB 2829](#)  
\*\*\*\*\*

*(Baker R) Carl Moyer Memorial Air Quality Standards Attainment Program.  
Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)  
Introduced: 2/19/2016  
Location: 2/19/2016-A. PRINT*

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. The program authorizes the state board to provide grants to offset the incremental cost of eligible projects that reduce emissions from covered vehicular sources. The program also authorizes funding for a fueling infrastructure demonstration program and for technology development efforts that are expected to result in commercially available technologies in the near-term that would improve the ability of the program to achieve its goals. This bill would make technical, nonsubstantive changes to these provision.

**Notes 1:** Obviously a bill of interest to the Districts in that it deals with the Carl Moyer Program. The bill proposes to terminate the program in 2024. It should be noted that this bill has not been assigned to any committee.

[SB 209](#)  
\*\*\*\*\*

**(Pavley D) Surface mining: financial assurances: reclamation plans.**

**Current Text:** Chaptered: 4/18/2016 [pdf](#) [html](#)

**Current Analysis:** 03/30/2016 [Senate Floor Analyses \(text 3/17/2016\)](#)

**Introduced:** 2/11/2015

**Last Amend:** 3/17/2016

**Location:** 4/18/2016-S. CHAPTERED

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

**Summary:** Would establish the Division of Mine Reclamation within the Department of Conservation under the direction of the Supervisor of Mine Reclamation. The bill also would raise the maximum amount of the annual reporting fee to \$10,000 per mining operation, except as specified. The bill would raise the maximum amount of the total revenue generated from the reporting fee to \$8,000,000, as specified. This bill contains other related provisions and other existing laws.

**Vote Events:**

03/31/2016 SEN. FLOOR (Y:28 N:8 A:4) (P)

03/28/2016 ASM. FLOOR (Y:54 N:20 A:5) (P)

08/27/2015 ASM. APPR. (Y:12 N:4 A:1) (P)

07/13/2015 ASM. NAT. RES. (Y:7 N:1 A:1) (P)

05/28/2015 SEN. FLOOR (Y:25 N:13 A:2) (P)

05/26/2015 SEN. APPR. (Y:5 N:2 A:0) (P)

03/24/2015 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

**Notes 1:** The bill has been signed by the Governor with approval of the mining industry.

[SB 925](#)

**(Gaines R) State Air Resources Board.**

**Current Text:** Introduced: 1/28/2016 [pdf](#) [html](#)

**Introduced:** 1/28/2016

**Location:** 2/18/2016-S. RLS.

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

**Summary:** Current law designates the State Air Resources Board as the state agency charged with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles. This bill would make a nonsubstantive change to this provision.

[SB 1043](#)

**(Allen D) Biogas and biomethane.**

**Current Text:** Amended: 4/25/2016 [pdf](#) [html](#)

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Current Analysis: 04/18/2016 [Senate Senate Environmental Quality \(text 4/7/2016\)](#)

Introduced: 2/12/2016

Last Amend: 4/25/2016

Location: 4/25/2016-S. APPR.

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 consider and, as appropriate, adopt policies to significantly increase the sustainable production and use of biogas, as defined, and, in so doing, would require the state board, among other things, to ensure the production and use of biogas provides direct environmental benefits and identify barriers to the rapid development and use of biogas and potential sources of funding. This bill contains other related provisions and other existing laws.*

Vote Events:

04/20/2016 SEN. E.Q. (Y:5 N:1 A:1) (P)

04/05/2016 SEN. E., U. & C. (Y:7 N:0 A:4) (P)

[SB 1239](#)

*(Gaines R) Smog check: exemptions.*

Current Text: Amended: 4/26/2016 [pdf](#) [html](#)

Current Analysis: 04/14/2016 [Senate Senate Transportation And Housing \(text 2/18/2016\)](#)

Introduced: 2/18/2016

Last Amend: 4/26/2016

Location: 4/20/2016-S. APPR.

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

Calendar: 5/9/2016 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

*Summary: Wold, until January 1, 2019, exempt from the biennial smog check inspections all motor vehicles manufactured after the 1976 model year but prior to the 1981 model year if the owner submits proof that the motor vehicle is insured as a collector motor vehicle.*

Vote Events:

04/19/2016 SEN. T. & H. (Y:6 N:5 A:0) (P)

[SB 1383](#)

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*(Lara D) Short-lived climate pollutants.*

Current Text: Amended: 4/12/2016 [pdf](#) [html](#)

Current Analysis: 05/02/2016 [Senate Senate Appropriations \(text 4/12/2016\)](#)

Introduced: 2/19/2016

Last Amend: 4/12/2016

Location: 5/2/2016-S. APPR. SUSPENSE FILE

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, no later than January 1, 2018, to approve and begin implementing that comprehensive strategy to reduce emissions of short-lived climate pollutants to achieve a reduction in methane by 40%, hydrofluorocarbon gases by 40%, and anthropogenic black carbon by 50% below 2013 levels by 2030, as specified.*

Vote Events:

04/06/2016 SEN. E.Q. (Y:4 N:2 A:1) (P)

*Notes 1: Calls for specific reductions in short lived climate pollutants.*

**SB 1387**

\*\*\*\*\*

**(De León D)** *Nonvehicular air pollution: market-based incentive programs: South Coast Air Quality Management District board.*  
**Current Text:** Amended: 4/7/2016 [pdf](#) [html](#)  
**Current Analysis:** 04/18/2016 [Senate Senate Environmental Quality \(text 4/7/2016\)](#)  
**Introduced:** 2/19/2016  
**Last Amend:** 4/7/2016  
**Location:** 4/21/2016-S. APPR.

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

**Calendar:** 5/9/2016 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** *Would require a district board to submit to the State Air Resources Board for review and approval the district's plan for attainment or a revision to that plan, as specified. The bill also would require a district board to submit to the state board for review and approval the district's market-based incentive program and any revisions to that program, as specified. The bill would prescribe specified actions for the state board to take if the state board determines that a plan for attainment, a revision of a plan for attainment, a market-based incentive program, or a revision to a market-based incentive program do not comply with law.*

**Vote Events:**  
04/20/2016 SEN. E.Q. (Y:5 N:2 A:0) (P)

**Notes 1:** *AB 1387 originally dealt with probate issues and now is an air bill dealing with Air District authority to establish independently market based compliance programs but more specifically calling for the additional of three additional Board members to the South Coast Air Quality Management District. We feel this is in direct response to the termination of Barry Wallerstein as the APCO of the SCAQMD.*

**SB 1398**

**(Leyva D)** *Public water systems: lead pipes.*  
**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)  
**Current Analysis:** 04/18/2016 [Senate Senate Environmental Quality \(text 3/28/2016\)](#)  
**Introduced:** 2/19/2016  
**Last Amend:** 3/28/2016  
**Location:** 4/21/2016-S. APPR.

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

**Calendar:** 5/9/2016 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

**Summary:** *Would require a public water system to compile an inventory of lead pipes in use by July 1, 2018, and, after completing the inventory, to provide a timeline for replacement of lead pipes in the system to the board. This bill would require the board to establish best practices to ensure that chemicals introduced into public water systems do not create corrosion or contamination within the system.*

**Vote Events:**  
04/20/2016 SEN. E.Q. (Y:6 N:1 A:0) (P)

**SB 1402**

**(Pavley D)** *Low-carbon fuels.*  
**Current Text:** Amended: 3/28/2016 [pdf](#) [html](#)  
**Current Analysis:** 04/04/2016 [Senate Senate Environmental Quality \(text 3/28/2016\)](#)  
**Introduced:** 2/19/2016  
**Last Amend:** 3/28/2016  
**Location:** 4/6/2016-S. APPR.

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

**Calendar:** 5/9/2016 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair



*Summary: Would create the California Low-Carbon Fuels Incentive Program to be administered by the state board and the State Energy Resources Conservation and Development Commission, and would authorize moneys in the fund appropriated to the program to be used to provide incentives for the in-state production of low-carbon transportation fuels from new and existing facilities using sustainable feedstock, with priority to be given to projects benefitting disadvantaged communities.*

*Vote Events:*

04/06/2016 SEN. E.Q. (Y:4 N:0 A:3) (P)

*Notes 1: Advocates the use of money from the GHG Reduction Fund to promote in-state manufacture of low-carbon intensity fuels.*

[SB 1430](#)

*(Pavley D) Vehicular air pollution: greenhouse gas emissions.*

*Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)*

*Introduced: 2/19/2016*

*Location: 3/10/2016-S. RLS.*

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

*Summary: Would state the intent of the Legislature to enact legislation that would direct the State Air Resources Board to reassert its authority to regulate tail pipe emissions if the upcoming federal midterm review process on fuel economy and greenhouse gas emissions standards results in a weakening of the proposed standards.*

[SB 1441](#)

*(Leno D) Natural gas: methane emissions.*

*Current Text: Amended: 4/25/2016 [pdf](#) [html](#)*

*Current Analysis: 04/18/2016 [Senate Senate Environmental Quality \(text 4/7/2016\)](#)*

*Introduced: 2/19/2016*

*Last Amend: 4/25/2016*

*Location: 4/25/2016-S. APPR.*

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

*Summary: Would require the State Air Resources Board, in consultation with the Public Utilities Commission and other relevant state agencies, to adopt by regulation no later than January 1, 2020, methane emissions reduction measures for the emissions associated with the extraction, production, storage, processing, and transportation of natural gas used in the state, including imports, that will achieve a reduction in methane emissions of at least 40% below 2013 levels for systemwide methane emissions from natural gas used in California by 2025, as specified.*

*Vote Events:*

04/20/2016 SEN. E.Q. (Y:5 N:2 A:0) (P)

04/05/2016 SEN. E.,U. & C. (Y:8 N:1 A:2) (P)

*Notes 1: This bill was originally crafted in response to the Porter Ranch natural gas leak but has been expanded to specifically deal with reductions in methane emissions associated with the management of natural gas supply infrastructure within California.*

[SB 1453](#)

*(De León D) Electrical generation: greenhouse gases emission performance standard.*

*Current Text: Introduced: 2/19/2016 [pdf](#) [html](#)*

*Current Analysis: 04/18/2016 [Senate Senate Environmental Quality \(text 2/19/2016\)](#)*

*Introduced: 2/19/2016*

*Location: 4/21/2016-S. APPR.*

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

*Summary: Would require the PUC to review any capital expenditure proposed by an electrical corporation for*

baseload generation that does not comply with the greenhouse gases emission performance standard established by the PUC and to not permit those costs to be recovered in rates if it finds, among other things, that the proposed capital expenditure will materially extend the service life of the baseload generation. This bill contains other related provisions and other existing laws.

Vote Events:

04/20/2016 SEN. E.Q. (Y:5 N:1 A:1) (P)

04/05/2016 SEN. E.,U. & C. (Y:7 N:0 A:4) (P)

Notes 1: The bill advocates that Utilities not be allow to recover capital expenditure costs for the repair of base-load generation if it is determined that the generating facility does not meet the GHG emission performance standard (1,100 # CO2/ megawatt hour).

[SB 1464](#)

(De León D) California Global Warming Solutions Act of 2006: greenhouse gas emissions reduction.

Current Text: Amended: 4/11/2016 [pdf](#) [html](#)

Current Analysis: 04/18/2016 [Senate Senate Environmental Quality \(text 4/11/2016\)](#)

Introduced: 2/19/2016

Last Amend: 4/11/2016

Location: 4/21/2016-S. APPR.

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

Calendar: 5/9/2016 10 a.m. - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS, LARA, Chair

Summary: Current law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop and update, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Current law requires the investment plan to, among other things, identify priority programmatic investments of moneys that will facilitate the achievement of feasible and cost-effective greenhouse gas emissions reductions toward achievement of greenhouse gas reduction goals and targets by sector. This bill would require, in identifying priority programmatic investments, that the investment plan assess how proposed investments interact with current state regulations, policies, and programs, and evaluate if and how the proposed investments could be incorporated into existing programs.

Vote Events:

04/20/2016 SEN. E.Q. (Y:7 N:0 A:0) (P)

**Total Measures: 60**

**Total Tracking Forms: 60**

## LAO Numbers on Cap-N-Trade Sure Make It Feel Like a Tax

By **Joel Fox**

*Editor of Fox & Hounds and President of the Small Business Action Committee*

Friday, April 8th, 2016

The [Legislative Analyst's letter](#) to Assemblyman Tom Lackey revealing that the cap-and-trade program's effect on gasoline amounts to \$2 billion a year or 11-cents a gallon is no surprise to readers of this page. Numerous writers over the last number of years pointed to the cost that would make its way to consumers at the pump under cap-and-trade.

More to the point is the issue of whether cap-and-trade revenue results from a tax? While that question is being decided by courts of law thanks to suits brought by the California Chamber of Commerce and others, I think the LAO's analysis will convince the people of California that they are paying a tax.

The California Air Resources Board argues that businesses partake in the cap-and-trade auction voluntarily, nullifying the argument that the revenues are a result of a tax. But, the consumers are stuck with the bill when it comes to gasoline. There is nothing voluntary about the added 11-cents a gallon. Applying the old duck test, if it walks and quacks like a duck its a tax.

The question is: to what purpose?

A number of legislators commenting on the LAO's letter to Assemblyman Lackey suggested that the \$2 billion that is raised by placing cap and trade on gasoline production should be dedicated to the roads. Senator Pat Bates said, "Let's use the \$2 billion dollars that drivers are already paying to improve our transportation infrastructure instead of asking them for another tax increase."

Governor Jerry Brown has called on the legislature to raise taxes for roads and transportation infrastructure. Cap-and-trade revenue has found its way to a wide range of projects, all supposedly fashioned to deal with greenhouse gases, as the cap-and-trade law requires. The problem is that many of these projects only deal with greenhouse gases in a roundabout way. File these programs under: The law is satisfied in the eye of the beholder. In important instances, that eye belongs to the governor.

Cap-and-trade money is buttressing his high-speed-rail legacy project. Think of those train trestles that cross a gorge with the rickety timber creaking and swaying as the train passes by. The cap-and-trade money is the center beam holding the unstable finance scheme together for the moment.

While the LAO's figure on the price increase per gallon was on the low end of predictions, the figure quoted was in the range that many experts expected. Car drivers pumping those extra dollars into the state coffers don't see a direct benefit. (A few might, according to the LAO letter, such as those drivers who receive rebates for electric vehicle purchases.)

Yet, most of the programs don't show a nexus between the money collected and where the money is spent.

That is an important distinction because a fee must have a measurable link. If cap-and-trade revenue is judged to come from a tax, the legislation creating cap-and-trade would have required a two-thirds vote, which it did not get.

Still, the first judge who heard the case sided with the state. If the public becomes aware of the costs associated with cap-and-trade at the pump, I suspect the people will agree with the Chamber's interpretation. Higher courts may, too.

## LA & CA Economic Forecast: Upbeat but Cloudy

By **Joel Fox**

*Editor of Fox & Hounds and President of the Small Business Action Committee*

Friday, April 22nd, 2016

California is shockingly business unfriendly but it hasn't stopped economic growth or a positive assessment of the Los Angeles and California economy Beacon Economics co-founder Chris Thornberg said at the third annual Forecast LA.

Loyola Marymount University's Fernando Guerra presented an upbeat assessment of local residents on the LA economy, results from a poll of nearly 2500 area residents before Thornberg offered his economic analysis.

Loyola Marymount University's Thomas and Dorothy Leavey Center for the Study of Los Angeles and Beacon Economics presented Forecast LA.

Despite the positive outlook, not all is rosy, Thornberg said. While the state's growth may have overcome the state's negative business environment so far, Thornberg said, "Sacramento is trying to make California business unfriendly enough to stop growth!"

He noted more than once that manufacturing loss was an impediment to California business growth.

However, he said the Los Angeles region had great strengths including in the area of high tech. Thornberg said that the Los Angeles tech work force was larger than that of San Francisco and San Jose combined.

Thornberg called the minimum wage laws passed recently in Los Angeles and in California a "failed policy." He said it would reduce jobs in the long term and would not reduce poverty, its intended goal. Minimum wage increases would raise the costs of goods and services for those who live on the poverty level, he said.

Thornberg admonished the state legislature for passing a blanket \$15 minimum wage for the entire state. He said while \$15 might actually not be enough for a low wage worker in San Francisco, it's more than twice as much as needed to help residents in Inland California.

Thornberg called passing the state minimum wage legislation a cheap political win that actually would not fix anything. His recommendation for improving the lives of those in poverty: an Earned Income Tax Credit, funding for Pre-K education and housing supports.

Thornberg said that between economic policies like minimum wage increases and the cost of housing, lower economic classes would be forced out of California.

Thornberg blamed the lack of housing on two major items: CEQA and Proposition 13.

CEQA rules delay and stop housing. As for Prop 13, Thornberg said, because of property tax caps under Prop 13, the incentive to okay housing building permits is not there for local governments.

Thornberg said while California's tax rates are not a threat to the California economy, California tax structure is. He proposed a change to the tax structure of lowering income taxes but raising property taxes.

However, Thornberg's own economic analysis would stop such a scheme in its tracks.

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Thornberg pointed out that the greatest demographic change coming to California is not the impact of Millennials but the growth of percentages in the senior category. The Boomer generation is living longer. Telling the Boomers, many of whom no longer bring in a work income, that an income tax cut is a good trade off for a property tax increase is dead before it starts.

## Perception is Reality for CA Business

By **Joel Fox**

Editor of Fox & Hounds and President of the Small Business Action Committee

Tuesday, April 19th, 2016

The Milken Institute recently released a [report](#) based on its annual California Summit conference dealing with a myriad of state issues. One chapter took the name of a conference panel: Perception vs. Reality: Is California Business Friendly?

The chapter on the business climate began this way: *Despite its many strengths, California suffers from a perception of being unfriendly to new and small businesses. This perception stems from what many see as an overly bureaucratic permitting system, a high cost of doing business, and a complex regulatory environment. California continues to work to replace jobs lost during the Great Recession, particularly those in the manufacturing and aerospace industries. A comprehensive, forward-thinking strategy is required to combat the negative perception of California's business climate and bring the state into the modern era of economic development and job creation.*

Excuse me, but reading that introductory paragraph, how could one not reach the conclusion that the widespread perception is indeed the reality?

Because of difficult regulatory requirements and loss of important, good wage jobs, businesses do have trouble coping in the Golden State. The Milken report even suggested remedies for some of the difficulties businesses face in the state proposing a streamlined business permit and application process and re-thinking California's complicated tax code.

Yes, the report highlighted positives about California business opportunities. The report noted increased technology jobs and the attraction of the state to both foreign tourists and investors.

However, the panel was conducted at the end of last year prior to the passing of the state's new minimum wage and parental leave measures, which add a burden to small businesses. San Francisco has taken the parental leave benefit even further, which may be a harbinger for other jurisdictions. As the San Francisco Chronicle [reported](#) in covering the new law, while major businesses can often comfortably deal with new government mandates, small businesses struggle.

Small business is the backbone for the state's economy and job creation. According to 2010 Census figures, among all private sector employers in California, small businesses (1-99 employees) consist of 673,211 firms (97.5%) of all firms in the state.

If business must deal with regulatory headaches and mandates that increase costs and put in jeopardy needed jobs, it is clear that the perception offered about California's business climate is the reality.

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While the legislature and the governor slap each other on the back for passing new employee benefits they should begin understanding the consequences to business that their actions create and work toward easing the ability to do business in the state.

**Faulconer: \$127M for climate change projects**

**Mayor releases first detailed strategy for implementing San Diego's plan to fight global warming**

By [Joshua Emerson Smith](#) | 9:49 p.m. May 2, 2016

Norm Williams reads a tablet during his commute on the Coaster from downtown San Diego to Carlsbad. He rides his bicycle from the Coaster station to work and home. — **K.C. Alfred / San Diego Union-Tribune**

In the latest effort to roll out San Diego's nationally recognized blueprint for reducing greenhouse gases, Mayor Kevin Faulconer on Monday released the first detailed funding strategy for projects meant to help the city deal with climate change.

The mayor repeatedly stressed his belief that San Diego should balance its fight against global warming with financial responsibility so that businesses and ratepayers aren't economically crippled.

The funding and implementation outline for the city's Climate Action Plan will cost about \$127 million, according to Faulconer's proposed fiscal 2017 budget. The money would pay for dozens of projects including tree planting, striping of bike lanes, solar panel installations, sidewalk and road repairs, and stormwater and sewer upgrades.

"This over \$100 million is just the down payment," Faulconer said during a news conference next to the Mission Bay Aquatic Center. "It's going to help us create the foundation we need as we build a better and cleaner future for all of San Diego."

The mayor's office and other city officials looked at department expenditures and identified funds that could count as direct or indirect efforts toward combating climate change.

"I went through and talked to all our departments and asked what are we doing to support the Climate Action Plan, and I tried to capture all those actions," said Cody Hooven, sustainability manager for the city and co-author of the implementation plan.

Of the targeted funding, \$32.7 million would cover projects or strategies that reduce greenhouse gases or are specifically required in the plan.

In addition, there's more than \$94 million for programs that indirectly support the plan because they have some association with climate change. That includes brush maintenance for fire prevention and measures to curb pollution from stormwater runoff.

The largest expense by far is \$65.7 million for the city's water recycling program, known as Pure Water.

That program, expected to cost a total of \$3.5 billion over coming decades, was a negotiated alternative with environmentalists who wanted upgrades to the Point Loma Wastewater Treatment Facility so it would meet federal clean water standards.

“Not all the funding is directly correlated with greenhouse-gas reductions,” Hooven said. “There’s a lot of co-benefits for why we’re funding what we are. Pure Water is an example of a really high infrastructure cost program that even without the Climate Action Plan is still a good thing for us to do.”

The implementation strategy also calls for establishing new ways to evaluate progress, she said. In November, the city is scheduled to release its first annual report on the climate plan, complete with metrics for tracking greenhouse-gas emissions yearly.

During the news conference, Faulconer emphasized the possible financial benefits of being greener.

“This is a plan for creating economic opportunity for every San Diego family and community,” he said. “I believe that we have the opportunity to make San Diego one of the green energy and solar capitals of the world.”

Faulconer was joined by City Council President Sherri Lightner and some leaders from the businesses and environmental communities, including Jim Stone, executive director of the nonprofit transportation think tank Circulate San Diego, and Jerry Sanders, president of the San Diego Regional Chamber of Commerce.

Sanders praised Faulconer’s funding approach as showing fiscal restraint.

“This will allow the city to prioritize actions that deliver the most bang for the buck and help us to achieve the greatest amount of reductions in the shortest period of time,” Sanders said.

Following the release of the implementation document, a wide swath of people expressed support.

“This plan starts the process of moving from vision to reality and demonstrates the mayor’s commitment to progressing in a way that is measured and strategic,” said Sean Karafin, the chamber’s executive director of policy and economic research.

Colin Parent, policy counsel for Circulate San Diego, said: “The mayor’s proposal today is a welcomed down payment on a robust implementation to demonstrate our city’s continued leadership on climate and transportation safety.”

And Nicole Capretz, executive director of the Climate Action Campaign, gave cautious support for the funding strategy. She specifically lauded the proposed installation of 50 miles of new bike lanes and the envisioned completion of a so-called mobility plan for downtown San Diego within three years.

“The plan is a step in the right direction, and we appreciate the mayor’s commitment to implementation,” she said. “At the end of the day, though, the only way to measure success is through actual reduction of (greenhouse gases), so it is too early to gauge if this plan is sufficient.”

The Climate Action Plan mandates that San Diego slash its greenhouse-gas emissions in half by 2035. To do so, the plan calls for half of all residents who live within a major transit hub to bike, walk or take public transit to work — up from about 13 percent now.

It also urges the city to use 100 percent green energy, such as solar and wind, within two decades. The city currently gets its power from San Diego Gas & Electric, which currently gets about a third of its supply from renewable sources.

The transportation and energy sectors account for about 79 percent of all the city’s greenhouse-gas emissions.

San Diego is in the process of hiring a consultant to evaluate how much it would cost the city to take over authority from SDG&E for purchasing energy — a process known as community choice aggregation.

The utility has applied with the California Public Utilities Commission for permission to lobby lawmakers and the public on the issue.

“SDG&E strongly supports the city of San Diego’s Climate Action Plan and shares the city’s goal of reducing greenhouse-gas emissions,” Allison Torres, the utility’s communications manager, said Monday.

To encourage the design of more walkable and transit-friendly neighborhoods, the mayor’s funding and implementation strategy seeks to create a checklist for neighborhoods updating their community plans. Community planning groups would be able to assess whether their zoning plan updates are helping to satisfy the city’s climate plan.

A technical analysis of projected greenhouse-gas emissions would also be conducted in future plan updates, Hooven said.

“As new community plans get started, we’re now going to start at the beginning and say, ‘How are they consistent with the Climate Action Plan?’” she said. “And that’s going to be the basis for the conversation ...”

Joe LaCava, chair of the Community Planners Committee, which oversees the city’s network of planning groups, said: “The inaugural report is an admirable first effort reflecting the city’s commitment to implementing the [Climate Action Plan].”

“We will have to make difficult choices as the [climate plan] will likely require reprioritization of limited infrastructure dollars and possibly land-use changes,” he added.

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## Will Brown Sign Bill to Closely Monitor the Bullet Train?

By **Joel Fox**

*Editor of Fox & Hounds and President of the Small Business Action Committee*

Wednesday, April 20th, 2016

Sometimes watching Governor Jerry Brown in action you often think of Forrest Gump’s box of chocolates: “You never know what you’re going to get.” A recent example: the Jerry Brown who holds a relatively tight reign on the budget in support of economic prudence dismisses economic theory for what he termed a moralistic stand when signing the minimum wage bill.

These thoughts swirl as the Assembly Transportation Committee unanimously passed AB 2847 by Assemblyman Jim Patterson requiring stricter oversight on the costs and scope of the high-speed-rail project. Brown is the bullet train’s greatest advocate. He’s also been the state’s leading preacher within the government hierarchy on fiscal responsibility. If AB 2847 clears committee and floor votes and ends up on the governor’s desk will he sign it?

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The measure, following recommendations out of the Legislative Analyst's Office, requires details on costs; schedules and scope of each segment of the train's building progress, and, importantly, demands to know how the segment will be paid for.

The cost question is paramount because voters were told private funding was part of the formula for financing the rail project. No major private funder have stepped forward. In addition, an appeals court is considering a lawsuit over the legality of the cap-and-trade money, a large chunk of which is dedicated to the high-speed rail. As Assemblyman Patterson notes, "The Rail Authority is tasked with the largest infrastructure project in modern times and is on track to spend billions upon billions of public resources." We ought to know more detail about the project.

The legislature appears to be bending to public concerns about the seemingly flimsy promises and financial quagmire that the train project could present.

With Brown's signature on the minimum wage bill and his pronouncement that morality trumps economy, he could position himself similarly on the high-speed rail, although it's hard to see how the bullet train is a lesson in morality.

It's a bit ironic, I suppose, that given technological advancements over the last four decades, that what Brown was excoriated for in his first iteration as governor—a proposed state operated satellite, which earned him the sobriquet "Moonbeam"—might seem a more acceptable project today than his down-to-earth bullet train that could go nowhere.

APRIL 17, 2016 12:05 PM

**Dan Walters: California**

**Legislature ignores problems, occupied with trivia**

Legislature micromanages horse racing, liquor trade

Approving Arabian horse races rates an 'urgency' bill

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Important issues languish in preoccupation with minor matters

BY DAN WALTERS *dwalters@sacbee.com*

One might think – or at least hope – that the men and women who occupy the state Capitol would devote themselves tirelessly to resolving complex issues of a very diverse and difficult-to-govern state.

Poverty, water supply, educational shortcomings, traffic congestion and housing shortages are just a few of those knotty issues that seem to limp along year after year without resolution.

Much of the Legislature's time and energy, however, is consumed by what most of us would consider picayune matters, and none of its preoccupations is less worthy than two relics of a bygone era – prescribing the minute details of horse racing and liquor sales.

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Most Californians would be surprised – and should be angered – to learn that the Legislature reserves to itself the power to dictate which breed of horse can race at which track on which day.

The rationale for that micromanaging, whatever it once may have been, has long since vanished. Horse racing is a dying business – or sport – with several major tracks having closed their paddocks in recent years. For the Legislature to continue its involvement is beyond irrational, yet it does.

Very recently, Gov. Jerry Brown signed an “urgency bill” to allow the California Horse Racing Board to sanction up to six races by Arabian horses a year, joining the other breeds that already enjoy legal status.

“This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect,” Assembly Bill 558 declares. “The facts constituting the necessity are:

“In order to ensure that the horse racing industry may continue to offer the highest level of racing possible and promote horse racing in California, it is necessary that this act take effect immediately.”

Really? The public peace, health or safety require Arabian horses to be raced, so that people can wager on the outcomes?

If baseball, football, basketball and soccer leagues can work out their own schedules, why should the Legislature be so minutely involved with horse racing? The answer: Legislators like having horse owners and tracks come to them, hat in hand, and the equine interest groups like to act as if they are still important.

It’s very similar to another power the Legislature enjoys – granting exceptions to the state’s so-called tied-house law that ostensibly separates the liquor industry into three tiers – production, wholesale and retail – and bars cross-ownership.

It’s a relic of the misnamed “fair trade” laws that enforced legal monopolies in the liquor trade, thanks to legendary lobbyist Artie Samish. Most of the laws were voided by the courts as anti-competition, but the tied-house statutes remained on the books.

Whenever someone wants to cross the legal line – a vintner wanting to sell at retail, for example – the Legislature must grant a specific exception to the law, which means a steady supply of such requests, lubricated with campaign contributions.

These antiquated, illogical and corruption-inducing laws should simply be repealed. But don't hold your breath waiting for it to happen.

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Read more here: <http://www.sacbee.com/news/politics-government/politics-columns-blogs/dan-walters/article72345072.html#storylink=cpy>

## Delta pumping to Southern California restricted despite rainy winter

For the first time in years, Northern California's rivers are roaring and its reservoirs are filled almost to the brim. So why isn't more water being pumped to Southern California? The answer involves the ravaged status of three key fish species. **Ryan Sabalow** The Sacramento Bee

BY DALE KASLER AND RYAN SABALOW

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For the first time in five years, Northern California's rivers are roaring and its reservoirs are filled almost to the brim.

But you'd hardly know it, based on how quiet it's been at the two giant pumping stations at the south end of the Sacramento-San Joaquin Delta. The pumps deliver Sacramento Valley water to 19 million Southern Californians and millions of acres of farmland in the San Joaquin Valley.

While precipitation has been roughly four times heavier than a year ago, the Delta pumps have produced just a 35 percent increase in water shipments. For every gallon that's been pumped to south-of-Delta water agencies since Jan. 1, 3 1/2 gallons have been allowed to flow out to sea. Pumping activity has decreased considerably the past three weeks, to the rising irritation of south state contractors.

The reason lies in a combination of poor timing, the drought-ravaged status of several endangered species of Delta fish, a suite of environmental laws and regulations that govern the pumps – and the complexities of the Delta's intricate network of river channels, canals and sloughs. As regulators have taken extraordinary steps to protect nearly extinct fish species, their decisions to restrict pumping have become [another flash point](#) in California's water wars – one that shows the easing of the drought doesn't calm the fighting over how water gets allocated.

Congress has weighed in, with House Republicans and California's senior Democratic senator pushing for more pumping. In Sacramento, federal and state bureaucracies are butting heads in response to competing demands on the Delta's water.

On one side are the California Department of Water Resources, which operates the State Water Project, and the U.S. Bureau of Reclamation, which runs the federal government's Central Valley

Project. These agencies oversee the state's vast network of dams, pumps and canals, and they are under pressure from their south-of-Delta customers to help replenish groundwater reserves and south state reservoirs that have shrunk after four years of drought.

On the other side are two federal agencies responsible for safeguarding Delta fish protected by the Endangered Species Act: the U.S. Fish and Wildlife Service and National Marine Fisheries Service. Court rulings empower the agencies to govern Delta water flows, which often translate into pumping limits to keep fish from being harmed.

“This year we saw the fishery agencies, particularly the Fish and Wildlife Service, make more conservative calls,” said Mark Cowin, director of the Department of Water Resources. “My sense is they felt compelled to take every conservative action they could ... to try to prevent extinction.” He said his agency has engaged in “spirited conversations” with the fisheries agencies about their determinations this year.

Many of the water agencies that depend on the Delta pumps say the restrictions are based on faulty science and harming the economy.

“The state will never recover from this water shortage, if they keep operating (the pumps) the way they have been this first three months of the year,” said Johnny Amaral, deputy general manager for Westlands Water District, an influential San Joaquin Valley farm-water contractor. Westlands has been told to expect just a [5 percent water allocation](#) this year from the Central Valley Project.

Officials with the fishery agencies say their rules are grounded in fish counts, hydrological flows and other factors.

“It's science-based,” said Steve Martarano, spokesman for Fish and Wildlife's Sacramento office.

Built decades ago near Tracy, the pumps are so powerful they're capable of shipping two rivers' worth of water uphill to the canals that funnel water south and west through California. The federal pumps move water uphill for a mile before dumping it into the Delta-Mendota Canal.

When revved up, the pumps literally cause the Old and Middle rivers – sections of the San Joaquin River – to flow backwards. These “reverse flows” can confuse migrating fish and push them toward predators. Fish also can die as they get sucked into pump intakes, despite the presence of screens designed to save them.

“The reason they're not (pumping) now is that we know endangered fish are right adjacent to these export pumps,” said Jonathan Rosenfield, a marine biologist with the nonprofit Bay Institute in San Francisco.

Even with the restrictions, south-of-Delta agencies are seeing improved deliveries of water this year compared to 2015, and the pumps are expected to operate full throttle this summer. But contractors say the shipments could have been more generous, given the amount of water sloshing through Northern California.

“We’ve got a really wet year,” said Terry Erlewine of the State Water Contractors, an association of state project customers. “In a year like this, we would ideally be able to recharge the groundwater basins.”

Since Jan. 1, a total of 1.1 million acre-feet of water has been pumped to customers in Southern California, the San Joaquin Valley and small portions of the Bay Area. Nearly 3.6 million acre-feet have flowed to the ocean. During the same period last year, when rains were scarce, it was a more even split: The pumps shipped 806,000 acre-feet south, while 875,000 acre-feet cascaded through the Delta and out to sea.

The tension between sustaining fish populations and supplying the state and federal water projects came to a boil in March. Heavy rains turned a so-so winter into a wet one, at least in Northern California. Bureau of Reclamation spokesman Shane Hunt said nearly half the water that flowed into the Central Valley Project’s major reservoirs this winter materialized during an 11-day stretch.

“That changed everything,” he said.

But that was also the point when biologists say fish were in greatest peril.

In late March, as stormwater surged into the Delta, pumping operations were cut approximately in half to protect the species most emblematic of the Delta’s ecological problems, its namesake smelt. Each year, in response to stormwater entering the estuary, Delta smelt migrate up from the salty Suisun Bay to spawn in the estuary’s fresh water.

Martarano said Delta smelt populations have declined so much that regulators had no choice but to operate the pumps extra carefully this year. As recently as the 1970s, these finger-length fish once numbered in the millions. This year, state trawling surveys are finding mere handfuls of adult fish. “The numbers are so horrible,” Martarano said.

**THE STATE WILL NEVER RECOVER FROM THIS WATER SHORTAGE, IF THEY KEEP OPERATING (THE PUMPS) THE WAY THEY HAVE BEEN THIS FIRST THREE MONTHS OF THE YEAR.** Johnny Amaral, deputy general manager, Westlands Water District

Another endangered species, the winter-run Chinook salmon, also had fisheries regulators concerned about pumping in March.

While Delta smelt are often described as a “useless minnow” by farmers and others seeking to relax Endangered Species Act protections, the Chinook have a direct impact on California’s \$1.4 billion-a-year salmon fishing industry. Officials announced last week that commercial anglers along the coast will see salmon fishing opportunities cut nearly in half compared with last year, in part because of the depleted winter run.

The fish spawn in summer along a stretch of the Sacramento River below Shasta Dam. Last year, regulators held back flows at Shasta to keep more cold water in the system, disrupting water deliveries to downstream farmers. The plan failed and only 3 percent of the wild juveniles survived the overly warm river waters. It was the second straight dismal year for winter-run numbers, putting the species on the brink of extinction.

Winter-run Chinook rely on powerful river flows to push them toward the Pacific. Biologists say the fish that survived the sweltering summer of 2015 were in the Delta, heading toward the sea, as the March storms hit. They were joined by tens of thousands of hatchery-raised salmon that had been released into the Sacramento River earlier in the winter via a federal program designed to prevent the species’ extinction. Some of the hatchery fish were equipped with acoustic tags enabling biologists to know when they had entered the Delta.

Along with smelt and salmon, concerns over another fish have played into pumping decisions. Since April 1, pumping operations have been dialed back further, mainly to safeguard steelhead trout, another fish protected by the Endangered Species Act. Like the Chinook, juvenile steelhead migrate through the San Joaquin River system and swim precariously close to the pumps on their way to the Pacific.

Regulators say concerns should ease as summer approaches and the fish are out of harm’s way, allowing the pumps to operate at a higher volume. “As the season plays out, you’re going to see very big changes from where we were a year ago,” said the Bureau of Reclamation’s Hunt.

To some degree, the slowdown in pumping has been a matter of timing and geography. If it had rained more in November and December, when the fish weren’t in the vicinity of the pumps, more water could have been shipped south, said Hunt, the Bureau of Reclamation spokesman.

Plus, if more rain had fallen on the San Joaquin River basin, as was originally forecast for El Niño, that would have generated a healthier rush of water coming into the Delta from the south. More water flowing in from the San Joaquin would have offset much of the “reverse flow” problem on the Old and Middle rivers, allowing the pumps to run more, said Maria Rea, assistant regional manager at the National Marine Fisheries Service.

State officials point to the “reverse flow” issue as yet another argument for [building the Delta tunnels](#), Gov. Jerry Brown’s controversial \$15.5 billion plan to re-engineer the Delta.

The project calls for diverting a portion of the Sacramento River’s flow upstream, near Courtland, and shipping it through a pair of tunnels to the pumps at Tracy. State engineers say it would eliminate the “reverse flow” problem and allow the pumps to run more reliably without harming fish.

“The one long-term solution I can point to here is the plumbing fix we’re advocating,” said Cowin, director of the Department of Water Resources.

The Delta tunnels plan faces an increasingly uncertain future, given myriad legal threats and unresolved funding issues. South state water contractors say they are focused on the present – and argue that scientific bungling has kept the pumps from roaring to life this spring.

“The fish agencies entirely botched the science this year, the hydrodynamics of it,” said Jeff Kightlinger, general manager of the Metropolitan Water District of Southern California, an agency that relies on Delta water to help supply its 19 million customers. “This is the kind of year they should have had the pumps on.”

Democratic U.S. Sen. Dianne Feinstein and congressional Republicans have echoed the complaint, calling on [the White House](#) to order the fisheries agencies to relax pumping restrictions. Last week, the Republican-controlled House energy and water appropriations subcommittee approved a bill that would [require more pumping](#). Feinstein has publicly called on federal scientists to use “better science and real-time” modeling in their pumping decisions.

That galls fishing advocates and environmentalists such as Rosenfield at the Bay Institute.

Rosenfield said federal biologists draw on an immensely complicated set of real-time data, including fish counts, flows and river conditions to determine how much pumping can be legally allowed. It’s not the science that’s faulty, he said; it’s that south state agencies want to hear a different outcome.

“The message I get is, ‘We need more science to tell us when we can pump more,’” Rosenfield said. “When we get the science that tells us we can pump less, (they claim) we need more science.”

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## Long Ballot Blues

By **Joel Fox**

*Editor of Fox & Hounds and President of the Small Business Action Committee*

*Friday, April 15th, 2016*

With expected November ballot measures falling away because of political pressure, costs and legislative deal-making, the concern of an extremely long ballot has diminished somewhat but a long ballot still could confront

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voters. The length of the ballot could play a role in determining outcomes of some of the measures, especially appearing at the end of the ballot.

Because of the minimum wage bill signed by the governor, two minimum wage initiatives thought to be headed for the ballot likely will not go forward. Likewise, an expected property tax initiative that was moving ahead on signature gathering with enough resources in the bank to get the qualifying job done was suddenly pulled. A measure pursued to send high-speed rail money to water storage projects was dropped. Others may follow. However, measures already qualified for the ballot (a referendum on the single use plastic bags and a hospital fees initiative) are likely just the point of a galloping herd of ballot measures voters will face.

For example, its possible voters will see all the following measures on the November ballot: the cost of pharmaceuticals purchased by the state; a cigarette tax; an extension of the Proposition 30 income tax; a legislative transparency measure requiring bills to be in print three days before a vote; marijuana legalization; background checks on gun ammo; approval of revenue bonds over \$2 billion; a \$9 billion school construction bond; Gov. Brown's criminal justice reform; death penalty measures, pro and con; and hospital executive compensation restrictions.

Does a long ballot matter to those supporting some of these measures? The political class thinks so. Remember when Gov. Brown convinced the legislature to move his school funding initiative, which became Proposition 30, to the top of the heap. The rule in place before the legislature changed it positioned the initiatives as they qualified for the ballot. That would have placed the tax measure somewhere down the list of initiatives by the order in which it qualified.

Concern for proponents whose initiatives end up toward the end of a long list of candidates and ballot measures is "decision fatigue." As defined in an Atlantic Magazine [article](#) on ballot positioning, decision fatigue "suggests that as people make several consecutive choices, the quality of their decisions deteriorates" and that it could result in a swing of several percentage points.

According to UC Berkeley's Ned Augenblick and Scott Nicholson, the chief data scientist at Poynt, Inc. cited in the article, "When we get tired of choosing, we are more likely to want to preserve the status quo, which for state and local propositions means voting no." The two studied San Diego voting results, figured the difference on a measure being at the bottom of the list of propositions as opposed to near the top could be about 3-percent swing in votes, enough to make a difference on a number of measures.

Most initiative experts think that position on the ballot does matter to some degree.

Yet, the increased NO vote on later initiatives is not always the case. In fact, when California voters confirmed the initiative, referendum and recall in a [1911 special election](#) they had to wade through 23 ballot measures placed on the ballot by the legislature. They approved 22. The only measure voters rejected was one the self-serving legislature put on to allow public officials to have free or discounted passes on public transportation. That measure was number 19 of 23 on the list but I suspect its placement had little to do with its defeat.



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

*AGENDA ITEM 9*

**DATE:** May 23, 2016

**RECOMMENDATION:** Conduct a Public Hearing to receive comments and staff presentation for the proposed MDAQMD Budget for FY 2016-17: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing and continue item to the Governing Board meeting of June 27, 2016 for adoption.

**SUMMARY:** A Public Hearing is required to receive public comments regarding the proposed MDAQMD Budget for FY 2016-17. Staff will present the proposed budget and answer questions.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The budget process includes the presentation to the Governing Board of staff's expectations for current year end performance and recommendations for programs and projects for the new fiscal year. Opportunity for public comment is required by law and incorporated into the process.

The MDAQMD Budget Committee (Jim Cox, Barb Stanton, and Paul Russ) met with staff and reviewed the District's financial condition and staff recommendations.

The Proposed Budget for FY 2016-17 was published on April 21, 2016. A notice was mailed to each permit holder informing them the budget was published and available for review and comment. The proposed budget is also published on the District website. The published budget includes all District funds; this discussion focuses on the performance and activities of the General Fund. The Proposed Budget for FY 17 will be presented to the Governing Board for adoption by resolution on June 27, 2016. The table attached provides detail for the end of year projections and the proposed budget.

**FY 17 Budget Summary:**

- Overall FY 17 Budget (All Funds) is reduced from FY 16 budget by \$278,587 through a variety of expense cuts
- FY 17 Budget Revenue (All Funds) is projected to increase \$150,823 due in part to a proposed 3% fee increase
- FY Budget General Fund Operating Expenses are reduced \$257,182 from FY 16 budget through a variety of expense cuts

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

**AGENDA ITEM 9**

**PAGE 2**

**The Budget document** has been revised to address last year's suggestions. In order to show the line item for Board Stipends (Executive Budget, page 27), the line item budgets for each cost center were expanded demonstrating more detail. In addition, the program descriptions for each cost center are now associated with their budgets along with the personnel positions assigned to that area. We are working on the cleaning up the headers.

**Conclusion**

- The MDAQMD Proposed Budget for all funds is nearly \$8.5 million dollars (\$8,467,194) with \$22,492 undesignated.
- The MDAQMD Proposed General Fund Budget is nearly \$7 million dollars (\$6,975,416) and is expected to draw upon District's reserves up to \$29,508 to achieve the objectives, if such action is required. A Budget Stabilization fund is part of District's fund balance allocations.

**REASON FOR RECOMMENDATION:** Opportunities for public comment about the District's proposed budget is required by statute. The Proposed Budget for FY 17 will be presented for adoption by resolution on June 27, 2016.

**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 May 9, 2016.

**FINANCIAL DATA:** No increase in appropriation is anticipated for this Public Hearing.

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

## FY 17 BUDGET HIGHLIGHTS

FY 16 End of Year Estimates	FY 17 Proposed Budget						
<p><b>Revenue (page 5-6)</b></p> <ul style="list-style-type: none"> <li>• <b>Annual permit revenue</b> is estimated to fall short of budget expectations by \$38,800, less than 1%. This performance is in spite of permit cancellations estimated to be about \$90,000. This cancellation amount is not out of the ordinary.</li> <li>• <b>Application fees</b> are collected on demand as permits are required. The increase in revenue reflects activity mostly with demolition and asbestos inspections.</li> <li>• <b>Fines and Penalties</b> are not used to balance the District’s budget and are assessed as needed to support the enforcement of regulations. Estimates indicate revenue less than budgeted. The budgeted amount of \$60,000 represents 1.4% of the budgeted revenue for annual permit fees.</li> <li>• The <b>Revenue from Programs</b> budget appears to have performed poorly, but for the following notations: <ul style="list-style-type: none"> <li>– The FY 16 Budget incorrectly included revenue from the <b>Carl Moyer program</b>, causing an overstatement of revenue by \$66,000.</li> <li>– <b>AB 2766</b> actually outperformed expectations, which has been unusual in recent years, delivering a 4.4% increase estimated to be \$32,000. This \$4 fee is assessed on every vehicle registered in the District’s jurisdiction. The District’s General Fund receives \$2 of that fee for activities and programs that support the Mobile Emissions Reduction Program. Of the remaining amount \$1 is directed to the District’s grant program, and \$1 is distributed proportionately to the member agencies for their use supporting mobile emissions reduction activity in their jurisdiction.</li> <li>– The District invoices on behalf of the ARB a fee allowable under the <b>California Clean Air Act</b> to the District’s largest facilities; the District keeps an administrative fee based on the amount of the invoice.</li> <li>– <b>Hot Spots</b>, also known as the Toxic Emissions Inventory, and invoices to specific permit holders for the purpose of maintaining an inventory of specific air toxics.</li> </ul> </li> </ul> <p><b>Other Revenue (Contracts)</b> reflects the revenue derived from the</p>	<p><b>Revenue (page 5-6)</b></p> <p>The projections for the District’s total General Fund Revenue are an increase of 0.66% over the FY 16 Budget. The expected revenue of \$6,945,908 is nearly a 2% increase over the estimated year end revenue for FY 16, due to the proposed fee increase and projected increase in AB 2766.</p> <p><b>Fee Increase.</b> This Budget includes a recommended 3% increase on all fees, which is expected to increase permit-related revenue about \$128,000. Fee recommendations are calculated to recover direct costs associated with permit related activities.</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Total estimated increase for personnel costs for FY 17:</td> <td style="text-align: right; padding-right: 20px;">\$268,000</td> </tr> <tr> <td style="padding-left: 20px;">Percentage of personnel costs attributable to permit activities (84%):</td> <td style="text-align: right; padding-right: 20px;">\$158,663</td> </tr> <tr> <td style="padding-left: 20px;">A 3% increase is expected to generate:</td> <td style="text-align: right; padding-right: 20px;">\$128,086</td> </tr> </table> <p>All other revenue sources are expected to be near FY 16 levels.</p>	Total estimated increase for personnel costs for FY 17:	\$268,000	Percentage of personnel costs attributable to permit activities (84%):	\$158,663	A 3% increase is expected to generate:	\$128,086
Total estimated increase for personnel costs for FY 17:	\$268,000						
Percentage of personnel costs attributable to permit activities (84%):	\$158,663						
A 3% increase is expected to generate:	\$128,086						

## FY 17 BUDGET HIGHLIGHTS

FY 16 End of Year Estimates	FY 17 Proposed Budget
<p>District’s contract with <b>Antelope Valley AQMD</b>. Reduction in revenue for FY 16 (\$21,000) reflects operational expenses anticipated but not required. Charges for staff were invoiced in full.</p> <ul style="list-style-type: none"> <li>• <b>State revenue</b> is derived from a State General Fund allocation called “<b>Subvention</b>.” This tends to be relatively stable year to year. The <b>PERP</b> (Portable Equipment Registration Program) fee is our administrative work performed for state issued permits to equipment that is portable and subject to the thresholds for permit and compliance inspections. These permits are issued on 3 year cycles; revenue cycles accordingly.</li> </ul>	
<p><b><u>Personnel Expenses (page 40)</u></b></p> <p>End of year estimates indicate under budget performance in the amount of nearly \$330,000, nearly 6%. A budget savings should be expected resulting from a position left unfilled for half of the fiscal year. After our review of the preparation of FY 16 budget we discovered inaccurate estimates caused an extraordinary estimate for Personnel Expenses. The personnel component of the accounting system was initiated during 2015, during the preparation of the FY 16 budget. The variety of data sources contributing to the actual costs and estimates caused inaccuracies. Fortunately, the calculation error is favorable to the District’s overall budget performance. Personnel costs comprise nearly 87% of the District’s Operating Budget.</p>	<p><b><u>Personnel Expenses (page 40)</u></b></p> <p>As noted previously, the prior fiscal year Budget was overestimated by \$330,000. This Budget anticipates personnel costs to increase 4.6% for the normal cost of conducting the District’s business, about \$258,000. The FY 17 Budget is 1.2% reduced from FY 16 Budget, and 4.6% above FY 16 year end estimates.</p> <p>One position is budgeted and will be recruited after the start of the fiscal year.</p> <p><b>Labor Negotiations.</b> This budget does not anticipate any outcome from labor negotiations that increase or reduce the budget requirements. Costs associated with a negotiated Memorandum of Understanding may require an amendment to the Budget.</p>

## FY 17 BUDGET HIGHLIGHTS

FY 16 End of Year Estimates	FY 17 Proposed Budget
<p><b><u>Operating Expenses</u></b> <i>(summary pages 41-43, graph page 39)</i></p> <p>Estimates indicate the District will spend under budget about 16%, which could change with the results of the final quarter of the fiscal year. The variances occur across the budget line items.</p> <ul style="list-style-type: none"> <li>• <b>Communications</b> includes software and related upgrades and maintenance, phone, video conferencing, internet and web hosting.</li> <li>• <b>Dues and subscriptions</b> includes: <ul style="list-style-type: none"> <li>– <b>Memberships and sponsorships</b> to California Air Pollution Control Officers Association (CAPCOA); California Special Districts Association (CSDA); Air &amp; Waste Management Association (AWMA), Victor Valley Community College President’s Circle, Association of Air Pollution Control Agencies (National), and a number of local or community associations.</li> <li>– <b>Publications &amp; Subscriptions</b> includes West Law to support District Counsel, local media publications, booklets and volumes related to elected officials and air pollution control laws, EPA publications.</li> <li>– <b>Professional Dues</b> is a budget category where employees charge their membership dues for up to two professional organizations. This is a negotiated benefit which is budgeted as a personnel expense benefit causing the expense to appear to be over budget. These categories will be reworked for the FY 17 Budget.</li> </ul> </li> <li>• <b>Non Depreciable Inventory</b> budgets for small equipment and non-capital furniture. Allowances are budgeted for unanticipated needs.</li> <li>• <b>Legal</b> – During the year the District experienced intense activity with outside legal services.</li> <li>• <b>Maintenance &amp; Repairs</b> is expected to exceed budget mostly due to two conditions in the Air Monitoring section: 1) changing equipment from filter based to continuous monitoring; and 2) suggestions from ARB prompted some equipment changes and adjustments. Generally, increased activity will generate increase costs.</li> <li>• <b>Training and Travel</b> estimates staff needs for training throughout the year. This is the budget area where tuition reimbursement is budgeted. The District budgets as negotiated about \$11,000 each year, often an amount remains unspent.</li> <li>• <b>Vehicle</b> cost savings were achieved through lower fuel costs, by a scheduled delay in leasing three replacement vehicles, and delaying the lease of a fourth vehicle. A van for</li> </ul>	<p><b><u>Operating Expenses</u></b> <i>(summary pages 41-43, graph page 39)</i></p> <p>The Operating Budget recommendations reduce line items in total 16% from the prior year budget; yet overall the recommendations are a 4% increase from the estimated expenditures in FY 16. In particular, Legal and Professional Services budgets have been reduced. There remain allowances for various expense needs of the District.</p> <p>Allowances include:</p> <ul style="list-style-type: none"> <li>• Continuing contributions to Interstate Clean Transportation Corridor \$25,000</li> <li>• Continuing contributions to MEEC for environmental education \$90,000</li> <li>• Consulting fees as needed, particularly for air quality matters (\$50,000)</li> <li>• Financial audit and actuarial services \$20,000</li> <li>• Annual Lawnmower exchange event \$50,000</li> </ul> <p>There are no extraordinary operating expenses anticipated for FY 17.</p>

## FY 17 BUDGET HIGHLIGHTS

FY 16 End of Year Estimates	FY 17 Proposed Budget
<p>Community Relations should have been replaced in FY 16 and is being budgeted to purchase in FY 17.</p> <ul style="list-style-type: none"> <li>• <b>Office expenses</b> include software, supplies, equipment and facility leases (air monitoring remote sites), postage, printing, insurance, and meeting expenses. Cost savings may be realized across any or all of 12 line items for anticipated but not required items.</li> <li>• <b>Program Expenses</b> are contributions the District makes to MEEC (\$90,000) and the lawnmower exchange program. Unspent budget may relate directly to the performance of the lawnmower exchange event. In the Consolidated Budget of all funds (<i>pages 4 and 52</i>), this area addresses all of the revenue and expenses associated with the District’s restricted grant and special funds.</li> <li>• <b>Professional Expenses</b> indicate a possible under budget performance mostly due allowance made but not utilized. This area includes expenses related to the professional consulting used to address workplace tensions, organizational review, and recruitment. In addition, funds were reserved for some air quality modeling (burn analysis), board member stipends for a maximum number of meetings. An amount is usually budgeted here anticipating any number of opportunities to model or test assumptions about air quality conditions. Our estimates here may not meet expectations.</li> </ul>	
<p><b><u>Capital Expenses</u></b></p> <p>The District’s plan for capital expenditures was adjusted as quotes for anticipated projects exceeded the budget estimates. During the year we sealed the parking lot, purchased and installed security cameras, and purchased and installed several sit/stand workstation lifts to address ergonomic needs. The waterproofing coating for the roof was delayed. Available budget was used to purchase desktop computers to meet the District’s equipment replacement schedule for this year and FY 17. All of the budget was used to support the District’s permit/application software, CAPS.</p>	<p><b><u>Capital Expenses</u></b></p> <p>The District anticipates capital needs for FY 17 in the amount of \$203,000, a 3.5% reduction from FY 16. Allowances are included for permitting software (CAPS) improvements (\$63,000), replace one vehicle (\$25,000), air monitoring equipment (\$50,000), painting the roof with reflective/water resistant paint (\$15,000), safety improvements (\$10,000), and a replacement server and rebuild the District’s website (\$40,000).</p>

# Proposed Budget

## Fiscal Year 2016-17

April 21, 2016



**“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>

Eldon Heaston, 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>

Eldon Heaston, Executive Director

April 21, 2016

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 2016-17. 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 May 23, 2016, and will be continued to June 27, 2016 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 \$6,945,908, less than one percent (.66%) increase from the prior fiscal year. This budget includes a recommended increase to Regulation III, Fees, proposing a 3% fee increase effective January 1, 2017. If executed as presented this budget is expected to perform with positive results in the amount of \$22,500.

The General Fund expenses projected for operations and capital expenditures are \$6,975,416. This amount reflects an overall decrease of 3.6% 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 17 includes the total of 40 positions of full time employees. The budget for Personnel Expenses includes no change 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 Committed Fund Balance, 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.

Page 2

This budget represents a financial plan to meet this year's obligations and challenges and is proposed to be effective July 1, 2016. On behalf of the management and staff of the District, this budget is presented for consideration for the Fiscal Year 2016-17.

Sincerely,

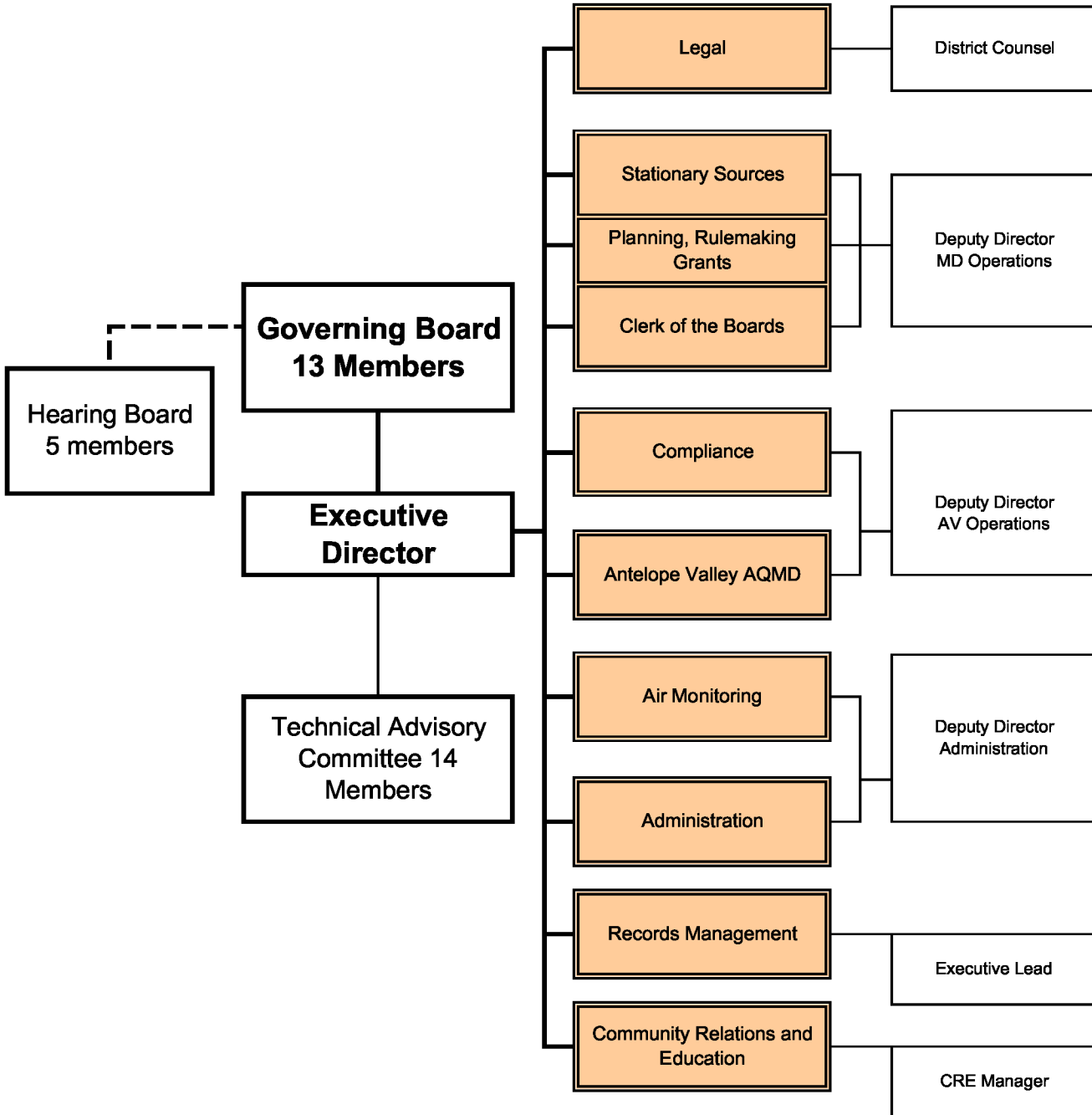
Eldon Heaston  
Executive Director/APCO

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# Mojave Desert Air Quality Management District

## District Organization





# *Governing Board 2016*

Robert Lovingood, *Chair  
Supervisor*  
County of San Bernardino

Jim Cox, *Vice Chair*  
City of Victorville

Ed Camargo,  
City of Adelanto

Barb Stanton  
Town of Apple Valley

Carmen Hernandez  
City of Barstow

Joseph "Joey" DeConinck  
City of Blythe

Jeff Williams  
City of Needles

John Cole  
City of Twentynine Palms

Robert Leone  
Town of Yucca Valley

Paul Russ  
City of Hesperia

John Benoit, *Supervisor*  
County of Riverside

James Ramos, *Supervisor*  
County of San Bernardino

Barbara Cram Riordan  
Public Member

## ***Executive Staff***

Eldon Heaston  
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

Michele Baird  
Clerk of the Boards

## 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*

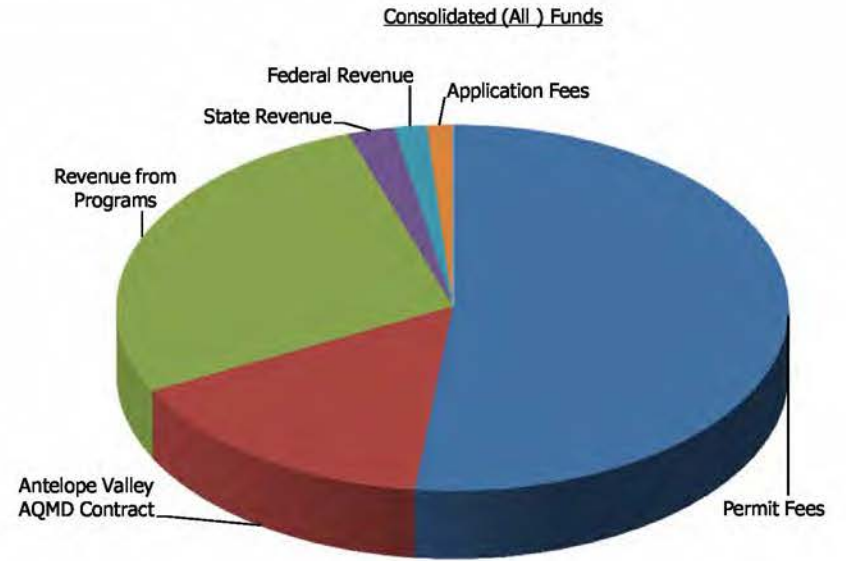
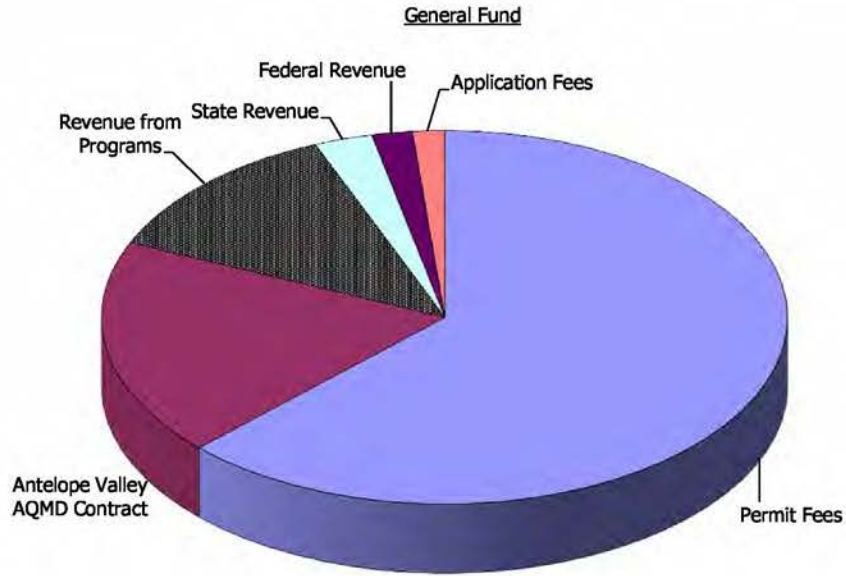


# Mojave Desert AQMD

## Consolidated Budget (All Funds)

	Adopted Budget FY 2016	End-of-Year Estimates FY 2016	Proposed Budget FY 2017
<b>Revenues</b>			
Permit Fees	4,240,000	4,201,196	4,320,000
Application Fees	89,850	100,524	104,768
Federal Revenue	131,615	130,490	130,950
Fines & Penalties	60,000	41,295	45,000
Interest Income	55,150	24,802	104,900
Other Revenue	1,314,715	1,293,493	1,300,000
Revenue from Programs	2,267,533	2,268,587	2,294,578
State Revenue	180,000	189,298	189,490
<b>Total Revenues</b>	<b>8,338,863</b>	<b>8,249,685</b>	<b>8,489,686</b>
<b>Expenses</b>			
<b>Personnel Expenses</b>			
Salaries & Wages	3,595,300	3,399,799	3,630,211
Payroll Taxes	113,883	79,570	86,428
Benefits	659,935	551,695	593,631
Retirement	1,565,855	1,575,036	1,608,354
OPEB	23,000	18,000	18,000
<b>Total Personnel Expenses</b>	<b>5,957,973</b>	<b>5,624,100</b>	<b>5,936,624</b>
<b>Operating Expenses</b>			
Communications	55,300	55,966	58,460
Dues & Subscriptions	27,275	36,947	48,100
Non-Depreciable Inventory	34,325	15,623	24,500
Legal	115,700	116,262	45,000
Maintenance & Repairs	53,775	67,012	75,925
Training & Travel	80,650	60,978	82,600
Vehicles	79,800	65,181	85,400
Office Expenses	206,700	177,832	206,025
Program Expenses	1,529,183	1,551,111	1,555,620
Professional Services	320,100	163,780	139,400
Miscellaneous Expenses	5,000	6,615	6,540
<b>Total Operating Expenses</b>	<b>2,507,808</b>	<b>2,317,307</b>	<b>2,327,570</b>
<b>Capital Expenses</b>			
Buildings	40,000	26,021	15,000
Equipment	65,000	71,469	60,000
Vehicles	0	0	25,000
Computers	50,000	56,609	40,000
Software	125,000	128,901	63,000
<b>Total Capital Expenses</b>	<b>280,000</b>	<b>283,000</b>	<b>203,000</b>
<b>Total Expenses</b>	<b>8,745,781</b>	<b>8,224,407</b>	<b>8,467,194</b>
<b>Due To (From) Reserves</b>	<b>(406,918)</b>	<b>25,278</b>	<b>22,492</b>

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
Budgeted Sources of Revenue**



<u>General Fund Revenue</u>		FY 2017
REVENUE TYPES	AMOUNT	% of Total
Permit Fees	4,320,000	62.19%
Antelope Valley AQMD Contract	1,300,000	18.72%
Revenue from Programs	847,000	12.19%
State Revenue	189,490	2.73%
Federal Revenue	130,950	1.89%
Application Fees	104,768	1.51%
Fines & Penalties	45,000	0.65%
Interest Revenue	8,700	0.13%
<b>TOTAL</b>	<b>6,945,908</b>	<b>100.00%</b>

<u>Consolidated (All Funds) Revenue</u>		FY 2017
REVENUE TYPES	AMOUNT	% of Total
Permit Fees	4,320,000	50.89%
Antelope Valley AQMD Contract	1,300,000	15.31%
Revenue from Programs	2,294,578	27.03%
State Revenue	189,490	2.23%
Federal Revenue	130,950	1.54%
Application Fees	104,768	1.23%
Fines & Penalties	45,000	0.53%
Interest Revenue	104,900	1.24%
<b>TOTAL</b>	<b>8,489,686</b>	<b>100.00%</b>



# Mojave Desert AQMD

## General Fund Budget Revenue Detail

	Adopted Budget FY 2016	End-of-Year Estimates FY 2016	Proposed Budget FY 2017
<b><u>Revenues</u></b>			
<b><u>Permit Fees</u></b>			
Permit Fees Rev	3,900,000	3,900,423	4,010,000
Asbestos Demo/Reno Rev	55,000	24,946	25,000
Title V Rev	285,000	275,827	285,000
	4,240,000	4,201,196	4,320,000
<b><u>Application Fees</u></b>			
ERC Application Fees	600	200	575
New Source Review Fees	6,500	6,500	6,500
Permit Application Fees	80,000	93,294	96,093
Variance Filing Fees	750	0	0
AG Application Fees	2,000	530	1,600
	89,850	100,524	104,768
<b><u>Federal Revenue</u></b>			
ARB PM 2.5 Section 103	21,200	20,643	21,200
Section 105 (PSD)	85,415	84,847	84,850
Federal Contracts & Agreements	25,000	25,000	24,900
	131,615	130,490	130,950
<b><u>Fines &amp; Penalties</u></b>			
Notice of Violations Fee	60,000	41,295	45,000
	60,000	41,295	45,000
<b><u>Interest Income</u></b>			
Interest Revenue	7,500	8,700	8,700
	7,500	8,700	8,700
<b><u>Other Revenue</u></b>			
Contracts	1,314,715	1,293,493	1,300,000
	1,314,715	1,293,493	1,300,000
<b><u>Revenue from Programs</u></b>			
AB2766 Program	730,000	761,860	762,000
Carl Moyer Program	66,000	0	0
California Clean Air Act	65,000	69,577	70,000
Hot Spots	16,000	14,757	15,000
	877,000	846,194	847,000
<b><u>State Revenue</u></b>			
PERP	40,000	51,690	51,690
State Subvention	140,000	137,608	137,800
	180,000	189,298	189,490
<b>Total General Fund Revenues</b>	<b>6,900,680</b>	<b>6,811,190</b>	<b>6,945,908</b>

## **INTRODUCTION**

The District's approach to air quality regulations is to be responsible and approachable with attention to customer service. While the revenue sources are sufficient for maintaining this kind of agency, 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 up-to-the-minute information on ozone 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**

### **SURVEILLANCE**

The Surveillance section supports District efforts by operating an ambient air monitoring and meteorological network which tracks air quality trends. 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 also used to provide pollution episode forecasts and notification to school systems and the general population of harmful levels of pollution.

The Surveillance section administers programs for maintaining, repairing and calibrating the ambient air monitoring analyzers and system equipment, data acquisition system and meteorological system components. The section also operates and maintains an extensive database from which data from the air monitoring and meteorological system is analyzed providing information on air quality trends to the public.

**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.

**PM<sub>10</sub> and PM<sub>2.5</sub> Monitoring.** The District's laboratory provides a controlled environment for testing and measuring filters under the standards of the PM<sub>10</sub> and PM<sub>2.5</sub> programs.

### **ASSIGNED POSITIONS**

Supervisor Air Quality Engineer (.5 FTE)  
Lead Air Quality Instrument Technician  
Air Quality Instrument Technician

**Mojave Desert AQMD**  
**General Fund Surveillance Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	155,000	123,022	130,198
Vacation	0	9,855	11,739
Sick	0	353	3,345
Holiday	0	7,732	8,285
Salaries & Wages	<u>155,000</u>	<u>140,962</u>	<u>153,567</u>
<b>Payroll Taxes</b>			
Medicare Tax	2,248	1,487	2,464
	<u>2,248</u>	<u>1,487</u>	<u>2,464</u>
<b>Benefits</b>			
Section 125	27,000	23,144	27,300
Employee Assistance Plan	500	366	400
Vision Insurance	0	4	0
Life Insurance	450	233	240
Disability Insurance	1,060	80	225
Workers Compensation	3,500	2,410	2,340
	<u>32,510</u>	<u>26,237</u>	<u>30,505</u>
<b>Retirement</b>			
Employer Pick-up	10,000	8,586	11,896
Employer Contribution SBCERA	53,500	49,413	56,167
Survivor Match	100	84	90
401(a) Matching Contribution	0	0	20
	<u>63,600</u>	<u>58,083</u>	<u>68,173</u>
<b>Total Personnel Expenses</b>	<b><u>253,358</u></b>	<b><u>226,769</u></b>	<b><u>254,709</u></b>

**Mojave Desert AQMD**  
**General Fund Surveillance Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	2,500	2,500	2,500
Long Distance Charges	750	250	275
Cellular Phones	500	125	150
Video/Teleconference	350	25	50
Internet	6,000	5,640	6,000
Web Hosting	500	5,000	150
Tech Support	1,000	1,500	1,800
Cable	25	50	60
	11,625	15,090	10,985
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	250	480	500
Publications & Subscriptions	250	37	100
	500	517	600
<b>Non-Depreciable Inventory</b>			
Machinery & Equipment Exp	7,000	5,666	6,500
Safety Equipment Exp	300	200	300
	7,300	5,866	6,800
<b>Legal</b>			
<b>Professional Services</b>			
Payroll Contract	0	150	100
Consulting Fees	25,000	25,000	5,000
	25,000	25,150	5,100
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	5,500	8,750	9,000
Custodial Services	4,500	4,500	6,250
Landscaping	700	700	850
Equipment Repair	8,000	12,300	15,000
	18,700	26,250	31,100

**Mojave Desert AQMD**  
**General Fund Surveillance Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	5,000	2,685	10,000
Travel	3,000	644	1,000
	8,000	3,329	11,000
<b>Vehicles</b>			
Vehicle Lease	9,000	8,000	9,000
Vehicle Gas & Oil	4,000	3,357	3,750
Vehicle Maintenance	500	1,750	1,500
Vehicle Insurance	1,500	1,850	2,000
	15,000	14,957	16,250
<b>Office Expenses</b>			
Software	6,000	375	6,500
Utilities	8,000	8,400	9,500
Supplies	6,500	4,500	6,500
Facility Leases	5,500	2,600	3,500
Equipment Lease	1,800	2,000	1,800
Postage	100	20	50
Courier	200	860	1,000
Printing/Shredding Services	75	135	150
Security	25	400	600
Liability Insurance	2,000	6,500	6,750
Meeting Expenses	100	20	100
	30,300	25,810	36,450
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<b>116,425</b>	<b>116,969</b>	<b>118,285</b>
<b>Capital Expenses</b>			
Buildings	0	4,469	0
Equipment	60,000	71,469	50,000
<b>Total Capital Expenses</b>	<b>60,000</b>	<b>75,938</b>	<b>50,000</b>
<b>Total Expenses</b>	<b>429,783</b>	<b>419,676</b>	<b>422,994</b>

## **AIR QUALITY PROGRAMS**

### **PLANNING, RULEMAKING & GRANTS**

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, and State and Federal grant programs with direct and pass through funding.

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, the Clean Air Act Amendments and subsequent Federal legislation. This program currently focuses on the National one-hour and eight-hour ozone standards, the National 24-hour, annual PM<sub>10</sub> standards, and National 24-hour, annual PM<sub>2.5</sub> 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
- Carl Moyer and AB 2766 Grant Programs

### **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**

Deputy Director – Mojave Desert Operations  
Lead Air Quality Specialist  
Air Quality Specialist (5)



**Mojave Desert AQMD**  
**General Fund Planning / Rule Making / Grants / Compliance Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	725,000	620,672	647,516
Vacation	0	50,927	61,460
Sick	0	2,193	36,800
Holiday	0	37,803	41,626
Admin	0	4,894	11,615
<b>Salaries &amp; Wages</b>	<b>725,000</b>	<b>716,489</b>	<b>799,017</b>
<b>Payroll Taxes</b>			
Medicare Tax	10,513	8,261	12,653
	10,513	8,261	12,653
<b>Benefits</b>			
Section 125	135,000	106,821	122,700
Employee Assistance Plan	1,700	1,262	1,400
Vision Insurance	240	270	450
Life Insurance	1,650	1,337	1,080
Disability Insurance	5,900	1,762	1,600
Tuition Reimbursement	0	3,413	0
Workers Compensation	13,700	10,604	9,478
	158,190	125,469	136,708
<b>Retirement</b>			
Employer Pick-up	44,500	43,855	61,084
Employer Contribution SBCERA	246,000	247,206	288,406
Survivor Match	465	389	405
401(a) Matching Contribution	0	0	2,000
Retirement Cash	4,560	4,501	4,560
	295,525	295,951	356,455
<b>Total Personnel Expenses</b>	<b>1,189,228</b>	<b>1,146,170</b>	<b>1,304,833</b>

**Mojave Desert AQMD**  
**General Fund Planning / Rule Making / Grants / Compliance Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	3,500	3,885	3,500
Long Distance Charges	200	115	150
Cellular Phones	500	98	150
Video/Teleconference	1,000	90	100
Internet	4,000	6,734	9,000
Web Hosting	250	277	400
Tech Support	1,000	710	1,000
Cable	200	159	250
	10,650	12,068	14,550
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	0	1,740	1,750
Publications & Subscriptions	300	132	100
Professional Dues	300	0	0
	600	1,872	1,850
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	2,000	506	500
Machinery & Equipment Exp	8,500	493	500
Safety Equipment Exp	1,200	456	500
	11,700	1,455	1,500
<b>Legal</b>			
Legal Notices	1,500	1,009	1,500
Legal Services	0	99	0
	1,500	1,108	1,500
<b>Professional Services</b>			
Payroll Contract	0	355	375
Consulting Fees	2,500	0	0
	2,500	355	375
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	4,000	4,685	4,750
Custodial Services	3,000	3,064	3,800
Landscaping	450	415	500
Equipment Repair	400	0	0
	7,850	8,164	9,050

**Mojave Desert AQMD**  
**General Fund Planning / Rule Making / Grants / Compliance Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	6,000	2,800	4,000
Travel	10,000	10,219	12,000
Mileage	250	2,755	0
	<u>16,250</u>	<u>15,774</u>	<u>16,000</u>
<b>Vehicles</b>			
Vehicle Lease	20,000	14,908	34,000
Vehicle Gas & Oil	7,500	6,950	7,500
Vehicle Maintenance	2,000	2,296	1,500
Vehicle Repairs	2,000	190	500
Vehicle Insurance	5,200	6,799	7,500
	<u>36,700</u>	<u>31,143</u>	<u>51,000</u>
<b>Office Expenses</b>			
Software	2,500	1,290	2,900
Utilities	5,500	5,533	6,750
Supplies	3,500	4,213	4,500
Facility Leases	1,000	1,867	2,250
Equipment Lease	6,500	5,931	7,000
Postage	1,000	1,002	1,000
Courier	450	255	500
Printing/Shredding Services	2,500	835	1,750
Security	25	243	400
Liability Insurance	6,000	4,889	3,500
Meeting Expenses	500	932	350
Community Relations	5,000	0	0
	<u>34,475</u>	<u>26,990</u>	<u>30,900</u>
<b>Program Expenses</b>			
Program Expenditures	37,000	21,945	56,600
	<u>37,000</u>	<u>21,945</u>	<u>56,600</u>
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<u><b>159,225</b></u>	<u><b>120,874</b></u>	<u><b>183,325</b></u>
<b>Capital Expenses</b>			
Buildings	0	2,682	0
Computers	0	74	0
Software	100,000	56,448	50,000
<b>Total Capital Expenses</b>	<u><b>100,000</b></u>	<u><b>59,204</b></u>	<u><b>50,000</b></u>
<b>Total Expenses</b>	<u><u><b>1,448,453</b></u></u>	<u><u><b>1,326,248</b></u></u>	<u><u><b>1,538,158</b></u></u>

## **AIR QUALITY PROGRAMS**

### **STATIONARY SOURCES**

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**

Supervisor Air Quality Engineer (.5 FTE)  
Lead Air Quality Engineer  
Air Quality Engineer (4)

**Mojave Desert AQMD**  
**General Fund Stationary Sources Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	560,000	481,088	492,690
Vacation	0	41,899	49,296
Sick	0	1,023	22,990
Holiday	0	30,578	33,513
Admin	0	1,047	4,862
<b>Salaries &amp; Wages</b>	<b>560,000</b>	<b>555,635</b>	<b>603,351</b>
<b>Payroll Taxes</b>			
Medicare Tax	8,120	6,284	9,461
	8,120	6,284	9,461
<b>Benefits</b>			
Section 125	80,000	67,407	82,000
Employee Assistance Plan	1,200	887	1,000
Vision Insurance	240	216	300
Life Insurance	1,100	777	720
Disability Insurance	3,500	1,481	561
Tuition Reimbursement	0	6,490	0
Workers Compensation	7,500	4,960	4,963
	93,540	82,218	89,544
<b>Retirement</b>			
Employer Pick-up	44,500	40,109	45,678
Employer Contribution SBCERA	188,000	185,648	215,668
Survivor Match	280	245	270
401(a) Matching Contribution	0	0	1,800
Retirement Cash	2,160	1,939	2,160
	234,940	227,941	265,576
<b>Total Personnel Expenses</b>	<b>896,600</b>	<b>872,078</b>	<b>967,932</b>

**Mojave Desert AQMD**  
**General Fund Stationary Sources Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	2,000	2,230	1,750
Long Distance Charges	100	75	100
Cellular Phones	300	64	100
Video/Teleconference	600	59	100
Internet	2,500	4,423	4,500
Web Hosting	200	182	250
Tech Support	1,000	505	700
Cable	150	104	150
	6,850	7,642	7,650
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	0	1,140	1,200
Publications & Subscriptions	250	87	250
Professional Dues	800	1,290	1,200
	1,050	2,517	2,650
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	0	2,453	3,000
Machinery & Equipment Exp	3,000	397	1,000
Safety Equipment Exp	200	346	500
	3,200	3,196	4,500
<b>Legal</b>			
<b>Professional Services</b>			
Payroll Contract	0	251	250
	0	251	250
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	2,800	3,343	3,000
Custodial Services	2,500	2,159	2,500
Landscaping	350	297	350
Equipment Repair	150	2,064	750
	5,800	7,863	6,600

**Mojave Desert AQMD**  
**General Fund Stationary Sources Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	8,000	3,631	3,000
Travel	10,000	9,200	7,000
	<u>18,000</u>	<u>12,831</u>	<u>10,000</u>
<b>Vehicles</b>			
Vehicle Lease	0	927	1,200
Vehicle Gas & Oil	1,500	2,096	1,700
Vehicle Maintenance	1,500	1,749	1,600
Vehicle Insurance	1,000	1,286	1,300
	<u>4,000</u>	<u>6,058</u>	<u>5,800</u>
<b>Office Expenses</b>			
Software	2,500	883	2,000
Utilities	4,000	3,918	4,000
Supplies	2,000	2,535	2,500
Facility Leases	725	1,230	1,250
Equipment Lease	4,000	3,898	4,200
Postage	2,000	1,538	1,500
Courier	100	0	100
Printing/Shredding Services	150	321	150
Security	25	173	150
Liability Insurance	4,000	3,345	2,800
Meeting Expenses	200	31	50
	<u>19,700</u>	<u>17,872</u>	<u>18,700</u>
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<u><b>58,600</b></u>	<u><b>58,230</b></u>	<u><b>56,150</b></u>
<b>Capital Expenses</b>			
Buildings	0	1,916	0
Computers	0	52	0
<b>Total Capital Expenses</b>	<u><b>0</b></u>	<u><b>1,968</b></u>	<u><b>0</b></u>
<b>Total Expenses</b>	<u><u><b>955,200</b></u></u>	<u><u><b>932,276</b></u></u>	<u><u><b>1,024,082</b></u></u>

## **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 programs inform the public about air pollution, its sources, health effects on humans, and damage to the environment. Education must be provided in order to raise public awareness on methods of control and to encourage 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 through pamphlets, brochures, the annual report, newsletters, public workshops and conferences, presentations, exhibits, and other multimedia promotions. The District participates in *MEEC, the Mojave Environmental Education Consortium*, a public-private non profit partnership providing environmental education support to local schools.

In addition, media relations through press releases, press conferences and air quality forecasts and health advisories are provided to the local media on an ongoing basis as a means of keeping the public informed. The District also participates with the local schools in a Pollution Prevention Week Poster Contest; with the regulated community for Exemplar Awards, High Desert Opportunity, and various environmental fairs, community awareness activities, and science fairs.

### **ASSIGNED POSITIONS**

Community Relations & Education Manager  
Community Relations & Education Specialist



**Mojave Desert AQMD**  
**General Fund Community Relations & Education Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	165,300	124,767	130,780
Overtime	0	343	0
Vacation	0	12,296	15,384
Sick	0	941	7,165
Holiday	0	8,577	9,905
Admin	0	2,355	4,320
Compensatory	0	2,502	0
Salaries & Wages	165,300	151,781	167,554
<b>Payroll Taxes</b>			
Medicare Tax	2,397	1,375	2,667
	2,397	1,375	2,667
<b>Benefits</b>			
Section 125	23,000	20,816	27,400
Employee Assistance Plan	650	366	400
Vision Insurance	275	265	450
Life Insurance	450	190	240
Disability Insurance	2,500	557	700
Workers Compensation	2,500	1,238	1,147
	29,375	23,432	30,337
<b>Retirement</b>			
Employer Pick-up	14,000	10,740	12,879
Employer Contribution SBCERA	60,500	49,618	60,810
Survivor Match	100	76	90
401(a) Matching Contribution	0	0	625
Retirement Cash	2,160	1,855	2,160
	76,760	62,289	76,564
<b>Total Personnel Expenses</b>	<b>273,832</b>	<b>238,877</b>	<b>277,122</b>

**Mojave Desert AQMD**  
**General Fund Community Relations & Education Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	1,000	939	1,000
Long Distance Charges	100	32	50
Cellular Phones	500	126	150
Video/Teleconference	375	37	50
Internet	1,500	2,506	3,200
Web Hosting	200	86	100
Tech Support	1,000	578	750
Cable	75	44	75
	4,750	4,348	5,375
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	500	480	500
Publications & Subscriptions	150	37	100
Professional Dues	550	225	500
	1,200	742	1,100
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	1,000	44	1,000
Machinery & Equipment Exp	3,000	139	2,500
Safety Equipment Exp	200	621	0
	4,200	804	3,500
<b>Legal</b>			
<b>Professional Services</b>			
Payroll Contract	0	122	125
	0	122	125
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	3,000	3,923	4,000
Custodial Services	2,500	2,300	3,200
Landscaping	350	351	450
Equipment Repair	250	0	250
	6,100	6,574	7,900

**Mojave Desert AQMD**  
**General Fund Community Relations & Education Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	1,500	639	1,000
Travel	4,500	2,753	4,500
Mileage	0	40	0
	6,000	3,432	5,500
<b>Vehicles</b>			
Vehicle Lease	3,000	390	700
Vehicle Gas & Oil	1,000	859	1,000
Vehicle Maintenance	1,000	1,521	1,500
Vehicle Repairs	500	0	500
Vehicle Insurance	1,250	1,286	1,350
	6,750	4,056	5,050
<b>Office Expenses</b>			
Software	1,000	367	500
Utilities	4,500	4,333	5,000
Supplies	1,200	1,174	1,200
Facility Leases	400	582	700
Equipment Lease	1,800	1,753	1,800
Postage	250	377	500
Courier	100	10	100
Printing/Shredding Services	3,000	1,485	4,600
Security	25	205	325
Liability Insurance	2,500	3,013	3,000
Meeting Expenses	1,200	270	850
Community Relations	15,000	17,583	17,500
	30,975	31,152	36,075
<b>Program Expenses</b>			
Program Expenditures	0	618	0
Contributions to Other Agencies	90,000	0	90,000
	90,000	618	90,000
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<b>149,975</b>	<b>51,848</b>	<b>154,625</b>
<b>Capital Expenses</b>			
Buildings	0	2,267	0
Computers	0	22	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>2,289</b>	<b>0</b>
<b>Total Expenses</b>	<b>423,807</b>	<b>293,014</b>	<b>431,747</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 staff technical training, violation settlement negotiations, public information, inter and intra agency coordination, committee representation, program planning and streamlining, as well as being responsible for fostering a positive working relationship with the regulated community. The responsibility of this office include those programs mandated by the Federal Environmental Protection Agency and the California Air Resources Board 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 is coordinating the digitalization of District records into an electronic storage and retrieval system. 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.

### **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 such as the Federal Clean Air Act, California air pollution control laws and district adopted air quality rules and regulations. The District Counsel reviews District rules and regulations for legal sufficiency ensuring proper notice and other procedures are followed. The District Counsel exercises authority to bring civil actions in the name of people of State of California for violations of various air quality laws and regulations as well as providing legal support for District presentations in Hearing Board proceedings, supports permitting activities, and conducts compliance actions. 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 are set forth in the individual contracts for such services.

### **CLERK OF THE BOARDS**

The Clerk of the Boards records official minutes of all meetings of the District Boards, including the Governing Board, the Hearing Board and the Technical Advisory Committee. 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.

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 14 members, meets as needed and members may receive \$35 stipend per meeting.

### **ASSIGNED POSITIONS**

Executive Director/APCO  
District Counsel  
Clerk of the Boards

Executive Lead  
Records Management Specialist  
Records Management Clerk

Office Assistant

**Mojave Desert AQMD**  
**General Fund Executive Offices Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	740,000	544,430	570,574
Vacation	0	57,354	71,081
Sick	0	2,159	2,327
Holiday	0	38,630	42,073
Admin	0	15,051	31,823
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Salaries & Wages	740,000	657,624	717,878
<b>Payroll Taxes</b>			
Medicare Tax	10,730	7,542	11,243
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	10,730	7,542	11,243
<b>Benefits</b>			
Section 125	92,000	78,262	95,900
Employee Assistance Plan	1,050	737	815
Vision Insurance	1,500	1,064	1,700
Life Insurance	12,000	3,872	5,715
Disability Insurance	7,800	3,132	3,150
Tuition Reimbursement	6,600	0	0
Other Benefits	0	5,700	11,500
Workers Compensation	11,550	4,302	4,300
	<hr/>	<hr/>	<hr/>
	132,500	97,069	123,080
<b>Retirement</b>			
Employer Pick-up	54,500	44,500	54,279
Employer Contribution SBCERA	243,000	214,996	256,275
Survivor Match	330	258	315
401(a) Matching Contribution	11,500	11,459	13,700
Retirement Cash	15,600	12,976	15,600
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	324,930	284,189	340,169
<b>Total Personnel Expenses</b>	<b>1,208,160</b>	<b>1,046,424</b>	<b>1,192,370</b>

**Mojave Desert AQMD**  
**General Fund Executive Offices Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	1,000	2,245	2,100
Long Distance Charges	100	67	100
Cellular Phones	50	57	60
Video/Teleconference	600	53	50
Internet	3,000	4,570	6,000
Web Hosting	250	169	250
Tech Support	0	960	1,000
Cable	125	93	140
	5,125	8,214	9,700
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	10,000	8,146	8,000
Publications & Subscriptions	10,000	17,784	18,500
Professional Dues	0	2,593	0
	20,000	28,523	26,500
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	1,500	464	1,000
Machinery & Equipment Exp	2,000	439	1,000
Safety Equipment Exp	175	0	100
	3,675	903	2,100
<b>Legal</b>			
Legal Notices	4,000	8,044	8,500
Legal Services	100,000	23,213	25,000
	104,000	31,257	33,500
<b>Professional Services</b>			
Payroll Contract	0	3,231	25,000
Research Studies	35,000	22,633	0
Consulting Fees	105,000	45,229	40,000
Stipends	10,000	10,900	12,000
	150,000	81,993	77,000
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	4,000	4,768	5,000
Custodial Services	3,000	2,914	3,900
Landscaping	500	425	525
Equipment Repair	500	388	500
	8,000	8,495	9,925

**Mojave Desert AQMD**  
**General Fund Executive Offices Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	3,000	409	7,000
Travel	10,000	11,731	13,000
Mileage	2,500	4,313	4,000
	15,500	16,453	24,000
<b>Vehicles</b>			
Vehicle Lease	8,500	3,618	1,500
Vehicle Gas & Oil	2,800	1,281	400
Vehicle Maintenance	750	657	500
Vehicle Insurance	1,300	1,286	1,500
	13,350	6,842	3,900
<b>Office Expenses</b>			
Software	24,500	21,362	21,700
Utilities	5,500	5,401	6,000
Supplies	4,000	3,929	4,100
Facility Leases	1,500	1,146	1,500
Equipment Lease	3,800	3,567	4,000
Postage	250	606	300
Courier	125	82	125
Printing/Shredding Services	250	293	175
Security	25	249	400
Liability Insurance	5,000	4,126	4,500
Meeting Expenses	1,000	1,042	1,000
Community Relations	3,500	0	0
	49,450	41,803	43,800
<b>Program Expenses</b>			
Administrative Expenditures	0	53	0
	0	53	0
<b>Miscellaneous Expenses</b>			
Miscellaneous Expense	0	1,217	1,500
	0	1,217	1,500
<b>Total Operating Expenses</b>	<b>369,100</b>	<b>225,753</b>	<b>231,925</b>
<b>Capital Expenses</b>			
Buildings	0	2,746	0
Computers	0	43	0
<b>Total Capital Expenses</b>	<b>0</b>	<b>2,789</b>	<b>0</b>
<b>Total Expenses</b>	<b>1,577,260</b>	<b>1,274,966</b>	<b>1,424,295</b>

## ***SUPPORT PROGRAMS***

### ***ADMINISTRATIVE SERVICES***

Administrative Services provides financial, administrative and personnel management services to the operating divisions 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 is provided under contract by a third party administrator. 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 computer information systems, manages risk management, fleet, facility, fixed assets management, and web site administration.

### ***ASSIGNED POSITIONS***

Deputy Director – Administration  
Fiscal Manager  
Human Resources Specialist  
Information Systems Specialist (2)  
Fiscal Specialist  
Fiscal Technician



**Mojave Desert AQMD**  
**General Fund Administrative Services Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	520,000	459,897	486,870
Overtime	0	369	0
Vacation	0	32,387	40,183
Sick	0	5,987	32,273
Holiday	0	30,369	33,620
Admin	0	18,015	19,230
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Salaries & Wages	520,000	547,024	612,176
<b>Payroll Taxes</b>			
Medicare Tax	7,540	6,086	9,709
	<hr/>	<hr/>	<hr/>
	7,540	6,086	9,709
<b>Benefits</b>			
Section 125	93,000	77,526	95,700
Employee Assistance Plan	1,300	887	1,000
Vision Insurance	800	565	850
Life Insurance	1,200	963	840
Disability Insurance	5,500	2,033	2,000
Workers Compensation	6,400	3,792	3,463
	<hr/>	<hr/>	<hr/>
	108,200	85,766	103,853
<b>Retirement</b>			
Employer Pick-up	32,500	31,339	46,871
Employer Contribution SBCERA	177,500	182,731	221,301
Survivor Match	325	280	315
401(a) Matching Contribution	0	0	500
Retirement Cash	8,800	7,621	8,880
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	219,125	221,971	277,867
	<hr/>	<hr/>	<hr/>
<b>Total Personnel Expenses</b>	<b>854,865</b>	<b>860,847</b>	<b>1,003,605</b>

**Mojave Desert AQMD**  
**General Fund Administrative Services Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	2,000	2,230	2,000
Long Distance Charges	150	75	100
Cellular Phones	250	314	100
Video/Teleconference	750	59	100
Internet	2,500	4,480	6,000
Web Hosting	250	187	250
Tech Support	10,000	1,155	1,500
Cable	150	104	150
	16,050	8,604	10,200
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	1,200	1,140	1,200
Publications & Subscriptions	1,200	596	1,200
Professional Dues	1,300	1,040	13,000
	3,700	2,776	15,400
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	0	1,517	0
Machinery & Equipment Exp	4,000	1,127	1,000
Safety Equipment Exp	250	705	100
	4,250	3,349	1,100
<b>Legal</b>			
Legal Notices	200	0	0
Legal Services	10,000	73,523	10,000
	10,200	73,523	10,000
<b>Professional Services</b>			
County Services	1,500	952	1,000
Payroll Contract	0	262	250
Financial Services	23,600	24,758	20,000
Consulting Fees	10,000	0	0
	35,100	25,972	21,250
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	3,600	6,327	7,000
Custodial Services	3,000	2,919	3,800
Landscaping	475	420	550
Equipment Repair	250	0	0
	7,325	9,666	11,350

**Mojave Desert AQMD**  
**General Fund Administrative Services Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	3,000	1,564	3,000
Travel	10,000	6,903	10,000
Mileage	200	0	100
Recruitment	700	0	0
	13,900	8,467	13,100
<b>Vehicles</b>			
Vehicle Lease	0	927	1,600
Vehicle Gas & Oil	375	399	400
Vehicle Maintenance	250	432	500
Vehicle Insurance	375	367	400
	1,000	2,125	2,900
<b>Office Expenses</b>			
Software	15,000	7,977	10,000
Utilities	5,000	5,384	6,300
Supplies	6,500	5,972	6,500
Facility Leases	700	1,265	1,400
Equipment Lease	4,200	3,959	4,000
Postage	1,200	1,012	1,200
Courier	150	78	100
Printing/Shredding Services	300	355	300
Security	0	246	0
Liability Insurance	3,800	4,221	4,000
Meeting Expenses	250	44	100
	37,100	30,513	33,900
<b>Program Expenses</b>			
<b>Miscellaneous Expenses</b>			
<b>Total Operating Expenses</b>	<b>128,625</b>	<b>164,995</b>	<b>119,200</b>
<b>Capital Expenses</b>			
Buildings	0	2,714	0
Computers	0	52	0
Software	10,000	3,250	0
<b>Total Capital Expenses</b>	<b>10,000</b>	<b>6,016</b>	<b>0</b>
<b>Total Expenses</b>	<b>993,490</b>	<b>1,031,858</b>	<b>1,122,805</b>

## ***SUPPORT PROGRAMS***

### ***DISTRICT WIDE***

Expenses classified here are those included in the contract with Antelope Valley Air Quality Management District. In addition, certain expenses are not be not categorized to any one group until the expenditure has been assigned and completed.

### ***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. Staff services are charged at a set hourly rate that includes the position's hourly rate, all associated benefits, and an administrative charge. 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 where standardized functions such as accounting, legal, and computer support are more cost-effective from a centralized location.

### ***ASSIGNED POSITIONS***

Deputy Director – Antelope Valley Operations  
Air Quality Engineer  
Air Quality Specialist (3)  
Administrative Secretary/Deputy Clerk of the Board

**Mojave Desert AQMD**  
**General Fund District Wide Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	730,000	351,751	428,475
Longevity Pay	0	20,818	0
Vacation	0	95,862	32,650
Sick	0	97,542	21,770
Holiday	0	32,419	28,860
Admin	0	31,776	10,155
Compensatory	0	116	0
<b>Salaries &amp; Wages</b>	<b>730,000</b>	<b>630,284</b>	<b>521,910</b>
<b>Payroll Taxes</b>			
Medicare Tax	10,585	12,988	7,920
	10,585	12,988	7,920
<b>Benefits</b>			
Section 125	120,000	132,337	81,800
Employee Assistance Plan	2,000	655	815
Vision Insurance	1,200	486	0
Life Insurance	7,570	2,004	720
Disability Insurance	6,000	3,328	1,260
Tuition Reimbursement	14,000	0	20,700
Workers Compensation	16,600	8,241	4,620
	167,370	147,051	109,915
<b>Retirement</b>			
Employer Pick-up	67,500	67,720	38,220
Employer Contribution SBCERA	268,000	339,745	180,500
Survivor Match	475	477	270
401(a) Matching Contribution	7,000	8,164	0
Retirement Cash	8,000	8,506	4,560
	350,975	424,612	223,550
<b>Total Personnel Expenses</b>	<b>1,258,930</b>	<b>1,214,935</b>	<b>863,295</b>

**Mojave Desert AQMD**  
**General Fund District Wide Expense Budget Detail**

	<u>Adopted Budget FY 2016</u>	<u>End-of-Year Estimates FY 2016</u>	<u>Proposed Budget FY 2017</u>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Web Hosting	50	0	0
Tech Support	200	0	0
	<u>250</u>	<u>0</u>	<u>0</u>
<b>Dues &amp; Subscriptions</b>			
Professional Dues	225	0	0
	<u>225</u>	<u>0</u>	<u>0</u>
<b>Non-Depreciable Inventory</b>			
Machinery & Equipment Exp	0	50	0
Safety Equipment Exp	0	0	5,000
	<u>0</u>	<u>50</u>	<u>5,000</u>
<b>Legal</b>			
Legal Services	0	10,374	0
	<u>0</u>	<u>10,374</u>	<u>0</u>
<b>Professional Services</b>			
Payroll Contract	25,000	187	300
Financial Services	12,000	0	0
Research Studies	25,000	25,000	25,000
Consulting Fees	32,500	0	0
Stipends	0	250	0
	<u>94,500</u>	<u>25,437</u>	<u>25,300</u>
<b>Maintenance &amp; Repairs</b>			

**Mojave Desert AQMD**  
**General Fund District Wide Expense Budget Detail**

	Adopted Budget FY 2016	End-of-Year Estimates FY 2016	Proposed Budget FY 2017
<b>Training &amp; Travel</b>			
Training	1,000	0	1,000
Travel	1,000	564	1,000
Mileage	1,000	128	1,000
	3,000	692	3,000
<b>Vehicles</b>			
Vehicle Gas & Oil	1,000	0	500
Vehicle Maintenance	500	0	0
Vehicle Repairs	1,000	0	0
Vehicle Insurance	500	0	0
	3,000	0	500
<b>Office Expenses</b>			
Software	3,500	2,777	5,000
Supplies	100	29	100
Postage	1,100	796	1,000
Courier	0	70	0
Meeting Expenses	0	20	100
	4,700	3,692	6,200
<b>Program Expenses</b>			
Contributions to Other Agencies	0	90,000	0
	0	90,000	0
<b>Miscellaneous Expenses</b>			
Bank Fees	5,000	4,364	5,040
Miscellaneous Expense	0	1,034	0
	5,000	5,398	5,040
<b>Total Operating Expenses</b>	<b>110,675</b>	<b>135,643</b>	<b>45,040</b>
<b>Capital Expenses</b>			
Buildings	40,000	9,227	15,000
Equipment	5,000	0	10,000
Vehicles	0	0	25,000
Computers	50,000	56,366	40,000
Software	15,000	69,203	13,000
<b>Total Capital Expenses</b>	<b>110,000</b>	<b>134,796</b>	<b>103,000</b>
<b>Total Expenses</b>	<b>1,479,605</b>	<b>1,485,374</b>	<b>1,011,335</b>

Communications - Services for telephone, internet, video teleconferencing, web hosting, cloud backup and disaster recovery solution; 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; 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, 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; publication of public notices, as required.

Maintenance & Repairs – Building and maintenance expenses: custodial, landscaping, HVAC service; pest control, fire extinguisher maintenance, parking lot sweeping, general building repair and maintenance. Equipment repair: Air Monitoring station and equipment maintenance and minor repairs (seven stations); PM Room environmental system control maintenance.

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 (most vehicle replacements will be leased through the Enterprise Fleet Maintenance Agreement). This budget includes replacing one vehicle in the District-owned fleet.

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, Questys, and Air Vision; software upgrade purchases. Printing Services – Includes costs for promotional information, District data sheets, agenda reproduction; 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 – Rental during travel; fleet replacement contracted with Enterprise Fleet Management. Community Relations - Community and public service recognition awards such Exemplar (MDAQMD), Outstanding Science Project Awards. Promotional items for community outreach events; poster contest expenses. Special event registration fees such as High Desert Opportunity. Management-Supervisory Planning Meetings, Employee Appreciation; public employee service recognition awards.

Program Expenses - Program Expenses that are directly attributable to a funding source supporting the corresponding program (AB 2766, Carl Moyer, reimbursing contracts, Title V, PERP program, etc.)

Contributions - Mojave Environmental Education Consortium (MEEC) and Interstate Clean Transportation Corridor (ICTC) are eligible expenditures of AB 2766 funds. Program Expenditures - Funds designated from the General Fund for specific local area grants (Annual Lawn Mower Exchange Program and Cash for Grass)

Professional Services – Various third party and/or consulting services including San Bernardino County, annual fiscal audit, actuarial studies, specialized legal support, proposed labor consulting services, extra or temporary help, building maintenance services, annual executive physical services, outsourced computer 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).

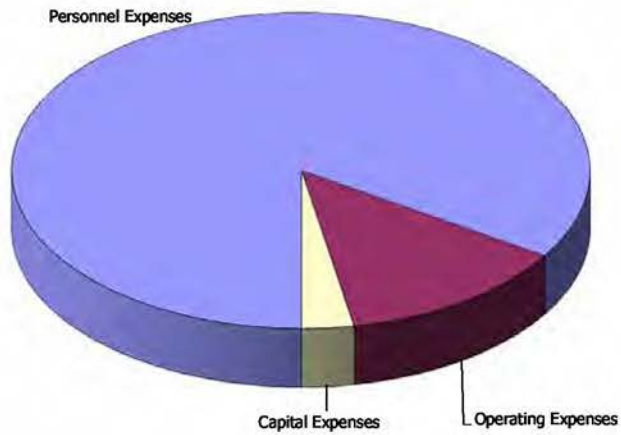
Capital Expenses - Buildings – Building improvements and capital projects including energy savings coating for roof (\$15,000); safety related improvements (\$5,000). Equipment Purchases - replace and upgrade equipment located at air monitoring stations (\$50,000), Video teleconferencing (\$5,000). Computers – computer network replacements (\$40,000). Software (\$63,000) – CAPS (\$63,000), test and implement programming for permit tracking system; costs shared with AVAQMD (\$13,000); design and deploy new website. Vehicles - replace one vehicle (\$25,000).

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT**

**Budgeted Expense Analysis**

Fiscal Year 2016-17

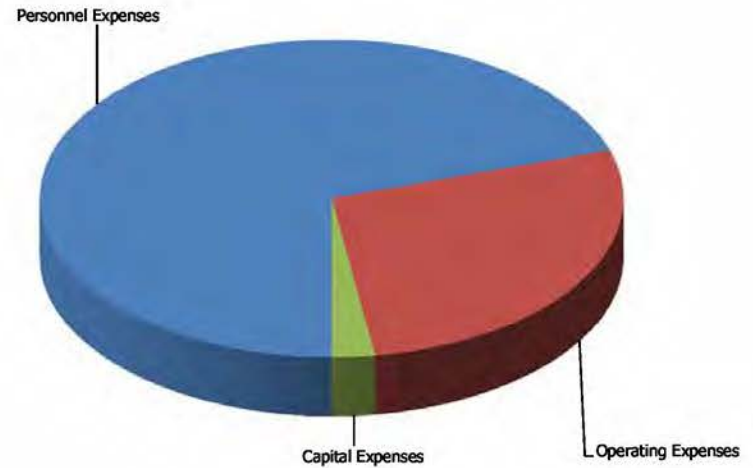
General Fund



General Fund

EXPENSE CATEGORY	AMOUNT	% of Total	
Personnel Expenses	5,863,866	86.58%	% of Operating Costs only (sum total of Personnel and Operating Expenses)
Operating Expenses	908,550	13.42%	
Capital Expenses	203,000	2.91%	% of total
<b>TOTAL</b>	<b>6,975,416</b>		

Consolidated (All Funds)



EXPENSE CATEGORY	AMOUNT	% of Total	
Personnel Expenses	5,936,624	71.84%	% of Operating Costs only (sum total of Personnel and Operating Expenses)
Operating Expenses	2,327,570	28.16%	
Capital Expenses	203,000	2.91%	% of total
<b>TOTAL</b>	<b>8,467,194</b>		

**Mojave Desert AQMD**  
**General Fund Consolidated Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Expenses</u></b>			
<b>Personnel Expenses</b>			
Salaries	3,595,300	2,705,627	2,887,103
Overtime	0	712	0
Longevity Pay	0	20,818	0
Vacation	0	300,580	281,793
Sick	0	110,198	126,670
Holiday	0	186,108	197,882
Admin	0	73,138	82,005
Compensatory	0	2,618	0
<b>Salaries &amp; Wages</b>	<b>3,595,300</b>	<b>3,399,799</b>	<b>3,575,453</b>
<b>Payroll Taxes</b>			
Medicare Tax	52,133	44,023	56,117
	52,133	44,023	56,117
<b>Benefits</b>			
Section 125	570,000	506,313	532,800
Employee Assistance Plan	8,400	5,160	5,830
Vision Insurance	4,255	2,870	3,750
Life Insurance	24,420	9,376	9,555
Disability Insurance	32,260	12,373	9,496
Tuition Reimbursement	20,600	9,903	20,700
Other Benefits	0	5,700	11,500
Workers Compensation	61,750	35,547	30,311
	721,685	587,242	623,942
<b>Retirement</b>			
Employer Pick-up	267,500	246,849	270,907
Employer Contribution SBCERA	1,236,500	1,269,357	1,279,127
Survivor Match	2,075	1,809	1,755
401(a) Matching Contribution	18,500	19,623	18,645
Retirement Cash	41,280	37,398	37,920
	1,565,855	1,575,036	1,608,354
<b>Total Personnel Expenses</b>	<b>5,934,973</b>	<b>5,606,100</b>	<b>5,863,866</b>

**Mojave Desert AQMD**  
**General Fund Consolidated Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Operating Expenses</u></b>			
<b>Communications</b>			
Telephones	12,000	14,029	12,850
Long Distance Charges	1,400	614	775
Cellular Phones	2,100	784	710
Video/Teleconference	3,675	323	450
Internet	19,500	28,353	34,700
Web Hosting	1,700	5,901	1,400
Tech Support	14,200	5,408	6,750
Cable	725	554	825
	55,300	55,966	58,460
<b>Dues &amp; Subscriptions</b>			
Memberships & Sponsorships	11,950	13,126	13,150
Publications & Subscriptions	12,150	18,673	20,250
Professional Dues	3,175	5,148	14,700
	27,275	36,947	48,100
<b>Non-Depreciable Inventory</b>			
Furniture & Fixtures Exp	4,500	4,984	5,500
Machinery & Equipment Exp	27,500	8,311	12,500
Safety Equipment Exp	2,325	2,328	6,500
	34,325	15,623	24,500
<b>Legal</b>			
Legal Notices	5,700	9,053	10,000
Legal Services	110,000	107,209	35,000
	115,700	116,262	45,000
<b>Professional Services</b>			
County Services	1,500	952	1,000
Payroll Contract	25,000	4,558	26,400
Financial Services	35,600	24,758	20,000
Research Studies	60,000	47,633	25,000
Consulting Fees	175,000	70,229	45,000
Stipends	10,000	11,150	12,000
	307,100	159,280	129,400
<b>Maintenance &amp; Repairs</b>			
General Bldg. Maintenance	22,900	31,796	32,750
Custodial Services	18,500	17,856	23,450
Landscaping	2,825	2,608	3,225
Equipment Repair	9,550	14,752	16,500
	53,775	67,012	75,925

**Mojave Desert AQMD**  
**General Fund Consolidated Expense Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b>Training &amp; Travel</b>			
Training	27,500	11,728	29,000
Travel	48,500	42,014	48,500
Mileage	3,950	7,236	5,100
Recruitment	700	0	0
	80,650	60,978	82,600
<b>Vehicles</b>			
Vehicle Lease	40,500	28,770	48,000
Vehicle Gas & Oil	18,175	14,942	15,250
Vehicle Maintenance	6,500	8,405	7,100
Vehicle Repairs	3,500	190	1,000
Vehicle Insurance	11,125	12,874	14,050
	79,800	65,181	85,400
<b>Office Expenses</b>			
Software	55,000	35,031	48,600
Utilities	32,500	32,969	37,550
Supplies	23,800	22,352	25,400
Facility Leases	9,825	8,690	10,600
Equipment Lease	22,100	21,108	22,800
Postage	5,900	5,351	5,550
Courier	1,125	1,355	1,925
Printing/Shredding Services	6,275	3,424	7,125
Security	125	1,516	1,875
Liability Insurance	23,300	26,094	24,550
Meeting Expenses	3,250	2,359	2,550
Community Relations	23,500	17,583	17,500
	206,700	177,832	206,025
<b>Program Expenses</b>			
Program Expenditures	37,000	22,563	56,600
Contributions to Other Agencies	90,000	90,000	90,000
Administrative Expenditures	0	53	0
	127,000	112,616	146,600
<b>Miscellaneous Expenses</b>			
Bank Fees	5,000	4,364	5,040
Miscellaneous Expense	0	2,251	1,500
	5,000	6,615	6,540
<b>Total Operating Expenses</b>	<b>1,092,625</b>	<b>874,312</b>	<b>908,550</b>
<b>Capital Expenses</b>			
Buildings	40,000	26,021	15,000
Equipment	65,000	71,469	60,000
Vehicles	0	0	25,000
Computers	50,000	56,609	40,000
Software	125,000	128,901	63,000
<b>Total Capital Expenses</b>	<b>280,000</b>	<b>283,000</b>	<b>203,000</b>
<b>Total Expenses</b>	<b>7,307,598</b>	<b>6,763,412</b>	<b>6,975,416</b>

**Mojave Desert AQMD**  
**Special Funds Consolidated Fund Budget Detail**

	<b>Adopted Budget FY 2016</b>	<b>End-of-Year Estimates FY 2016</b>	<b>Proposed Budget FY 2017</b>
<b><u>Revenues</u></b>			
Administrative Funding	66,053	66,053	68,758
AB2766 Program	730,000	761,860	760,000
Carl Moyer Program	594,480	594,480	618,820
Interest Revenue	47,650	16,102	96,200
<b>Total Consolidated Program Revenue</b>	<b>1,438,183</b>	<b>1,438,495</b>	<b>1,543,778</b>
<b><u>Expenses</u></b>			
Program Expenditures	1,336,130	1,372,442	1,395,020
Administrative Expenditures	66,053	66,053	14,000
OPEB	23,000	18,000	18,000
Financial Services	13,000	4,500	10,000
<b>Total Consolidated Program Expenses</b>	<b>1,438,183</b>	<b>1,460,995</b>	<b>1,437,020</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**

*(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 up to \$50,000 for budgeted and \$5,000 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**

*(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.)*

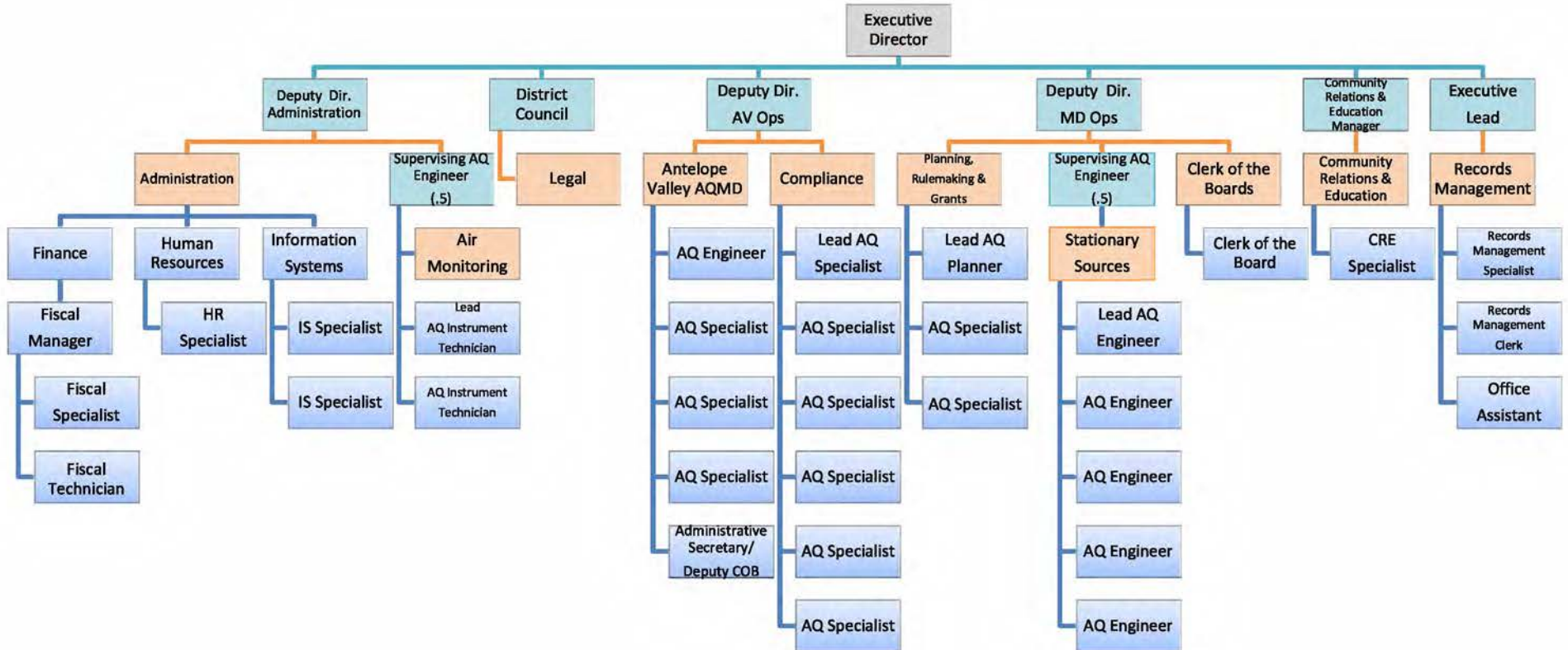
District general funds are deposited with the San Bernardino County Treasurer and are systematically invested as part of the County's investment pool. Interest and other revenues earned on funds are periodically credited to the District's account.

Separate policy documents exist which govern the investment practices for the Deferred Compensation Plan ((457(b))) and the Public Agencies Post-Retirement Health Care Plan (an irrevocable trust).

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Mojave Desert Air Quality Management District  
 Organizational Chart  
 FY 2016-2017



Full Time Employees:	40
Positions to be Hired:	0
<b>Total:</b>	<b>40</b>

**MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
TABLE OF ORGANIZATION**

Approved FY 16	Approved FY 17	Title of Position	Range	Monthly Salary
1	1	Office Assistant	610	3009-3666
0	0	Fiscal Assistant	615	3404-4148
1	1	Records Management Clerk	615	3404-4148
0	0	Administrative Secretary	615	3404-4148
1	1	Fiscal Technician	621	3948-4810
0	0	Accounting Technician	621	3948-4810
0	0	Associate Air Quality Specialist	621	3948-4810
1	1	Deputy COB/Administrative Secretary	624	4251-5180
1	1	CRE Specialist	626	4467-5442
1	1	Records Management Specialist	626	4467-5442
1	1	Fiscal Specialist	629	4810-5861
2	2	Information Systems Specialist	629	4810-5861
1	1	Air Quality Instrument Technician	629	4810-5861
9	9	Air Quality Specialist	629	4810-5861
0	0	Transportation Program Coordinator	629	4810-5861
1	1	Human Resources Specialist	629	4810-5861
1	1	Lead Air Quality Instrument Technician	636	5718-6967
1	1	Lead Air Quality Planner	636	5718-6967
1	1	Lead Air Quality Specialist	636	5718-6967
1	1	Clerk Of The Boards	636	5718-6967
1	1	Executive Lead	636	5718-6967
1	1	Fiscal Manager	638	6007-7319
5	5	Air Quality Engineer	640	6311-7690
1	1	Lead Air Quality Engineer	644	6967-8488
0	0	Administrative Services Manager	644	6967-8488
1	1	Community Relations & Education Manager	644	6967-8488
1	1	Finance Manager	650	8079-9844
0	0	Supervising Air Quality Specialist	650	8079-9844
1	1	Supervising Air Quality Engineer	650	8079-9844
0	0	Operations Manager	654	8918-10865
0	0	Director Administrative Services	658	9844-11993
1	1	Deputy Director MD Operations	663	11137-13569
1	1	Deputy Director AV Operations	663	11137-13569
1	1	Deputy Director Administration	663	11137-13569
0	0	Deputy Air Pollution Control Officer	663	11137-13569
1	1	District Counsel	665	11701-14256
1	1	Executive Director/APCO	NA	15,915
40.0	40.0			



**Mojave Desert AQMD  
Deignations of Fund Balance**

	<b>General Fund</b>		
	Actual 6/30/2015	Actual 2/28/2016	Estimated Change 6/30/2017
<b>Fund Balance Designations</b>			
Operating Cash Reserves	690,000	690,000	690,000
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	1,000,000
Unassigned Fund Balance	366,261	509,029	350,000
Compensated Absences	150,000	150,000	150,000
Prepaid Expenses	16,573	48,542	-
Long Term Receivables	820,801	820,801	960,801
Change in Net Position	174,737	(294,549)	-
<b>Projected TOTAL: Reserved and Unassigned Fund Balances</b>	<b>3,968,372</b>	<b>3,673,823</b>	<b>3,900,801</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 not budgeted and associated with the Park Avenue facility.

**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 Antelope Valley region. 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 Trust** (Other Post-Employment Benefits) - 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. An adopted investment policy guides the investment strategy to target a rate of return of approximately 7%. The District draws the investment earnings to offset the cost of retiree health benefits.

**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	2008-09 ACTUAL	2009-10 ACTUAL	2010-11 ACTUAL	2011-12 ACTUAL	2012-13 ACTUAL	2013-14 ACTUAL	2014-15 ACTUAL
<b>REVENUE</b>						General Fund Only	General Fund Only
Permit Fees	3,993,971	3,791,543	4,060,084	4,140,803	4,383,004	4,356,630	4,177,340
Application Fees	101,119	166,862	126,570	158,395	102,061	92,648	112,936
Federal Revenue	43,712	20,288	29,545	144,014	131,534	138,524	106,615
Fines and Penalties	191,416	27,250	95,720	85,800	81,900	24,327	40,895
Interest Income	54,405	30,585	18,495	11,517	10,039	6,851	8,261
Contracts and Other Revenue (incl AVAQMD) <sup>1</sup>	1,106,826	1,158,915	1,106,790	1,059,834	1,101,044	1,181,071	1,245,079
Program Revenue (AB 2766 & Moyer)	1,566,541	1,533,847	1,490,159	1,580,747	1,515,949	862,445	900,770
State Revenue	296,112	182,638	242,171	187,785	250,183	184,406	167,955
<b>TOTAL REVENUE</b>	<b>7,354,103</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>EXPENSES</b>							
Personnel Expenses	4,485,390	4,618,975	4,530,391	4,628,806	5,217,395	5,136,443	5,476,108
Operating Expenses	895,498	1,002,647	1,015,656	630,483	599,169	707,107	833,802
Operating Transfers Out (debt funds) <sup>2</sup>	773,684	569,363	560,594	583,663	804,842	-	-
Capital Expenses	184,322	456,769	232,417	290,467	408,178	348,413	275,204
Contributions to Other Agencies	513,663	446,964	510,219	488,721	512,899	-	-
<b>TOTAL EXPENSES</b>	<b>6,852,556</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>Due To (From) Reserves</b>	<b>501,548</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>
<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)							

**Consolidated Budget (All Funds)  
Year to Year Comparison**

	<b>Approved Budget FY 2016</b>	<b>Estimated Actuals FY 15-16</b>	<b>Budget to Actual Change</b>	<b>Proposed Budget FY 16-17</b>	<b>FY17 Budget FY16 Budget Change</b>
<b>Revenues</b>					
Permit Fees	4,240,000	4,201,196	(38,804)	4,320,000	80,000
Application Fees	89,850	100,524	10,674	104,768	14,918
Federal Revenue	131,615	130,490	(1,125)	130,950	(665)
Fines & Penalties	60,000	41,295	(18,705)	45,000	(15,000)
Interest Income	55,150	24,802	(30,348)	104,900	49,750
Other Revenue	1,314,715	1,293,493	(21,222)	1,300,000	(14,715)
Revenue from Programs	2,267,533	2,268,587	1,054	2,294,578	27,045
State Revenue	180,000	189,298	9,298	189,490	9,490
<b>Total General Fund Revenues</b>	<b>8,338,863</b>	<b>8,249,685</b>	<b>(89,178)</b>	<b>8,489,686</b>	<b>150,823</b>
<b>Expenses</b>					
<b>Personnel Expenses</b>					
Salaries & Wages	3,595,300	3,399,799	(195,501)	3,630,211	34,911
Payroll Taxes	113,883	79,570	(34,313)	86,428	(27,455)
Benefits	659,935	551,695	(108,240)	593,631	(66,304)
Retirement	1,565,855	1,575,036	9,181	1,608,354	42,499
OPEB	23,000	18,000	(5,000)	18,000	(5,000)
<b>Total Personnel Expenses</b>	<b>5,957,973</b>	<b>5,624,100</b>	<b>(333,873)</b>	<b>5,936,624</b>	<b>(21,349)</b>
<b>Operating Expenses</b>					
Communications	55,300	55,966	666	58,460	3,160
Dues & Subscriptions	27,275	36,947	9,672	48,100	20,825
Non-Depreciable Inventory	34,325	15,623	(18,702)	24,500	(9,825)
Legal	115,700	116,262	562	45,000	(70,700)
Maintenance & Repairs	53,775	67,012	13,237	75,925	22,150
Training & Travel	80,650	60,978	(19,672)	82,600	1,950
Vehicles	79,800	65,181	(14,619)	85,400	5,600
Office Expenses	206,700	177,832	(28,868)	206,025	(675)
Program Expenses	1,529,183	1,551,111	21,928	1,555,620	26,437
Professional Services	320,100	163,780	(81,320)	139,400	(180,700)
Miscellaneous Expenses	5,000	6,615	1,615	6,540	1,540
<b>Total Operating Expenses</b>	<b>2,507,808</b>	<b>2,317,307</b>	<b>(115,501)</b>	<b>2,327,570</b>	<b>(180,238)</b>
<b>Capital Expenses</b>					
Buildings	40,000	26,021	(13,979)	15,000	(25,000)
Equipment	65,000	71,469	6,469	60,000	(5,000)
Vehicles	-	-	-	25,000	25,000
Computers	50,000	56,609	6,609	40,000	(10,000)
Software	125,000	128,901	3,901	63,000	(62,000)
<b>Total Capital Expenses</b>	<b>280,000</b>	<b>283,000</b>	<b>3,000</b>	<b>203,000</b>	<b>(77,000)</b>
<b>Total Expenses</b>	<b>8,745,781</b>	<b>8,224,407</b>	<b>(446,374)</b>	<b>8,467,194</b>	<b>(278,587)</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 2.5 Program)	Federal 103 grant pass through (via CAPCOA) funding to support PM 2.5 monitoring
Section 105 (PSD) Federal Grants and Agreements	Federal EPA 105 Pilot Grant (established FY 12) to develop PSD Program 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
-----------	--

#### 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

Payroll Taxes	Mandated employer portion of Medicare contribution
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Workers Compensation	Employer cost for workers compensation insurance
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#### Benefits

Section 125	Section 125 Cafeteria health benefit contribution
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Employee Assistance Plan	Employee Assistance Program
--------------------------	-----------------------------

Vision Insurance	Employee benefit for Vision Care
------------------	----------------------------------

Life Insurance	Employee benefit for life insurance
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Disability Insurance	Employee benefit for short term and long term disability
----------------------	--

Tuition Reimbursement	Negotiated per Memorandum of Understanding, allowances for employee's choice education program and professional associations
-----------------------	--

Other Benefits	Expenses budgeted in the event of an employee payout for accrued benefits on separation
----------------	---

#### 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
-----------------	---

401(a) Matching Contribution	District match to employee contributions made to Deferred Comp Plan
------------------------------	---

Retirement Cash	District paid additional retirement for Exempt and 30 year employees
-----------------	--

## 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>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

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

*AGENDA ITEM 10*

**DATE:** May 23, 2016

**RECOMMENDATION:** 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 27, 2016.

**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. Rules 301, 302 and 303 are proposed for amendment to adjust fees by three percent (3%) 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.

The following rules of Regulation III are proposed for amendment:

- Rule 301 – *Permit Fees* as last amended 06/22/15; Amend to adjust fees three percent (3%), and make minor changes for clarification and consistency.
- Rule 302 – *Other Fees* as last amended 06/22/15; Amend to adjust fees by three percent (3%), and make minor changes for clarification and consistency.
- Rule 303 – *Hearing Board Fees* as last amended 06/22/15; Amend to adjust fees by three percent (3%), and make minor corrections for clarification.

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. The proposed three percent (3%) fee adjustment to Rule 301 – *Permit Fees*, Rule 302 – *Other Fees*,

---

Cc: Tracy Walters

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

**AGENDA ITEM 10**

**PAGE 2**

and adjudication thereof.

Public hearings on the budget, the proposed fee adjustment to Rules 301, 302 and 303 will be held on 05/23/2016 and will be continued to 06/27/2016 to receive comment from members of industry and the general public. Proposed amendments to Rules 301, 302 and 303 have been made available for public comments, and appropriate notice was published on or about 04/21/2016 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 05/14/2015.

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

**PRESENTER:** Alan De Salvio, Deputy Director – Mojave Desert Operations

*Mojave Desert*  
Air Quality Management District



**Draft**  
**Staff Report**  
**Regulation III – Fees**

**Proposed Amendments to**  
Rule 301 – *Permit Fees*  
Rule 302 – *Other Fees*  
Rule 303 – *Hearing Board Fees*

**Heard May 23, 2016**  
**Continued to June 27, 2016**

14306 PARK AVE, VICTORVILLE, CA 92392-2310  
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**STAFF REPORT**  
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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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## 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 06/22/15; Amend to adjust fees three percent (3%), and make minor changes for clarification and consistency.
- Rule 302 – *Other Fees* as last amended 06/22/15; Amend to adjust fees by three percent (3%), and make minor changes for clarification and consistency.
- Rule 303 – *Hearing Board Fees* as last amended 06/22/15; Amend to adjust fees by three percent (3%), and make minor corrections for clarification.

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. The proposed three percent (3%) 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 05/23/2016 and will be continued to 06/27/2016 to receive comment from members of industry and the general public. Proposed amendments to Rules 301, 302 and 303 have been made available for public comments, and appropriate notice was published on or about 04/21/2016 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.

### 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 three percent (3%) 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 three percent (3%) 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 or about 04/21/2016 for the 05/25/2016 and 06/27/2016 Governing Board meetings. 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 a federal submittal.

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 three percent (3%) in the costs of most permit related fees. The proposed three percent

(3%) permit fee adjustment is projected to result in an overall added cost to industry of \$128,086. This cost increase is based on FY 2016 application and operating permit fee revenues.

The Permit Fee Amount Increase table below presents 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 3% increase
Spray Booth	\$ 292.82	\$ 8.78
Emergency Generator	\$ 292.82	\$ 8.78
Gas Station	\$ 1,131.69	\$ 33.95
Engine	\$ 1,964.12	\$ 58.92
Batch Plant	\$ 13,144.84	\$ 394.35
Title V Facility	\$ 22,121.72	\$ 663.65
Large Source	\$ 175,789.55	\$ 5,273.69

### 3. Economic Analysis for Rule 302 – *Other Fees.*

The proposed amendments to Rule 302 includes a three percent (3%) 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 three percent (3%) 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 adjust 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 three percent (3%) 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 01/01/2017 to the most current proposed amendments.

(B)(4)(d) – Initial permit fees are not refundable for asbestos remediation equipment, including HEPA vacuums.

(C)(1)(a) – A fee adjustment of three percent (3%) and rounded to the nearest dollar is added to the application filing fee.

(C)(1)(d) – Asbestos remediation permitting requires that the application be accompanied by the filing fee and annual permit fee, due to a regular failure of payment of the annual permit fees.

(C)(2)(c)(i) – A fee adjustment of three percent (3%) is added to the labor rate.

(C)(6)(b)(i) – A fee adjustment of three percent (3%) and rounded to the nearest dollar is added to the change of ownership fee.

(C)(9)(b) – A fee adjustment of three percent (3%) 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 three percent (3%).

## 2. MDAQMD Rule 302 – *Other Fees*

Rule 302 – *Other Fees*, includes a three percent (3%) 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)(5) – This definition has been modified to include reports in addition to plans. Throughout the rule, reference to “plans” has been updated to include “report” as well.

(C)(3)(b) – Amended for clarification.

(D)(3)(a) – The hourly labor rate has been removed and referenced back to the hourly labor rate maintained in Rule 301 for consistency.

(E)(5)(b) – The hourly labor rate has been removed and referenced back to the hourly labor rate maintained in Rule 301 for consistency.

(H)(1)(a) – The hourly labor rate has been removed and referenced back to the hourly labor rate maintained in Rule 301 for consistency.

(I)(3) – The hourly labor rate has been removed and referenced back to the hourly labor rate maintained in Rule 301 for consistency.

(J)(1)(a) – Updated to include plans and reports that may be subject to this fee.

(J)(1)(b), (J)(2)(b), (J)(3)(b) and (J)(4)(c) – The hourly labor rate has been removed and referenced back to the hourly labor rate maintained in Rule 301 for consistency.

### 3. MDAQMD Rule 303 – *Hearing Board Fees*

The amendment of Rule 303 includes a three percent (3%) 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, and 06/22/15. The 06/22/15 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 three percent (3%). 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. The proposed amendment includes a three percent (3%) 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. The hourly labor rate has been standardized to the hourly labor rate in Rule 301 for consistency.

Rule 303 – *Hearing Board Fees* was adopted 11/20/89, and subsequently amended 06/22/15. Rule 303 is currently proposed to include a three percent (3%) 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%).

Upon reviewing District operating costs, the Budget Committee is recommending that a three percent (3%) 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.

Upon reviewing District operating costs, the Budget Committee is recommending a three percent (3%) 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.

Upon reviewing District operating costs, the Budget Committee is recommending a three percent (3%) 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 three percent (3%) fee increase constitutes only a portion of the total projected cost increases for fiscal year 2016/2017. While the CPI for the Los Angeles/Riverside County between February 2015 and 2016 was 2.4 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 5.5 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.

In general, the consolidation of fee rules into proposed Rule 302 did not change the underlying fee amounts charged. Therefore, Proposition 26 provisions did not apply to the simple consolidation of Rules 304, 305, 306, 307, 308, 309, 310, 311, and 313 into Rule 302. Several of the consolidated rules did contain an hourly

<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/cpid1602.pdf>

<sup>3</sup> Includes both salary and benefit increases.

labor charge for certain services provided by District staff. These charges had not been changed in many cases since the early 1990's. The 06/22/15 amendment to Rule 302 adjusted the hourly rate to \$89.61. This was the same labor rate proposed in Rule 301. This rate was designed to reflect a portion of the reasonable staff cost for providing services on an hourly basis. In fact, this amount was highly discounted when compared with the hourly rates for similar services provided in the private sector.

The proposed three percent (3%) fee increase constitutes only a portion of the total projected cost increases for fiscal year 2016/2017. While the CPI for the Los Angeles/Riverside County between February 2015 and 2016 was 2.4 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 5.5 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 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 alleged 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.

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<sup>4</sup> <http://www.bls.gov/cpi/cpid1602.pdf>

<sup>5</sup> Includes both salary and benefit increases.

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.

The proposed amended fees for variance actions includes a three percent (3%) increase to cover the rising costs associated with various procedures brought before the Hearing Board.

Fees for permit appeals are in effect charges for the administrative enforcement of permits. Once again they are required to reflect the reasonably 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.

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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## 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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(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: mm/dd/yy effective: mm/dd/yy)

## 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 [mm/dd/yyyy06/22/2015](#) shall be effective on 01/01/2017<sup>6</sup>.

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<sup>1</sup> This amendment includes a three percent (3%) 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.



(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, ~~postage prepaid~~, 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 ~~F~~first ~~C~~lass ~~mail~~, ~~postage prepaid~~:
    - (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 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).
- (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 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) 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: [\[Asbestos remediation projects use both negative air machines and HEPA vacuums.\]](#)

- (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 ~~Visa or MasterCard~~ credit card, that person shall also pay the processing costs imposed by the company processing the transaction. [\[MDAQMD accepts additional credit card payments including American Express, Discover and debit cards.\]](#)

(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 ~~\$269.00~~264.00. 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). [Asbestos remediation permitting makes this process necessary, due to a regular failure of payment of the annual permit fee.]

- (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; and
  - (vi) Equipment subject to the provisions of District Rule 1303(B);
  - (vii) Equipment with emissions of a Hazardous Air Pollutant requiring a Health Risk Assessment pursuant to District Rule 1320 (E)(3) or a case-by-case MACT determination pursuant to District Rule 1320 (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.
  - (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 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 ~~\$93.00~~<sup>89.61</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 Section (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 ~~r~~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 mail, ~~postage prepaid~~.
- (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 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, ~~postage prepaid~~, 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 \$~~153.00~~~~149.00~~ for each permit being transferred from one person to another.
  - (ii) The filing fee set forth in Section (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 Section (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 (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 Section (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 \$~~73.00~~[71.00](#) 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	\$ <del>338.72</del> <del>328.85</del>
(b) 41 to and including 200 hp	\$ <del>116.02</del> <del>112.64</del> plus \$ <del>5.57</del> <del>5.41</del> per each hp
(c) 201 to and including 1,000 hp	\$ <del>700.65</del> <del>680.24</del> plus \$ <del>26.45</del> <del>25.68</del> per each 10 hp
(d) Greater than 1,000 hp	\$ <del>2,023.04</del> <del>1,964.12</del> plus \$ <del>13.23</del> <del>12.84</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, (Btu), using gross heating values of the fuel plus 2550 Btu for each horsepower of associated motor driven equipment, in accordance with the following schedule:

<u>BRITISH THERMAL UNITS (BTU)</u> <u>PER HOUR (Btu)</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 <u>Btu</u>	<del>\$116.02</del> <u>112.64</u> plus <del>\$163.97</del> <u>159.19</u> per each 100,000 <u>Btu</u>
(b) 250,001 to and including 1,000,000 <u>Btu</u>	<del>\$293.88</del> <u>285.32</u> plus <del>\$92.79</del> <u>90.09</u> per each 100,000 <u>Btu</u>
(c) 1,000,001 to and including 4,000,000 <u>Btu</u>	<del>\$873.86</del> <u>848.41</u> plus <del>\$34.79</del> <u>33.78</u> per each 100,000 <u>Btu</u>
(d) 4,000,001 to and including 10,000,000 <u>Btu</u>	<del>\$1,152.27</del> <u>1,118.71</u> plus <del>\$27.86</del> <u>27.05</u> per each 100,000 <u>Btu</u>
(e) 10,000,001 to and including 100,000,000 <u>Btu</u>	<del>\$3,178.42</del> <u>3,085.84</u> plus <del>\$75.79</del> <u>73.58</u> per each 1,000,000 <u>Btu</u>
(f) Greater than 100,000,000 <u>Btu</u>	<del>\$8,823.76</del> <u>8,566.76</u> plus <del>\$19.34</del> <u>18.78</u> per each 1,000,000 <u>Btu</u>

(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 kilo volt 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	<del>\$310.86</del> <u>301.81</u>
(b) Greater than 45 kVA	<del>\$296.96</del> <u>288.31</u> plus <del>\$0.33</del> <u>0.32</u> 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 ~~\$310.86~~301.81 plus ~~\$20.12~~19.53 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>\$296.96</del> <del>288.31</del>
(b) 10,001 to and including 100,000 gallons	<del>\$258.28</del> <del>250.76</del> plus <del>\$3.88</del> <del>3.77</del> per each 1,000 gallons
(c) 100,001 to and including 2,000,000 gallons	<del>\$569.18</del> <del>552.60</del> plus <del>\$7.57</del> <del>7.35</del> per each 10,000 gallons
(d) Greater than 2,000,001 gallons	<del>\$1,701.35</del> <del>1,651.80</del> plus <del>\$19.17</del> <del>18.61</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(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) ~~\$48.56~~~~47.15~~ per single product nozzle.
- (b) ~~\$48.56~~~~47.15~~ 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: ~~\$301.60~~~~292.82~~.
- (b) Test Stand, Intermittent: ~~\$301.60~~~~292.82~~.
- (c) Spray coating equipment operated outside of a control enclosure: ~~\$301.60~~~~292.82~~.
- (d) Vapor degreasing equipment using non- Volatile Organic Compound (VOC) material only: ~~\$301.60~~~~292.82~~.
- (e) Portable abrasive blasting equipment: ~~\$301.60~~~~292.82~~.
- (f) Mobile asphalt or coal tar pitch roofing equipment with a capacity greater than 500 gallons: ~~\$301.60~~~~292.82~~.

- (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: ~~\$301.60292.82~~.
  - (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: ~~\$301.60292.82~~.
  - (iii) Used to drive a fire pump or deluge pump that is used exclusively during fire emergency or testing: ~~\$301.60292.82~~.
- (h) Air Pollution Control Devices: ~~\$270.67262.79~~
  - (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: ~~\$301.60292.82~~.

(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, (~~Btuh~~), using gross heating values of the fuel plus 2550 Btuh for each horsepower of associated motor driven equipment, in accordance with the following schedule:

<u>BRITISH THERMAL UNITS (<del>BTU</del>) PER HOUR (<del>Btuh</del>)</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 <del>Btuh</del>	<del>\$116.02442.64</del> plus <del>\$163.97159.19</del> per each 100,000 <del>Btuh</del>
(b) 250,001 to and including 1,000,000 <del>Btuh</del>	<del>\$293.88285.32</del> plus <del>\$92.7990.09</del> per each 100,000 <del>Btuh</del>
(c) 1,000,001 to and including 4,000,000 <del>Btuh</del>	<del>\$873.86848.41</del> plus <del>\$34.7933.78</del> per each 100,000 <del>Btuh</del>
(d) 4,000,001 to and including 10,000,000 <del>Btuh</del>	<del>\$1,152.271,118.71</del> plus <del>\$27.8627.05</del> per each 100,000 <del>Btuh</del>

BRITISH THERMAL UNITS (BTU) PER HOUR  
(Btuh)

INITIAL AND ANNUAL PERMIT FEE

(e) 10,000,001 to and including 100,000,000 Btuh	\$ <del>3,178,423,085.84</del> plus \$ <del>75.7973.58</del> per each 1,000,000 Btuh
(f) Greater than 100,000,000 Btuh	\$ <del>8,823,768,566.76</del> plus \$ <del>19.3418.78</del> per each 1,000,000 Btuh

(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, ~~(Btuh)~~, using gross heating values of the fuel, in accordance with the following schedule:

<u>BRITISH THERMAL UNITS (BTU) PER HOUR (Btuh)</u>	<u>INITIAL AND ANNUAL PERMIT FEE</u>
(a) Up to and including 250,000 Btuh	<del>\$116.02</del> <del>112.64</del> plus <del>\$163.97</del> <del>159.19</del> per each 100,000 Btuh
(b) 250,001 to and including 1,000,000 Btuh	<del>\$293.88</del> <del>285.32</del> plus <del>\$92.79</del> <del>90.09</del> per each 100,000 Btuh
(c) 1,000,001 to and including 4,000,000 Btuh	<del>\$873.86</del> <del>848.41</del> plus <del>\$34.79</del> <del>33.78</del> per each 100,000 Btuh
(d) 4,000,001 to and including 10,000,000 Btuh	<del>\$1,152.27</del> <del>1,118.71</del> plus <del>\$27.86</del> <del>27.05</del> per each 100,000 Btuh
(e) 10,000,001 to and including 100,000,000 Btuh	<del>\$3,178.42</del> <del>3,085.84</del> plus <del>\$75.79</del> <del>73.58</del> per each 1,000,000 Btuh
(f) Greater than 100,000,000 Btuh	<del>\$8,823.76</del> <del>8,566.76</del> plus <del>\$19.34</del> <del>18.78</del> per each 1,000,000 Btuh

(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 ~~\$270.67~~~~262.79~~, 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 60.30Cc) or 40 CFR 60 Subpart WWW (commencing with 40 CFR 60.750), shall be assessed an initial and annual permit fee of ~~\$1,490.23~~~~1,446.83~~ per gas collection facility.

[SIP: Not in SIP.]

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## 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 hereinbelow.
- (ii) Any of the following governmental entities subject to a fee listed hereinbelow.
  - 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.
- (3) “Facility” – Any building, structure, emissions unit, combination of emissions units, which emits or may cause the issuance of air contaminants and which is:

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<sup>1</sup> This amendment includes a 3.00% 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. The hourly labor rate has been standardized to the hourly labor rate in Rule 301 for consistency.



- (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.
- (4) “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).
- (5) “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. *[“Report” added here and after, to be more comprehensive and clear.]*
- (6) “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.
- (7) “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.
- (8) “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 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.

- (9) “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; ~~or~~
  - 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, ~~postage prepaid~~, 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 ~~r~~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 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, ~~postage pre-paid~~ 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 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, ~~postage pre-paid~~ 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 Plan Analysis fFee 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, ~~postage prepaid~~ to the contact person indicated in the Plan or Report.
    - b. Payment of Plan or Report aAnalysis fFee 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.

- (ii) If a Plan or Report requires an annual renewal the District shall invoice the ~~plan~~ renewal fee at least thirty (30) days prior to the expiration date ~~of the Plan~~.
  - a. The invoice shall be sent via First Class mail, ~~postage prepaid~~ 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~~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.

(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 upon filing a notification for a project and that is subsequently not accomplished, the Demolition Project or Renovation Project is 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 Rule 301 subsection (C)(2)(c)(i) of \$89.61 per

~~hour~~ or the fee paid minus ~~\$89.61~~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 ~~a the hourly~~ labor rate ~~of specified in Rule 301 subsection (C)(2)(c)(i) \$89.61 per hour~~ plus actual expenses. *The hourly labor rate has been removed and referenced back to the hourly labor rate maintained in Rule 301 for consistency. This change has been made throughout the rule when an hourly labor rate is specified.*
- (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(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 \$~~129.00~~~~+25.00~~.

- (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(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~~f~~ feet of pipe but less than 1600 linear~~f~~ feet of pipe; or more than 160 square feet of material but less than 1000 square feet of material, a fee of \$~~283.00~~~~275.00~~, except as noted in subsection (3).
  - (b) For Renovation projects involving the removal or stripping of 1600 linear~~f~~ feet or more of pipe but less than 8000 linear~~f~~ feet of pipe; or 1000 square feet or more of material but less than 5000 square feet of material, a fee of \$~~489.00~~~~475.00~~, except as noted in subsection (3).
  - (c) For Renovation projects involving the removal or stripping of 8000 linear~~f~~ feet or more of pipe or 5000 square feet or more of material, a fee of \$~~489.00~~~~475.00~~ plus \$~~206.00~~~~200.00~~ for each 8000 lineal feet of pipe or fraction thereof over 8000 lineal feet of pipe and for each 5000 square feet of material or fraction thereof over 5000 square feet of material, except as noted in subsection (3).
- (3) Calculation of Linear~~f~~ Footage
- (a) Where the outside diameter of piping insulation (wrapping) is greater than 2.35 inches, the calculation of linear~~f~~ 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 Rule 301(C)(1) and (E)(7)(h) for an air pollution control device. This permit is good for one 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/~~or~~ 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 of \$89.61 per hour at the hourly labor rate specified in Rule 301 subsection (C)(2)(c)(i) of additional time, 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(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 Rule 301, a fee of \$1,030.00~~1,000.00~~ 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/~~or~~ operator shall pay, in addition to the applicable fees pursuant

to Rule 301 and any applicable fees pursuant to section (J)(4), a fee of ~~\$1,030.00~~1,000.00 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/~~or~~ operator shall pay in addition to the applicable fees pursuant to Rule 301 and any applicable fees pursuant to section (J)(4), a fee of ~~\$206.00~~200.00 per year.

#### (G) Certificate of Occupancy Fee

- (1) Any person required to obtain a final Certificate of Occupancy from a ~~c~~City or ~~c~~County within the District shall pay a fee of ~~\$103.00~~100.00 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 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(B)(1) shall pay an initial fee of ~~\$361.00~~350.00 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 Rule 301 subsection (C)(2)(c)(i) ~~of \$89.61 per hour~~.
  - (b) Any person submitting a document effecting an encumbrance of or transfer of ERCs pursuant to District Rule 1402(D)(2) - (4) shall pay a fee of ~~\$77.00~~75.00 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 ~~\$52.00~~50.00 at the time the affected Class “B” ERC ~~c~~Certificates are submitted for conversion to Class “A” ERC ~~c~~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 ~~s~~State or ~~f~~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 Rule 301 subsection (C)(2)(c)(i) of \$89.61 per hour~~ plus actual expenses.

(J) Plan and Report Review Analysis Fees

- (1) Air Toxics Plan and Report Review 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 ~~who voluntarily submits a Contemporaneous~~ 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. [Updated with plans and reports referenced by these rules.]
  - (b) Such fee shall be calculated at the hourly labor rate specified in Rule 301 subsection (C)(2)(c)(i) of \$89.61 per hour 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 Rule 301 subsection (C)(2)(c)(i) of \$89.61 per hour 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 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 Rule 301 subsection \(C\)\(2\)\(c\)\(i\) of \\$89.61 per hour](#) 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 \$[103.00](#)~~100.00~~.
  - (b) Any owner/operator required to submit a SWAT Report following the completion of testing shall pay a filing fee of \$[103.00](#)~~100.00~~.
  - (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 Rule 301 subsection \(C\)\(2\)\(c\)\(i\) of \\$89.61 per hour](#) 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 Section 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 section 90800 shall pay an annual fee as authorized by the provisions of the regulation. The fee schedule is set by ~~the~~ 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 ~~Engine and~~ 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 sState 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.

## 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 Clerk or Deputy Clerk of the Hearing Board, at the time of filing, a Filing Fee of \$~~464.00~~450.00 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 \$~~567.00~~550.00 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.

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<sup>1</sup> The amendment of Rule 303 includes a three percent (3%) 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 ~~r~~Rules and ~~r~~Regulations shall pay to the District, ~~if as~~ ordered by the Hearing Board, ~~in addition to the Filing Fee and Appearance Fee, if applicable,~~ an Excess Emissions Ffee based on the total amount of emissions discharged.

(i) This fee shall be calculated in accordance with the schedule set forth in Table ~~I~~4.

(ii) Where the total excess emissions cannot be readily calculated, the petitioner shall work in concert with District staff to establish the amount of Eexcess Emissions Fees to be paid. In cases where District staff determines calculations or estimations cannot be made the petitioner shall pay the Minimum Excess Emissions Ffee 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 Eexcess Emission Ffee 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 ~~E~~excess ~~E~~missions ~~F~~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 as~~ ordered by the Hearing Board, ~~in addition to the Filing Fee and an Appearance Fee, if applicable, and any other applicable Excess Emission Fees~~ 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 ~~E~~excess ~~E~~mission ~~F~~fee is due, a fee of at least \$~~103.00~~100.00 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 ~~h~~Hearing, are due and payable within fifteen (15) days of notification of calculation and amount of such fee. [Applicants or p](#)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, ~~postpaid~~, in the United States 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 ~~permit~~ Authority to Construct or a Permit to Operate.
    - (ii) When the petition is withdrawn, and the applicant or petitioner notifies the Clerk of 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>103.00</del> <del>100.00</del>
Carbon monoxide	\$ <del>2.00</del> <del>1.50</del>
Oxides <del>of</del> nitrogen (expressed as nitrogen dioxide)	\$ <del>103.00</del> <del>100.00</del>
<del>Oxides of Gaseous</del> sulfur <del>compounds</del> (expressed as sulfur dioxide)	\$ <del>103.00</del> <del>100.00</del>
Particulate matter	\$ <del>103.00</del> <del>100.00</del>

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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 Rule 401 of the Rules and Regulations of the District, or Section 41701 of the State Health and Safety Code, the fee is calculated as follows:

RULE 401

$$Fee = (Opacity^* \text{ equivalent} - 20) \times \text{number of days allowed by variance} \times \$3.00$$

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 Ringelman numbers, allowed by the variance.

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**Appendix “B”**  
Public Notice Documents

1. Proof of Publication – Daily Press
2. Proof of Publication – Riverside Press Enterprise

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## PUBLIC NOTICE

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### MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

#### NOTICE OF PUBLIC HEARING PROPOSED BUDGET FOR FISCAL YEAR [2016-17](#)

**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 [2016-17](#). Comments regarding the proposed budget may be submitted in writing before, during, or after the hearing.

**DATE:** [May 23, 2016](#)      **TIME:**      **10:00 A.M.**  
**LOCATION:**      **14306 Park Avenue, Victorville, CA 92392**

Copies of the Proposed Budget for [2016-17](#) 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.

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#### NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING PROPOSED AMENDMENTS TO *REGULATION III - FEES*

**NOTICE IS HEREBY GIVEN** that 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 27, 2016 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 [3.00% effective January 1, 2017](#) 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, Attn: Rule 301 Comments

Written comments should be received on or before [June 24, 2016](#) 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 Salvio](#) at (760) 245-1661 extension 6726.





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## PUBLIC NOTICE

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### MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

#### NOTICE OF PUBLIC HEARING PROPOSED BUDGET FOR FISCAL YEAR [2016-17](#)

**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 [2016-17](#). Comments regarding the proposed budget may be submitted in writing before, during, or after the hearing.

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Contact Jean Bracy at (760) 245-1661, extension 6214 for further information.

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#### NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING PROPOSED AMENDMENTS TO *REGULATION III - FEES*

**NOTICE IS HEREBY GIVEN** that 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 27, 2016 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 [3.00% effective January 1, 2017](#) 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, Attn: Rule 301 Comments

Written comments should be received on or before [June 24, 2016](#) 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 Salvio](#) at (760) 245-1661 extension 6726.

**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

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 three percent (3%) 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))

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:** Eldon Heaston **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** June 27, 2016

**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

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 three percent (3%) 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))

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:** Eldon Heaston **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** June 27, 2016

**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 2015: <http://www.bls.gov/cpi/cpid1602.pdf>



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**Appendix “F”**  
Cost Analysis

1. Budget Committee Fee Increase, Budget Committee Meeting, April 11, 2016

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1.



**FEE INCREASE**

Budget Committee Meeting – April 11, 2016  
 Agenda Item No. #

**Statement of Change in Expenditures**

<u>Possible Fee Increases</u>	<u>Est FY 2016</u>	<u>3.00%</u>	<u>3.50%</u>
Permit Fees	\$3,900,423	\$117,013	\$136,515
Title V	\$275,827	\$8,275	\$9,654
Application Fees	\$93,294	\$2,799	\$3,265
	<b>\$4,269,544</b>	<b>\$128,086</b>	<b>\$149,434</b>

<u>Revenues General Fund</u>	<u>Adopted Budget</u>	<u>Proposed Budget</u>	<u>Budget Change</u>
Permit Fees	\$3,900,000	\$4,010,000	\$110,000
Title V	\$285,000	\$285,000	\$0
Application Fees	\$89,850	\$104,768	\$14,918
Contracts	\$1,314,715	\$1,300,000	-\$14,715
Federal Contracts	\$25,000	\$24,900	-\$100
Asbestos	\$55,000	\$25,000	-\$30,000
PM2.5	\$21,200	\$21,200	\$0
Program Revenue	\$877,000	\$847,000	-\$30,000
State Revenue	\$180,000	\$189,490	\$9,490
PSD	\$85,415	\$84,850	-\$565
Other Revenue	67500	53700	-13800
<b>Total</b>	<b>\$6,900,680</b>	<b>\$6,945,908</b>	<b>\$45,228</b>

	<u>EOY FY16 Estimates</u>	<u>Budget FY17</u>	<u>Total Increase</u>
<b>Personnel Expenditures</b>			
Salaries & Wages	4031064	4255512	224448
Retirement	1575036	1608354	33318
<b>Total</b>	<b>5606100</b>	<b>5863866</b>	<b>257766</b>

Roughly 84% of total expenditures for FY17 is related to personnel. Costs are expected to increase by 4.6% next year. A fee increase is required to mitigate some of the costs.

Personnel expenditures for staff responsible for all Rule 301 and its related activities is expected to increase by **\$158,663**.

A 3% increase will generate an additional **\$128,086**. A 3.5% increase will generate an additional **\$149,434**.

The change in the costs of personnel responsible for all Rule 301 and its related activities (unfunded by other programs) will be the basis for the fee increase. A portion of the costs (14%) of Rule 301 personnel related expenditures are funded through contracts and other programs.

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

*AGENDA ITEM 11*

**DATE:** May 23, 2016

**RECOMMENDATION:** Conduct a public hearing to consider the amendment of Rule 219 – *Equipment Not Requiring a Permit*: 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 the rule and directing staff actions.

**SUMMARY:** Rule 219 is proposed for amendment to address a more detailed interpretation by the California Air Resources Board (CARB) of Senate Bill (SB) 700 provisions. The amendment will also update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** The Mojave Desert Air Quality Management District (MDAQMD or District) has the authority pursuant to California Health & Safety (H&S) Code §40702 to adopt, amend or repeal rules and regulations. The MDAQMD is proposing to amend Rule 219 – *Equipment Not Requiring a Permit* for inclusion in the current rulebook. This rule sets forth which equipment is too small to need a permit. Proposed amendments will clarify existing policies and may potentially require several permits at a minority of facilities.

The MDAQMD amended Rule 219 on August 23, 2010 to implement portions of the provisions of Senate Bill (SB) 700 by requiring all agricultural sources that meet certain thresholds of animals or regulated pollutants to obtain permits like other regulated sources. Subsequent to this amendment, the California Air Resources Board (CARB) provided a more detailed interpretation on the provisions in SB 700 relating to the permitting thresholds for minor agricultural sources. SB 700 requires districts in California to permit agricultural sources with actual emissions at or above one half the major source threshold and prohibits districts from permitting agricultural sources with actual emissions less than one half the major source threshold. CARB had never defined

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Cc: Tracy Walters

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

**AGENDA ITEM 11**

**PAGE 2**

which major source threshold should be referred to for permitting agricultural sources ((1) the State implementation Plan (SIP) -approved threshold, (2) the most recent locally adopted threshold, or (3) the threshold corresponding with the current federal attainment status in 40 CFR 81.305). CARB has clarified that the permitting threshold for minor agricultural sources should be the most stringent of any major source threshold. The MDAQMD must now amend Rule 219 in accordance with the CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold.

This amendment also sets forth clarification and MDAQMD policy regarding the exemption of combustion sources used in steam cleaning operations. Combustion sources associated with steam cleaning are exempt from permit requirements provided they are also exempt pursuant to the general combustion source in subsection (E)(2)(b) of the rule. The combustion unit exemption provided for under subsection (E)(2)(b) only applies if the aggregate of all combustion sources associated with the same process is less than 2,000,000 Btu/hr and if the unit(s) are fired exclusively with natural gas or liquefied petroleum gas. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b).

The exemption for welding is also proposed for modification to reflect requirements in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. Proposed rule language has been derived from South Coast Air Quality Management District (SCAQMD) Rule 219.

Abrasive blasting requirements have been proposed for amendment to include portable sand/water blaster equipment and associated internal combustion engine provided the water in the mixture is 66 percent or more by volume is maintained during operation of such equipment. Internal combustion engines must be exempt pursuant to (E)(2)(a). Proposed rule language has been derived from SCAQMD Rule 219.

At the request of industry, permitting requirements for spray coating equipment is being modified to recognize the properties of high viscosity coatings. Specifically, VOC emissions from application equipment (including clean-up) are exempted to three (3) pounds per day or less or 66 pounds per calendar month or less. Proposed rule language has been derived from SCAQMD Rule 219.

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

***AGENDA ITEM 11***

**PAGE 3**

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the amendment of Rule 219 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 May 09, 2016.

**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 RULE 219- EQUIPMENT NOT REQUIRING A PERMIT AND DIRECTING STAFF ACTIONS.**

On May 23, 2016, on motion by Member Board Member Name, seconded by Member Board Member Name, and carried, the following resolution is adopted:

**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 MDAQMD is proposing to amend Rule 219 – *Equipment Not Requiring a Permit* for inclusion in the current rulebook; and

**WHEREAS**, this rule sets forth which equipment is too small to need a permit; and

**WHEREAS**, the proposed amendments will clarify existing policies and may potentially require several permits at a minority of facilities; and

**WHEREAS**, the MDAQMD amended Rule 219 on August 23, 2010 to implement portions of the provisions of Senate Bill 700 of 2002 (SB 700) by requiring all agricultural sources that meet certain thresholds of animals or regulated pollutants to obtain permits like other regulated sources; and

**WHEREAS**, subsequent to this amendment, the California Air Resources Board (CARB) provided a more detailed interpretation on the provisions in SB 700 relating to the permitting thresholds for minor agricultural sources; and

**WHEREAS**, SB 700 requires districts in California to permit agricultural sources with actual emissions at or above one half the major source threshold and prohibits districts from permitting agricultural sources with actual emissions less than one half the major source threshold; and

**WHEREAS**, CARB had never defined which major source threshold should be referred to for permitting agricultural sources ((1) the State Implementation Plan (SIP)-approved threshold, (2) the most recent locally adopted threshold, or (3) the threshold corresponding with the current federal attainment status in 40 CFR 81.305); and

**WHEREAS**, CARB has clarified that the permitting threshold for minor agricultural sources should be the most stringent of any major source threshold; and

**RESOLUTION \_\_\_\_\_**

1           **WHEREAS**, the MDAQMD must now amend Rule 219 in accordance with the CARB  
2 interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major  
3 source threshold; and

4           **WHEREAS**, this amendment also sets forth clarification and MDAQMD policy regarding the  
5 exemption of combustion sources used in steam cleaning operations: and

6           **WHEREAS**, combustion sources associated with steam cleaning are exempt from permit  
7 requirements provided they are also exempt pursuant to the general combustion source in subsection  
8 (E)(2)(b) of the rule; and

9           **WHEREAS**, the combustion unit exemption provided for under subsection (E)(2)(b) only applies  
10 if the aggregate of all combustion sources associated with the same process is less than 2,000,000 Btu/hr  
11 and if the unit(s) are fired exclusively with natural gas or liquefied petroleum gas; and

12           **WHEREAS**, the equipment which applies steam to substrates for the sole purpose of removing  
13 grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to  
14 associated combustion units unless they are below the permitting threshold under (E)(2)(b); and

15           **WHEREAS**, the exemption for welding is also proposed for modification to reflect requirements  
16 in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source*  
17 *Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including  
18 welding; and

19           **WHEREAS**, language has been added to address welding operations that have the potential to  
20 emit Hazardous Air Pollutants (HAP), including cadmium, chromium, lead, manganese or nickel; and

21           **WHEREAS**, proposed rule language has been derived from South Coast Air Quality Management  
22 District (SCAQMD) Rule 219 and 40 CFR Part 63 National Emissions Standards for HAPs: Area Source  
23 Standards for Nine Metal Fabrication and Finishing Source Categories; and

24           **WHEREAS**, abrasive blasting requirements have been proposed for amendment to include  
25 portable sand/water blaster equipment and associated internal combustion engine provided the water in  
26 the mixture is 66 percent or more by volume is maintained during operation of such equipment; and

27           **WHEREAS**, the associated internal combustion engines must be exempt pursuant to (E)(2)(a);  
28 and

**RESOLUTION \_\_\_\_\_**

1           **WHEREAS**, the proposed rule language for abrasive blasting has been derived from SCAQMD  
2 Rule 219; and

3           **WHEREAS**, at the request of industry, permitting requirements for spray coating equipment is  
4 being modified to recognize the properties of high viscosity coatings; and

5           **WHEREAS**, specifically, Volatile Organic Compound (VOC) emissions from application  
6 equipment (including clean-up) are exempted to three (3) pounds per day or less or 66 pounds per  
7 calendar month or less; and

8           **WHEREAS**, the proposed rule language for spray coating equipment has been derived from  
9 SCAQMD Rule 219; and

10           **WHEREAS**, the proposed amendments to the rule are necessary to address a more detailed  
11 interpretation by CARB of SB 700 provisions, and to update Rule 219 provisions applying to steam  
12 cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment; and

13           **WHEREAS**, the MDAQMD has the authority pursuant to H&S Code §40702 to amend rules and  
14 regulations; and

15           **WHEREAS**, the proposed amendments are clear in that the meaning can be easily understood by  
16 the persons impacted by the rule; and

17           **WHEREAS**, the proposed amendments are in harmony with, and not in conflict with, or  
18 contradictory to existing statutes, court decisions, or state or federal regulations, and do not interfere with  
19 any federal applicable requirement concerning attainment or Reasonable Further Progress (RFP) pursuant  
20 to the Federal Clean Air Act (FCAA); and

21           **WHEREAS**, the proposed amendments do not impose the same requirements as any existing state  
22 or federal regulation because state law requires the adoption and implementation of the provisions of  
23 SB700; and

24           **WHEREAS**, the proposed amendments are needed to address a more detailed interpretation by  
25 CARB of SB 700 provisions, and to update Rule 219 provisions applying to steam cleaning, welding,  
26 abrasive blasting, and coating or adhesive application or laminating equipment; and

27           **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H&S Code  
28 §40725, concerning the proposed amendments to Rule 219; and

**RESOLUTION \_\_\_\_\_**

1           **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the  
2 proposed amendments to Rule 219, completed in compliance with the California Environmental Quality  
3 Act (CEQA), has been presented to the MDAQMD Board; each member having reviewed, considered and  
4 approved the information contained therein prior to acting on the proposed amendments to Rule 219, and  
5 the Governing Board of the MDAQMD having determined that the proposed amendments will not have  
6 any potential for resulting in any adverse impact upon the environment; and

7           **WHEREAS**, the Governing Board of the MDAQMD has considered the evidence presented at the  
8 public hearing; and

9           **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the MDAQMD finds  
10 that the proposed amendments to Rule 219 – *Equipment Not Requiring a Permit* are necessary,  
11 authorized, clear, consistent, non-duplicative and properly referenced; and

12           **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD hereby makes a  
13 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of  
14 Exemption for the proposed amendments to Rule 219; and

15           **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD does hereby adopt,  
16 pursuant to the authority granted by law, the proposed amendments to Rule 219, as set forth in the  
17 attachments to this resolution and incorporated herein by this reference; and

18           **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,  
19 that the Clerk of the Board is directed to file the Notice of Exemption in compliance with the provisions  
20 of CEQA.

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

23 AYES:                   MEMBER:  
24 NOES:                   MEMBER:  
25 ABSENT:                MEMBER:  
26 ABSTAIN:               MEMBER:

27 STATE OF CALIFORNIA            )  
28    )        SS:

**RESOLUTION \_\_\_\_\_**

COUNTY OF SAN BERNARDINO )  
}

I, Michele Baird, 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 May 23, 2016.

\_\_\_\_\_  
Clerk of the Governing Board,  
Mojave Desert Air Quality Management District.

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(Adopted: 01/09/76; Amended: 10/08/76;  
CARB Ex. Ord. G-73: 02/01/77; Readopted: 07/25/77;  
Amended: 11/25/91; Amended: 12/21/94; Amended: 10/23/00;  
Amended: 04/25/05; Amended: 08/23/10; Amended:  
05/23/2016)

## RULE 219

### Equipment Not Requiring a Permit

(A) Purpose.

- (1) The purpose of this Rule is as follows:
  - (a) To describe equipment that does not require a permit pursuant to District Rules 201 and 203; and
  - (b) To describe equipment which does not need to be listed on a Federal Operating Permit (FOP) issued pursuant to Regulation XII.

(B) General Provisions.

- (1) The Air Pollution Control Officer (APCO) shall not require an owner/operator to obtain a permit for particular equipment pursuant to District Rules 201 and 203 if:
  - (a) Such equipment is contained in the list of particular equipment in subpart (E) below.
- (2) The APCO shall not require an owner/operator to list particular equipment on an application for a FOP or require the listing of such equipment upon an FOP issued pursuant to Regulation XII if:
  - (a) Such equipment emits Air Contaminants in an amount less than the threshold levels listed in subpart (D)(1); and
  - (b) Such equipment is contained in the list of particular equipment in subpart (E); and
  - (c) Such equipment is not subject to an Applicable Requirement and information regarding such equipments is not required to determine the applicability of an Applicable Requirement; and
  - (d) Such equipment is not included in subpart (E) solely due to size or production rate.
- (3) The APCO shall not require an owner/operator of an Agricultural Facility to obtain a permit for equipment located at such a Facility which would otherwise be subject to permit pursuant to District Rules 201 and 203 if:
  - (a) The Agricultural Facility emits Air Contaminants in an amount less than the threshold levels listed in subpart (D)(2)(b); and

- (b) The Agricultural Facility is a Confined Animal Facility eligible for exclusion under subpart (D)(2)(a); and
  - (c) The Agricultural Facility is not otherwise a Major Facility; and
  - (d) The particular equipment potentially exempt under this subsection is not otherwise subject to regulation pursuant to the Federal Clean Air Act (“FCAA”, 42 U.S.C. Sec. 7401 et. seq.).
- (4) Nothing in this rule shall be interpreted to exempt the emissions from such equipment from being considered in any emissions calculations required pursuant to Regulation XII and Regulation XIII unless such emissions are specifically exempted by those Regulations.
  - (5) The burden of proof regarding the applicability of this rule to particular equipment shall be on the owner/operator of such equipment.

(C) Definitions.

For the purposes of this rule the definitions contained in Rule 1301 and 1201 shall apply unless otherwise defined herein.

- (1) “Agricultural Facility” – Any equipment or group of equipment potentially subject to District Rules 201 and 203 used in an Agricultural Operation and which are located on contiguous property under common ownership or control.
- (2) “Agricultural Operation” – The growing and harvesting of crops or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural Operations do not include activities involving the processing or distribution of crops or fowl.
- (3) “Confined Animal Facility” – A facility where animals are corralled, penned, or otherwise caused to remain in restricted areas for commercial purposes and primarily fed by a means other than grazing for at least forty-five (45) days in any twelve (12) month period.

(D) Threshold Criteria.

- (1) Threshold Criteria for Exclusion from Federal Operating Permit
  - (a) To be eligible for exclusion from an FOP pursuant to section (B)(2), any equipment listed under this rule shall not emit Air Contaminants in an amount greater than:
    - (i) Ten percent (10%) of the applicable threshold for determination of a Major Facility pursuant to Rule 1201 or two (2) tons per year of any Regulated Air Pollutant , whichever amount is less; or

- (ii) Any de minimis level for a Hazardous Air Pollutant, promulgated pursuant to 42 U.S.C. §7412 (Federal Clean Air Act §112), any significance level defined in 40 CFR 52.21(b)(23)(i), or 0.5 tons per year of such Hazardous Air Pollutant, whichever is less.

(2) Threshold Criteria for Agricultural Facilities

- (a) To be eligible for exclusion from permitting requirements pursuant to section (B)(3)(b) a Confined Animal Facility must have, at all times, less than the following numbers of animals:
  - (i) 1,000 milk-producing dairy cows;
  - (ii) 3,500 beef cattle;
  - (iii) 7,500 calves, heifers or other cattle;
  - (iv) 650,000 chickens other than laying hens;
  - (v) 650,000 laying hens;
  - (vi) 650,000 ducks;
  - (vii) 100,000 turkeys;
  - (viii) 3,000 swine;
  - (ix) 2,500 horses;
  - (x) 15,000 sheep, lambs, or goats; or
  - (xi) 30,000 rabbits or other animals.
- (b) To be eligible for exclusion from permitting requirements pursuant to subsection (B)(3)(a), an Agricultural Facility must, in aggregate, produce actual emissions less than one half (1/2) of the major source thresholds. For the purposes of determining permitting applicability, fugitive emissions, except fugitive dust emissions, are included in determining aggregate emissions.

(E) Specific Equipment Not Requiring a Permit.

(1) Vehicles and Transportation Equipment.

- (a) Motor vehicles as defined by §415 of the Vehicle Code of the State of California but not including any article, machine, equipment, or other contrivance mounted on such vehicle, that would otherwise require a permit under the provisions of these rules and regulations.
- (b) Equipment mounted upon vehicles that are used exclusively to transport materials on streets or highways including, but not limited to, cement trucks, and gasoline tanker trucks (does not include asphalt or coal tar pitch roofing kettles).
- (c) Locomotives, airplanes, and watercraft used to transport passengers or freight.



- (2) Combustion and Heat Transfer Equipment.
- (a) Internal Combustion Engines and Gas Turbines - Piston type internal combustion engines with a manufacture's maximum continuous rating of less than 50 brake horsepower, or gas turbine engines with a maximum heat input rate of less than 3,000,000 Btu (756,300 kilogram calories) per hour at International Standardization Organization (ISO) Standard Day Conditions. The ratings of all engines or turbines used in the same process will be aggregated to determine whether this exemption applies.
  - (b) General Combustion Source - Any combustion equipment that has a maximum heat input rate of less than 2,000,000 Btu (504,000 kilogram calories) per hour (gross) and is equipped to be fired exclusively with Public Utilities Commission regulated natural gas, liquefied petroleum gas or any combination thereof. The ratings of all combustion equipment used in the same process will be aggregated to determine whether this exemption applies.
  - (c) Internal combustion engines used exclusively for training at educational institutions.
  - (d) Internal combustion engines registered pursuant to the California Statewide Portable Engine Registration Program.
  - (e) Fuel cells which use phosphoric acid, molten carbonate, proton exchange membrane or solid oxide technologies.
- (3) Structures and Equipment - General.
- (a) Structural changes which cannot change the quality, nature or quantity of air contaminant emissions.
  - (b) Repairs or maintenance not involving structural changes to any equipment for which a permit has been granted.
  - (c) Equipment utilized exclusively in connection with any structure, which structure is designed for and used exclusively as a dwelling for not more than four families.
  - (d) Laboratory equipment used exclusively for chemical and physical analysis and bench scale or laboratory test equipment.
  - (e) Vacuum-producing devices used in laboratory operations or in connection with other equipment which is exempt by this rule.
  - (f) Vacuum-cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes.
  - (g) Natural-draft hoods, natural-draft stacks, or natural-draft ventilators.

- (h) Bench scale experiments or research operations and equipment used exclusively for investigation, experimentation or research to advance the state of air pollution control knowledge or to improve techniques. Prior approval, which may include limitation of time, shall be obtained in writing from the Air Pollution Control Officer.
- (4) General Utility Equipment.
- (a) Comfort air conditioning or ventilating systems which are not designed or used to remove air contaminants generated by or released from specific units of equipment.
  - (b) Refrigeration units except those used as or in conjunction with air pollution control equipment.
  - (c) Water cooling towers and water cooling ponds that have a circulation rate of less than 10,000 gallons/minute (37,800 liters/minute) and which are not used for: evaporative cooling of process water; or aqueous solutions used for evaporative cooling of barometric jets or barometric condensers; and into which no chromium compounds are added.
  - (d) Equipment used exclusively for steam cleaning if the aggregate of all combustion sources associated with the same process is less than 2,000,000 Btu per hour and if the unit(s) is fired exclusively with natural gas or liquefied petroleum gas.
    - (i) The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permitting requirements.
    - (ii) Combustion units associated with the steam equipment are not excluded from permit requirements unless they fall below the threshold in (E)(2)(b).
  - (e) Equipment used exclusively for space heating other than boilers.
- (5) Glass, Ceramic, Metallurgical Processing & Fabrication Equipment.
- (a) Crucible-type or pot-type furnaces with a brimful capacity of less than 452 cubic inches (7400 cubic centimeters) of any molten metal.
  - (b) Crucible furnaces, pot furnaces, or induction furnaces with a capacity of less than 992 pounds (450 kilograms) each, in which no sweating or distilling is conducted, provided such equipment is exempt pursuant to subsection (E)(2)(b), and from which only the following metals are poured or in which only the following metals are held in a molten state (provided the materials do not contain alloying elements of arsenic, beryllium, cadmium, chromium and/or lead). Percent by weight of such metals shall be determined by the referenced test method, or an equivalent method approved by the APCO.

- (i) Aluminum or any alloy containing over 50 percent aluminum by weight. ASTM E 34-88
  - (ii) Magnesium or any alloy containing over 50 percent magnesium by weight. ASTM E 35-88
  - (iii) Lead or any alloy containing over 50 percent lead by weight. ASTM E 46-87
  - (iv) Tin or any alloy containing over 50 percent tin by weight. ASTM E 46-87
  - (v) Zinc or any alloy containing over 50 percent zinc by weight. ASTM E 536-84
  - (vi) Copper. ASTM E 34-88
  - (vii) Precious metals (gold, silver, palladium, and platinum). ASTM E 1335-90
- (c) Molds used for the casting of metals.
  - (d) Equipment used exclusively for inspection of metal products and control equipment venting exclusively such equipment.
  - (e) Brazing, hand-held soldering, and hot air solder leveling, (but not hot-oil or vapor phase solder levelings), and control equipment venting exclusively such equipment. Welding equipment, oxygen gaseous fuel-cutting equipment, laser etching equipment, engraving of metal equipment and associated control equipment. This exemption does not include plasma arc-cutting equipment or laser cutting equipment that is used to cut stainless steel or alloys containing cadmium, chromium, lead, manganese or nickel, or laser cutters that are rated more than 400 watts and control equipment venting such equipment.
  - (f) Equipment used for washing products fabricated from metal or glass provided that no organic washing agents are used in the process.
  - (g) Foundry sand mold forming equipment to which no heat and no VOC or chemical desiccants are applied, and control equipment venting such equipment exclusively.
  - (h) Equipment used exclusively for forging, pressing, rolling, or drawing of metals or for heating metals exclusively with electricity prior to forging, pressing, rolling, or drawing.
  - (i) Equipment used exclusively for heat treating glass or metals (provided no organic compounds are present) or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects, provided any combustion equipment involved is exempt pursuant to subparagraph (E)(2)(b).
  - (j) Ladles used in pouring molten metals.
  - (k) Tumblers used for the cleaning or deburring of metal products without abrasive blasting.

- (l) Die casting machines, except those used for copper base alloys, those with an integral furnace having a brimful capacity of more than 992 pounds (450 kg), or those using a furnace not exempt pursuant to subparagraph (E)(2)(b).
  - (m) Wax burnout kilns where the total internal volume is less than 7.0 cubic feet (0.2 cubic meter) or kilns used exclusively for firing ceramic ware, provided such kilns are exempt pursuant to subparagraph (E)(2)(b).
  - (n) Shell core and shell-mold manufacturing machines.
- (6) Abrasive Blasting Equipment.
- (a) Blast cleaning cabinets in which a suspension of abrasive in water is used and control equipment venting exclusively such equipment.
  - (b) Abrasive blast cabinet dust-filter combination units where the total internal volume of the blast section is less than 53 cubic feet (1.5 cubic meters).
  - (c) Enclosed equipment used exclusively for shot blast removal of flashing from rubber and plastics at sub-zero temperatures and control equipment venting exclusively such equipment.
  - (d) Shot peening operations on non-ferrous materials, provided no surface material is removed, and control equipment venting exclusively such equipment.
  - (e) Portable sand/water blaster equipment and associated internal combustion engine provided the water in the mixture is 66 percent or more by volume is maintained during operation of such equipment. Internal combustion engines must be exempt pursuant to (E)(2)(a).
- (7) Machining Equipment.
- (a) Equipment used exclusively for buffing (except automatic and semi-automatic tire buffers), polishing, carving, mechanical, cutting, drilling, machining, pressing, routing, sanding, surface grinding or turning of ceramic art work, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite, and control equipment exclusively venting such equipment.
  - (b) Equipment used exclusively for carving, cutting, drilling, planing, routing, sanding, sawing, shredding or turning of wood or the extruding, pressing or storage of wood chips, sawdust, wood shavings, and control equipment exclusively venting such equipment.
  - (c) Equipment used exclusively to mill or grind coatings and molding compounds where all materials charged are in paste form.

- (8) Printing and Reproduction Equipment.
- (a) Printing and related coating or laminating equipment, without dryers, using less than two (2) gallons of combined graphic arts material per day. Dryers include, but are not limited to, UV lights and infrared lamps. Graphic arts materials are any inks, coatings, adhesives, fountain solutions, thinners, retarders, or cleaning solutions used in printing or related coating or laminating processes. (Does not include equipment associated with wood flat stock coating operations).
  - (b) Photographic process equipment by which an image is reproduced upon material sensitized by radiant energy and control equipment venting exclusively such equipment.
  - (c) Platen presses used in laminating.
  - (d) Silk screening where the product is manually positioned.
- (9) Food Processing and Preparation Equipment.
- (a) Smokehouses for preparing food in which the maximum horizontal inside cross-sectional area does not exceed 21.5 square feet (2 square meters).
  - (b) Confection cookers where products are edible and intended for human consumption and control equipment venting exclusively such equipment.
  - (c) Equipment used exclusively to grind, blend, or package tea, cocoa, spices or roasted coffee, and control equipment venting exclusively such equipment.
  - (d) Equipment used in eating establishments for the purpose of preparing food for human consumption.
  - (e) Ovens, mixers, scales, and blenders used in bakeries where products are edible and intended for human consumption and control equipment venting exclusively such equipment whose total production is less than 1,000 pounds (454 kilograms) of product per operating day.
  - (f) Smokehouses using exclusively liquid smoke and which are completely enclosed with no vents to any control device or the atmosphere.
  - (g) Barbecue equipment which is not used for commercial purposes.
  - (h) Barbecue equipment which is used for commercial purposes within the district but for not more than a combined total of fourteen (14) days in any calendar year.

(10) Plastics and Rubber Processing Equipment.

- (a) Any equipment/process listed below that has uncontrolled emissions of VOCs not exceeding five pounds (2.27 kilograms) in any one day.
  - (i) Presses used for curing rubber products and plastic products where no blowing agent is present.
  - (ii) Ovens used exclusively for the forming of plastics, which are concurrently being vacuum-held to a mold, and where no foam forming or expanding process is involved, provided such equipment is exempt pursuant to subparagraph (E)(2)(b).
  - (iii) Equipment used exclusively for softening or annealing plastics, provided such equipment is exempt pursuant to subparagraph (E)(2)(b).
- (b) Presses used exclusively for extruding rubber products or plastics where no plasticizer is present, or for pelletizing polystyrene foam scrap, or to extrude or pelletize acrylics (except those used to pelletize polyvinyl chloride, polystyrene, and their copolymers).
- (c) Equipment used for compression molding or injection molding of plastics where no blowing agent is present and control equipment venting exclusively such equipment.
- (d) Mixers, roll mills, and colanders for rubber or plastics where no material in powder form is added and no organic solvents, diluents, or thinners are used.
- (e) Ovens used exclusively for the curing of vinyl plastisols by the closed-mold curing process provided such ovens are exempt pursuant to subparagraph (E)(2)(b).
- (f) Equipment used exclusively for conveying and storing plastic pellets.

(11) Mixing and Blending Equipment.

- (a) Batch mixers which have a brimful capacity of 55 gallons or 7.35 cubic feet (208 liters) or less.
- (b) Equipment used exclusively for mixing and blending of materials to make adhesives where no organic solvents are used and no materials in powder form are added.
- (c) Equipment used exclusively for mixing and blending of materials to make water emulsions of asphalt, grease, oils, or waxes where no materials in powder or fiber form are added.

- (d) Mills, mixers, post mixing stations and dispersers, with a capacity of less than 251 gallons (950 liters) used exclusively to mix, grind, or thin liquid surface coating, where the operation temperature does not exceed 125°F (51.7°C) and no VOC or solvents are used and no supplemental heat is added.
  - (e) Concrete mixers, with a rated working capacity of less than one (1) cubic yard.
- (12) Fabric Cleaning and Dyeing Equipment.
- (a) Equipment used exclusively for dyeing, stripping, or bleaching of textiles where no organic solvents, diluents, or thinners are used.
  - (b) Laundry dryers, extractors, or tumblers used for fabrics cleaned only with water solutions of bleach or detergent, and control equipment exclusively venting such equipment.
- (13) Miscellaneous Process Equipment.
- (a) Equipment used exclusively for bonding lining to brake shoes where no organic solvents are used.
  - (b) Equipment used exclusively to liquefy or separate oxygen, nitrogen, or the rare gases from air provided that equipment is exempt pursuant to subparagraph (E)(2)(a) or (E)(2)(b).
  - (c) Porcelain enameling furnaces, porcelain enameling drying ovens, or vitreous enameling drying ovens, except those units fired with fuel oil provided that such ovens are exempt pursuant to subparagraph (E)(2)(b).
  - (d) Equipment used exclusively for surface preparation, cleaning, and/or stripping which uses acetic acid, alkaline oxidizing agents, hydrogen peroxide, salt solutions, sodium hydroxide and/or water. (Does not include chemical milling, circuit board etching, or the stripping of chromium).
  - (e) Equipment used exclusively for electrolytic plating (excluding the use of chromic, hydrochloric or sulfuric acid) or electrolytic stripping (excluding the use of chromic, hydrochloric, nitric or sulfuric acid) of brass, bronze, copper, iron, tin, zinc, precious metals, and associated rinse tanks.
  - (f) Equipment used exclusively for packaging of lubricants or greases.
  - (g) Kilns with a rating of less than 2,000,000 Btu (504,000 kilogram calories) per hour used exclusively for firing ceramic ware except those fired by fuel oil (does not include wax burnout kilns).
  - (h) Equipment used exclusively for coating objects with oils, melted waxes or grease and which contain no organic solvents, diluents, or thinners.

- (i) Equipment used exclusively for coating objects by dipping in waxes or natural and synthetic resins which contain no organic solvents, diluents, or thinners.
- (j) Unheated, non-conveyorized, non-agitated solvent rinsing containers and unheated non-conveyorized coating dip tanks with:
  - (i) An open surface area of less than 10.8 square feet (1.0 square meter) and an internal volume of less than 92.5 gallons (350 liters), and;
  - (ii) Only organic solvents with an initial boiling point of 302°F (150°C) or greater as determined by ASTM test method 1078-66, "Standard Test Method for Distillation Range of Volatile Organic Liquids" and;
  - (iii) Less than 25 gallons (94.6 liters) of solvent per year are lost to the atmosphere from all such equipment. Solvent lost shall not include solvent that is recycled or disposed of properly.
- (k) Batch ovens of less than 53 cubic feet (1.5 cubic meters) of internal volume where no melting occurs except:
  - (i) Ovens used to cure vinyl plastisols.
  - (ii) Ovens used to debond brake shoes.
  - (iii) These exemptions are allowed provided that such ovens are exempt pursuant to subsection (E)(2)(b).
- (l) Equipment used exclusively for washing or drying materials provided that no VOC are used in the process or that no fuel oil or solid fuel is burned.
- (m) Equipment used exclusively for manufacturing soap or detergent bars, including mixing tanks, roll mills, plodders, cutters, wrappers, where no heating, drying or chemical reactions occur.
- (n) Spray coating equipment operated within control enclosures.
- (o) Coating or adhesive application or laminating equipment such as air, airless, air-assisted airless, high volume low pressure (HVLP), air brushes, electrostatic spray equipment, roller coaters, dip coaters, vacuum coaters, flow coaters and spray machines provided that:
  - (i) The VOC emissions from such equipment (including clean-up) are three (3) pounds per day or less or 66 pounds per calendar month or less; or
  - (ii) The total quantity of UV or electron beam (non-solvent based and non-waterborne) coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is six (6) gallons per day or less, or 132 gallons per calendar month or less; or



- (iii) The total quantity of organic solvent based coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is one (1) gallon per day or less or 22 gallons per calendar month or less; or
- (iv) The total quantity of water reducible or waterborne coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is three (3) gallons per day or less or 66 gallons per calendar month or less; or
- (v) The total quantity of polyester resin and gel coat type materials and associated VOC containing solvents (including clean-up) used in such equipment is one (1) gallon per day or less or 22 gallons per calendar month or less; or
- (vi) All coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year.

If a combination of the coatings, adhesives and polyester resin and gel coat type materials identified in (ii), (iii), (iv) and/or (v) are used in any equipment, this exemption is only applicable if the operations meet the criteria specified in (i) or (vi), or the total usage of coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (including cleanup) meets the most stringent applicable limit in (ii), (iii), (iv) or (v). For exemptions based on usage, solvent-based UV and waterborne UV materials are subject to the usage limits in (iii) and (iv), respectively. VOC emissions shall be determined using test methods approved by the District, CARB and USEPA. In the absence of approved test methods, the applicant can submit VOC calculation procedures acceptable to the District.

- (p) Surface coating and spray coating equipment using a combined total of less than one gallon-per-day (3.8 liters per day) of paint and solvent (does not include control enclosures).
- (q) Spray coating equipment and control enclosure used exclusively in primary and secondary schools; for instructional purposes only.
- (r) Inert gas generators except equipment not exempt pursuant to subparagraph (E)(2)(b).
- (s) Hammermills used exclusively to process aluminum cans.
- (t) Heated degreasers with a liquid surface area of less than 1 square foot (930 square centimeters).
- (u) Paper baling and associated shredding equipment and conveying systems serving such equipment and control equipment venting such equipment.

- (v) Architectural surface coatings equipment used for business and residential structures.
  - (w) Oil/water separators that process water contaminated with petroleum products whose Reid Vapor Pressure does not exceed 0.5 pound per square inch (25 mm Hg).
- (14) Storage and Transfer Equipment.
- (a) Equipment used exclusively for the storage and transfer of fresh, commercial, or purer grades of:
    - (i) Sulfuric acid or phosphoric acid with an acid strength of less than 99 percent weight by weight as determined by test method ASTM E 223-88 or an equivalent method approved by the APCO.
    - (ii) Nitric acid with an acid strength of less than 70 percent weight by weight as determined by test method ASTM D 891-89 or an equivalent method approved by the APCO.
  - (b) Equipment used exclusively for the storage of Public Utilities Commission regulated natural gas and liquefied gases.
  - (c) Equipment used exclusively for the transfer of less than 20,000 gallons (75,700 liters) per day of organic material or equipment used exclusively for the storage of the following:
    - (i) Unheated organic material with an initial boiling point of 302° F (150° C) or greater, or with an organic vapor pressure of 5 mm Hg (0.1 psia) or less at 70° F (21.1° C) as determined by the following ASTM test methods:
      - a. ASTM D 2879-86. "Standard Test Method for Vapor Pressure-Temperature Relationship and Initial Decomposition Temperature of Liquids by Isoteniscope"
      - b. ASTM 1078-86. "Standard Test Method for Distillation Range of Volatile Organic Liquids"
    - (ii) Fuel oils with 0.9042 specific gravity or higher (25° API or lower) as determined by test method ASTM D 287 or D 1298, or an equivalent method approved by the APCO.
    - (iii) Fuel oils with 0.8251 specific gravity or higher (40° API or lower) and having a storage capacity of less than 40,000 gallons (151,515 liters) as determined by test method ASTM D 287 or D 1298, or an equivalent method approved by the APCO.
  - (d) Equipment used exclusively for transferring organic liquids, materials containing organic liquids, or compressed gases into containers of less than 60 gallons (225 liters) capacity, except equipment used for transferring more than 1,057 gallons (4,000 liters) per day of materials with a vapor pressure greater than 25.8 mm Hg (0.5 psia) at operating conditions.

- (e) Equipment with a capacity of less than 793 gallons (3,000 liters) used exclusively for the storage and transfer of any oil that has been used for its intended purpose and is subsequently designated for disposal or recycling.
  - (f) Unheated underground equipment used exclusively for the storage of less than 6,077 gallons (23,000 liters) of organic liquids with a vapor pressure of less than 77.5 mm Hg (1.5 psi) absolute under actual storage conditions as determined by test method ASTM D 2879-86 or an equivalent method approved by the APCO, and equipment used exclusively for the transfer from such storage.
  - (g) Equipment used exclusively for the storage and transfer of liquid soaps, liquid detergents, vegetable oils, fatty acids, waxes, and wax emulsions.
  - (h) Equipment used exclusively for the storage and transfer of refined lubricating oils.
  - (i) Equipment used exclusively for the storage and transfer of gasoline having a storage capacity of less than 250 gallons (946 liters).
  - (j) Equipment used exclusively for the storage and transfer of "top white" (Fancy) or cosmetic grade tallow or edible animal fats intended for human consumption and of sufficient quality to be certifiable for United States markets.
  - (k) Equipment used exclusively for the storage, holding, melting, and transfer of asphalt or coal tar pitch with a capacity of less than 148 gallons (560 liters).
  - (l) Unheated solvent dispensing containers with capacity not more than 250 gallons (947 liters).
  - (m) Mobile transport tanks or delivery tanks or cargo tanks on vehicles for delivery of VOC, except asphalt tankers, used to transport and transfer hot asphalt for roofing application.
- (15) Exceptions.
- (a) A written permit may be required for any process, article, machine, equipment, or other contrivance, not otherwise subject to such permit requirements, if:
    - (i) The process, article, machine, equipment, or other contrivance is subject to New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAPS), Maximum Available Control Technology (MACT), Airborne Toxic Control Measure (ATCM) or any source specific prohibitory rule; or,
    - (ii) The process, article, machine, equipment, or other contrivance emits, in quantities determined to be appropriate for review by the

APCO, substances identified as toxic air contaminants or which are under review as candidate toxic air contaminants by the California Air Resources Board, or Federal EPA; or,

- (iii) The APCO makes a determination that a permit shall be required because the equipment may not operate in compliance with all district rules and regulations.

(F) Recordkeeping

- (1) Any person claiming exemptions under the provisions of this rule shall provide adequate records and any applicable Material Safety Data Sheets (MSDS) to verify and maintain any exemption. Such records shall be retained on-site for at least five (5) years. Any test method used to verify the percentages, concentration, vapor pressures, etc., shall be District approved.

See SIP Table at <http://www.mdaqmd.ca.gov/Modules/ShowDocument.aspx?documentid=45> \

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*Mojave Desert*  
Air Quality Management District

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Draft  
Staff Report  
Proposed Amendments to  
Rule 219 – *Equipment Not Requiring a Permit*

For amendment on  
May 23, 2016

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## List of Acronyms

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
FOP	Federal Operating Permit
H&S Code	California Health & Safety Code
HAP	Hazardous Air Pollutant
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
NO <sub>x</sub>	Oxides of Nitrogen
RFP	Reasonable Further Progress
SCAQMD	South Coast Air Quality Management District
SB	Senate Bill
SIP	State Implementation Plan
SO <sub>x</sub>	Oxides of Sulfur
USEPA	U.S. Environmental Protection Agency
VOC	Volatile Organic Compounds

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# STAFF REPORT

## Rule 219 – *Equipment Not Requiring a Permit*

### 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 Mojave Desert Air Quality Management Board (MDAQMD or District) has the authority pursuant to California Health & Safety (H&S) Code §40702 to adopt, amend or repeal rules and regulations. The MDAQMD is proposing to amend Rule 219 – *Equipment Not Requiring a Permit* for inclusion in the current rulebook. This rule sets forth which equipment is too small to need a permit. Proposed amendments will clarify existing policies and may potentially require several permits at a minority of facilities.

The MDAQMD amended Rule 219 on August 23, 2010 to implement portions of the provisions of Senate Bill 700 of 2002 (SB700) by requiring all agricultural sources that meet certain thresholds of animals or regulated pollutants to obtain permits like other regulated sources. Subsequent to this amendment, the California Air Resources Board (CARB) provided a more detailed interpretation on the provisions in SB 700 relating to the permitting thresholds for minor agricultural sources. SB 700 requires districts in California to permit agricultural sources with actual emissions at or above one half the major source threshold and prohibits districts from permitting agricultural sources with actual emissions less than one half the major source threshold. CARB had never defined which major source threshold should be referred to for permitting agricultural sources ((1) the State Implementation Plan (SIP)-approved threshold, (2) the most recent locally adopted threshold, or (3) the threshold corresponding with the current federal attainment status in 40 CFR 81.305). CARB has clarified that the permitting threshold for minor agricultural sources should be the most stringent of any major source threshold. The MDAQMD must now amend Rule 219 in accordance with the CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold.

This amendment also sets forth clarification and MDAQMD policy regarding the exemption of combustion sources used in steam cleaning operations. Combustion sources associated with steam cleaning are exempt from permit requirements provided they are also exempt pursuant to the general combustion source in subsection (E)(2)(b) of the rule. The combustion unit exemption provided for under subsection (E)(2)(b) only applies if the aggregate of all

combustion sources associated with the same process is less than 2,000,000 Btu/hr and if the unit(s) are fired exclusively with natural gas or liquefied petroleum gas. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b).

The exemption for welding is also proposed for modification to reflect requirements in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. Language has been added to address welding operations that have the potential to emit Hazardous Air Pollutants (HAP), including cadmium, chromium, lead, manganese or nickel. Proposed rule language has been derived from South Coast Air Quality Management District (SCAQMD) Rule 219 and 40 CFR Part 63 National Emissions Standards for HAPs: Area Source Standards for Nine Metal Fabrication and Finishing Source Categories.

Abrasive blasting requirements have been proposed for amendment to include portable sand/water blaster equipment and associated internal combustion engine provided the water in the mixture is 66 percent or more by volume is maintained during operation of such equipment. Internal combustion engines must be exempt pursuant to (E)(2)(a). Proposed rule language has been derived from SCAQMD Rule 219.

At the request of industry, permitting requirements for spray coating equipment is being modified to recognize the properties of high viscosity coatings. Specifically, Volatile Organic Compound (VOC) emissions from application equipment (including clean-up) are exempted to three (3) pounds per day or less or 66 pounds per calendar month or less. Proposed rule language has been derived from SCAQMD Rule 219.

### III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Mojave Desert Air Quality Management District amend proposed Rule 219 – *Equipment Not Requiring a Permit* and approve the appropriate California Environmental Quality Act (CEQA) documentation. This action is necessary to address a more detailed interpretation by CARB of Senate Bill (SB) 700 provisions, and to update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

#### IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendments to Rule 219 – *Equipment Not Requiring a Permit*. 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.
- Mitigation of impacts.
- Alternative methods of compliance.

##### **OTHER:**

- Written analysis of existing air pollution control requirements
- N/A Economic Analysis
- N/A 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 amendments to Rule 219. 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 219 are necessary to address a more detailed interpretation by CARB of Senate Bill (SB) 700 provisions, and to update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

##### b. Authority:

The District has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations.

##### c. Clarity:

The proposed amendments to Rule 219 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 219 are in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions. They do not interfere with any federal applicable requirement concerning attainment or Reasonable Further Progress (RFP) pursuant to the Federal Clean Air Act (FCAA).

e. Nonduplication:

The proposed amendments to Rule 219 do not impose the same requirements as any existing state or federal law or regulation because state law requires the adoption and implementation of the provisions of SB 700.

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 219 was published April 22, 2016. 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 of Rule 219 and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The amendments to Rule 219 are subject to all the requirements for a SIP submittal because Rule 219 is included in the MDAQMD SIP. The criteria for determining completeness of SIP submissions are set forth in 40 CFR Part 51, Appendix V, 2.0. In addition, FCAA §110(l) (42 U.S.C. 7410(l)) requires that any rule action which might possibly be construed as a relaxation of a requirement provide a demonstration that the change not interfere with any FCAA requirements concerning attainment or Reasonable Further Progress (RFP). Please see section (VI)(E) below for the applicable demonstration.

b. Public Notice and Comment:

Notice for the public hearing for the proposed amendments to Rule 219 was published April 22, 2016. 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 219 and the accompanying draft staff report were made available to the public on April 07, 2016. The proposed amendments may also be reviewed by the Technical Advisory Committee, a committee consisting of a variety of regulated industry and local governmental entities.

d. Notice to Specified Entities:

Copies of the proposed amendments to Rule 219 and the accompanying draft staff report were sent to all affected agencies. The proposed amendments were sent to CARB and USEPA on April 07, 2016.

e. Public Hearing:

A public hearing to consider the proposed amendments to of Rule 219 has been set for May 23, 2016.

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 existing FCAA requires districts to adopt local programs for issuing operating permits to major stationary sources of air pollutants. California responded by adopting

SB700 to require air districts to adopt rules to regulate pollution from larger agricultural sources in the same manner as other non-agricultural sources with similar equipment. The existing act defines a stationary source as any building, structure, facility, or installation that emits or may emit any air pollutant. The FCAA (42 U.S.C. Sec. 7401 et seq.) prohibits the state from adopting emission standards or limitations less stringent than those established under the federal act, including limitations on emissions from agricultural sources.

The MDAQMD amended Rule 219 on August 23, 2010 to implement certain portions of SB700 by requiring all agricultural sources that meet certain thresholds to obtain permits like other regulated sources. Subsequent to this amendment, CARB provided a more detailed interpretation on the provisions in SB700 relating to the permitting thresholds for minor agricultural sources. SB700 requires districts in California to permit agricultural sources with actual emissions at or above one half the major source threshold and prohibits districts from permitting agricultural sources with actual emissions less than one half the major source threshold. CARB had never defined which major source threshold should be referred to for permitting agricultural sources ((1) the SIP-approved threshold, (2) the most recent locally adopted threshold, or (3) the threshold corresponding with the current federal attainment status in 40 CFR 81.305). CARB has clarified that the permitting threshold for minor agricultural sources should be the most stringent of any major source threshold. The MDAQMD must now amend Rule 219 in accordance with the CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold.

*The Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) regulates nine (9) industrial processes, including welding. The exemption for welding is proposed for modification to address 40 CFR 63 Subpart XXXXXX requirements by restricting welding operations that have the potential to emit HAPs, including cadmium, chromium, lead, manganese or nickel.

## C. ECONOMIC ANALYSIS

### 1. General

The proposed amendments to Rule 219 are not expected to have an adverse economic impact, except potentially to require a small number of facilities to obtain permits for welding equipment.

### 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 (NO<sub>x</sub>) or oxides of sulfur (SO<sub>x</sub>). This

requirement does not apply to the proposed amendments to Rule 219 (an administrative rule) since it does not require BARCT or “all feasible measures.”

#### D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed amendments to Rule 219 was determined.

1. The proposed amendments to Rule 219 meet the CEQA definition of “project”. They are not “ministerial” actions.
2. The proposed amendments to Rule 219 are exempt from CEQA review because they will not create any adverse impacts on the environment.

The proposed amendments to Rule 219 will clarify portions of the rule that were previously adopted to incorporate the provisions of SB 700. Language is being changed in accordance with CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold.

The proposed amendments will also add clarification using existing District policy regarding the exemption of combustion sources used in steam cleaning operations. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). This clarification strengthens the exemption and will not create any adverse impacts.

The exemption for welding is also proposed for modification to reflect requirements in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. This is no longer a blanket exemption and may require a small number of facilities to obtain permits that were previously exempted.

This amendment proposes an additional portable sand/water blasting equipment exemption. The emissions from this proposed exemption are negligible because of the associated moisture requirement. The exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). This exemption and will not create any adverse impacts.

The coating or adhesive application or laminating equipment exemption is proposed for amendment at the request of industry. This exemption will allow added flexibility to allow spray equipment options for high viscosity coatings, exemption from the transfer efficiency requirements, and not requiring permits for coating equipment that has VOC emissions of three (3) pounds per day or less. Compared to their higher-VOC counterparts, the use of ultra-low VOC materials is highly desirable from an air quality standpoint because of their lower potential for emissions. This change provides an incentive for the use of ultra-low VOC

materials. Additionally, proposed changes will help create a level playing field which will result in the equal treatment of all printing and related coating, laminating equipment and associated dryers and curing equipment; and other coatings, adhesive application or laminating equipment, regardless of the generic composition (solvent based, waterborne, UV/EB, etc.) of the materials used. The exemption threshold will allow substantial flexibility in usage of these ultra-low VOC materials without requiring written permits.

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. Copies of the documents relating to CEQA can be found in Appendix “D”.

#### E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

##### 1. Potential Environmental Impacts

The District does not anticipate any potential environmental impacts of compliance with the proposed amendments to Rule 219. This rule sets forth which equipment is too small to need a permit. Proposed amendments will clarify existing policies and may potentially require several permits at a minority of facilities.

##### 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

Rule 219 – *Equipment Not Requiring a Permit* describes equipment that does not require a permit pursuant to District Rules 201 and 203; and describes equipment which does not need to be listed on a Federal Operating Permit (FOP) issued pursuant to Regulation XII. The proposed amendments to Rule 219 clarify thresholds criteria for exclusion from both state and federal operating permits for agricultural facilities as determined by a threshold number of animals and/or emissions. This amendment will also update rule provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

## B. EMISSIONS

As an administrative action, this rule amendment would not have any direct impact on the issuance of air contaminants.

### 1. Agricultural Facilities

The proposed amendments to Rule 219 will clarify portions of the rule that were previously adopted to incorporate the provisions of SB 700. Language is being changed in accordance with CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold. There are no changes in emissions associated with this clarification.

### 2. Steam Cleaning Equipment

The proposed amendments will also add clarification using existing District policy regarding the exemption of combustion sources used in steam cleaning operations. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). This clarification strengthens the exemption and will not create any increase in emissions.

### 3. Welding Equipment

The exemption for welding is also proposed for modification to reflect requirements in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. This is no longer a blanket exemption and may require a small number of facilities to obtain permits that were previously exempted. This amendment strengthens the exemption and will not create any increase in emissions.

### 4. Portable Sand and Water Blaster Equipment

This amendment proposes an additional portable sand/water blasting equipment exemption. The equipment proposed for exemption has negligible emissions due to the required elevated moisture content of the blasting media. In addition there are very limited numbers of the equipment proposed for exemption in the District (currently none). The exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). This exemption will create a negligible increase in emissions and therefore is not a relaxation of existing requirements.

### 5. Coating Equipment

The coating or adhesive application or laminating equipment exemption is proposed for amendment at the request of industry. This exemption will allow

added flexibility to allow spray equipment options for high viscosity coatings, exemption from the transfer efficiency requirements, and not requiring permits for coating equipment that has VOC emissions of three (3) pounds per day or less. Compared to their higher-VOC counterparts, the use of ultra-low VOC materials is highly desirable from an air quality standpoint because of their lower potential for emissions. This change provides an incentive for the use of ultra-low VOC materials. Additionally, proposed changes will help create a level playing field which will result in the equal treatment of all printing and related coating, laminating equipment and associated dryers and curing equipment; and other coatings, adhesive application or laminating equipment, regardless of the generic composition (solvent based, waterborne, UV/EB, etc.) of the materials used. The exemption threshold will allow substantial flexibility in usage of these ultra-low VOC materials without requiring written permits. This change provides an incentive for the use of ultra-low VOC materials which should reduce emissions. The proposed changes tighten the existing exemption language from a broad three gallons per day (without an upper VOC emissions limit) to a more stringent three (3) pounds per day/66 pounds per month. Averaging time flexibility (monthly versus daily) is being added as further incentive for the use of this low VOC emissions equipment, and the monthly averaging time is not a relaxation as the 66 pound monthly threshold is lower than the equivalent daily threshold over the same time period (three times thirty is 90 pounds).<sup>1</sup>

#### C. CONTROL REQUIREMENTS

The proposed amendments to Rule 219 do not change control requirements. The proposed amendments provide clarification provided by CARB for agricultural facilities, provide clarification pursuant to District policy for steam cleaning equipment, removes the broad exemption for welding by incorporating provisions of 40 CFR Part 63 Subpart XXXXXX, and adds exemptions for portable sand/water blaster equipment and high solids/low VOC materials with negligible emissions as equipment not requiring a permit.

#### D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 219.

Subsection (D)(1)(b) has been proposed for amended in accordance with CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold.

Subsection (E)(4)(d) has been proposed for amendment to incorporate existing District policy for steam cleaning equipment.

Subsection (E)(5)(e) has been proposed for amendment to eliminate the blanket exemption for welding pursuant to the guidance provided in *40 CFR Part 63 National*

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<sup>1</sup> There is one known facility using a product that will fall under this exemption. 2015 usage data for the 3M Scotchkote Spray System was 16 gallons of the 323 3M Scotchkote.

*Emissions Standards for HAPs: Area Source Standards for Nine Metal Fabrication and Finishing Source Categories.*

Subsection (E)(6)(e) proposes exemption for portable sand/water blasting equipment and the associated combustion engine, providing that engine is exempt pursuant to (E)(2)(a).

(E)(13)(o) proposes exemption to allow added flexibility to allow spray equipment options for high viscosity coatings, exemption from the transfer efficiency requirements, and not requiring permits for coating equipment that has VOC emissions of three (3) pounds per day or less. This exemption is consistent with an exemption in SCAQMD Rule 219, and has been requested by industry.

E. 110(L) Analysis

Rule 219 has been approved by USEPA action as part of the District's Title V program (68 FR 65637, 11/21/2003). Thus, the 10/23/2000 version is fully federally enforceable. Therefore, the District will perform the 110(l) determination based upon differences between the 10/23/2000 version and the current proposed amendments.

Rule 219 has been amended twice subsequent to the 10/23/2000 version.

The 05/25/2005 amendment changed section (E)(2)(a) to require any internal combustion engine of 50 bhp and greater to obtain a permit. The previous limit was 100 bhp. Therefore, this amendment was a strengthening of the rule rather than a relaxation and no 110(l) determination is necessary. No additional changes were made in the 5/25/2005 amendment.

Rule 219 was most recently amended 08/23/2010. This amendment primarily addressed the implementation of SB 700. Former H&S Code §42310(e) exempted "any equipment used in agricultural operations in the growing of crops or the raising of fowl or animals" from the obligation to obtain a permit. The MDAQMD had not previously permitted or regulated agricultural sources pursuant to this H&S Code exemption. Agriculture was accounted for in the emissions inventory in its unregulated state.<sup>2</sup> Even without using agricultural reductions from uncontrolled agricultural sources, the District was able to show attainment and RFP.

After USEPA found that the agricultural equipment exemption in §42310(e) conflicted with the FCAA permitting requirements, 67 FR 35990 (05/22/02); 68 FR 37746 (06/23/03), the California Legislature passed SB 700 which took effect 01/01/04, and removed the agricultural exemption from H&S Code §42310(e). Agriculture was still accounted for in the inventory in the unregulated state. Again, without using agricultural reductions from uncontrolled agricultural sources, the District was able to show attainment and RFP<sup>3</sup>.

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<sup>2</sup> See: *Post 1996 Attainment Demonstration and Reasonable Further Progress Plan* as adopted 10/26/1994

<sup>3</sup> See: *MDAQMD 2004 Ozone Attainment Plan (State & Federal)* as adopted 4/26/2004; *Federal 8-Hour Ozone Attainment Plan (Western Mojave Desert Non-Attainment Area)* as adopted 6/9/2008.

The 08/23/2010 amendment of Rule 219 proposed actively regulating agricultural facilities emitting over 50 tons per year of any regulated air pollutant other than NO<sub>x</sub> or VOC (over 12.5 tons per year), any single HAP (over 5 tons per year), any combined HAP (over 12.5 tons per year), or one-half the amount of any such lesser quantity of a single HAP that USEPA should establish by rule.

The District also proposed to exempt fuel cells as part of the 08/23/2010 amendment. The District had never permitted fuel cells due to their negligible emissions and has no rule requirement that applies to fuel cells. Exempting fuel cells from permitting will not increase emissions and was not a back-off of existing requirements.

The District is currently proposing to amend Rule 219 to clarify portions of the rule that were previously adopted to incorporate the provisions of SB 700. Language is being changed in accordance with CARB interpretation so that the agricultural source exemption threshold corresponds to a SIP or Federal major source threshold. There are no changes in emissions associated with this clarification, and therefore no relaxation of existing requirements.

The proposed amendments will also add clarification using existing District policy regarding the exemption of combustion sources used in steam cleaning operations. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). There are no changes in emissions associated with this exemption, and therefore no relaxation of existing requirements.

The exemption for welding is also proposed for modification to reflect requirements in the *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. This is no longer a blanket exemption and may require a small number of facilities to obtain permits that were previously exempted. This amendment clarifies and narrows the exemption and therefore is not a relaxation of existing requirements.

This amendment proposes an additional portable sand/water blasting equipment exemption. The equipment proposed for exemption has negligible emissions due to the required elevated moisture content of the blasting media. In addition there are very limited numbers of the equipment proposed for exemption in the District (currently none). The exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). This exemption will create a negligible increase in emissions and therefore is not a relaxation of existing requirements.

The coating or adhesive application or laminating equipment exemption is proposed for amendment at the request of industry. This exemption will allow added flexibility to allow spray equipment options for high viscosity coatings, exemption from the transfer efficiency requirements, and not requiring permits for coating equipment that has VOC emissions of three (3) pounds per day or less. Compared to their higher-VOC



counterparts, the use of ultra-low VOC materials is highly desirable from an air quality standpoint because of their lower potential for emissions. Additionally, proposed changes will help create a level playing field which will result in the equal treatment of all printing and related coating, laminating equipment and associated dryers and curing equipment; and other coatings, adhesive application or laminating equipment, regardless of the generic composition (solvent based, waterborne, UV/EB, etc.) of the materials used. The exemption threshold will allow substantial flexibility in usage of these ultra-low VOC materials without requiring written permits. This change provides an incentive for the use of ultra-low VOC materials which should reduce emissions. The proposed changes tighten the existing exemption language from a broad three gallons per day (without an upper VOC emissions limit) to a more stringent three (3) pounds per day/66 pounds per month. Averaging time flexibility (monthly versus daily) is being added as further incentive for the use of this low VOC emissions equipment, and the monthly averaging time is not a relaxation as the 66 pound monthly threshold is lower than the equivalent daily threshold over the same time period (three times thirty is 90 pounds).

## F. SIP HISTORY

### 1. SIP History.

#### a. SIP in the San Bernardino County Portion of MDAQMD

Rule 219 was originally adopted on 01/09/76 by the Southern California Air Pollution Control District (So.Cal.APCD) which was created by a Joint Powers Agreement (JPA) between Los Angeles, Orange, Riverside and San Bernardino Counties to replace the previous county-wide air pollution control districts for those counties. The rule was subsequently amended on 10/08/76. On 02/01/77, pursuant to statute (Cal. Stats. 1976, Ch 324 p. 815) the South Coast Air Quality Management District (SCAQMD) was created with an initial jurisdiction that only included areas of Los Angeles, Orange, Riverside and San Bernardino Counties contained within the South Coast Air Basin (SCAB). Outlying areas remained under the So. Cal. APCD. Also on 02/01/77 the California Air Resources Board (CARB) issued Executive Order G-73 (1977) which adopted a “rule book” for those non-SCAB areas of Los Angeles, Riverside and San Bernardino Counties. CARB submitted the G-73 rulebook on behalf of the “county” districts and these rule books included Rule 219. Rule 219 was approved into the SIP on 11/09/78 (43 FR 52237, 40 CFR 52.220(c)(31)(vi)(C), 40 CFR 52.220(c)(32)(iv)(C), 40 CFR 52.220(c)(39)(ii)(B)).

By its terms Executive Order G-73 (1977) was only effective until the non-SCAB areas took other action. On 02/22/77 the JPA forming the So.Cal.APCD was formally dissolved. By the terms of the JPA upon dissolution each county would regain its county

air pollution control district with a jurisdiction of the non-SCAB areas of the county and the applicable rules being the So.Cal.APCD's rules in effect upon the date of dissolution. Thus, as of 02/22/77 the version of Rule 219 for the San Bernardino County APCD (SBCAPCD) reverted from the G-73 (1977) CARB version back to the original So.Cal.APCD 10/08/76 version.

On 07/25/77 the SBCAPCD readopted its rulebook including Rule 219. Rule 219 was subsequently amended 11/25/91 and submitted on 01/28/92 for inclusion into the SIP. USEPA took no action on this submission.

On 07/01/93 the 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. Rule 219 was subsequently amended by the MDAQMD on 12/21/94 and submitted for inclusion into the SIP on 01/24/95, amended 10/23/00 and submitted for inclusion into the SIP on 10/30/01, submitted as amended 04/25/05 for inclusion in the SIP on 07/15/05, and amended 08/23/10 and submitted for inclusion in the SIP on 12/07/10. USEPA has not taken any apparent action on these submissions at this time. Since SIP revisions in California are adopted by USEPA as effective in areas which happen to be defined by both air basin designations and the jurisdictional boundaries of local air districts within those air basins, the MDAQMD "inherited" the SBCAPCD SIP which was in effect for what is now called the San Bernardino County Portion of MDAB. Therefore, the 07/25/77 version of Rule 219 is the version included in the SIP. However, Rule 219 was submitted as part of the MDAQMD Title V Program and was approved at 68 FR 65637 11/21/03 (q)(4). Therefore, the most current federally approved version of Rule 219 is the 10/23/2000 version.

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.

The So.Cal.APCD version of Rule 219 was originally adopted 01/09/76 and amended 01/08/76 and was also effective in Riverside County. Thereafter, the SIP history for Rule 219 in Riverside County remains the same as that in the non SCAB areas of San Bernardino County until early 1978. As of 01/01/78 the non-SCAB portions of Los Angeles, Riverside and San Bernardino Counties were allowed to “opt in” to SCAQMD (Cal Stats 1977 Ch 1195 pg. 4005). Both Los Angeles and Riverside counties did so while San Bernardino County did not. SCAQMD amended Rule 219 on 02/02/79 and submitted it as a SIP revision for its entire jurisdiction including the Blythe/Palo Verde Valley area. USEPA apparently disapproved the submission. SCAQMD subsequently amended Rule 219 on 10/05/79 and again on 09/04/81. USEPA approved the 09/04/81 version of SCAQMD Rule 219 on 07/06/82 at 47 FR 29231. SCAQMD subsequently amended Rule 219 06/03/88, and 09/11/92 with no presumed action by USEPA. On July 1, 1994 the Blythe/Palo Verde Valley area became part of the MDAQMD. At that time the SIP version of Rule 219 appeared to be the 09/04/81 version. However, Rule 219 was submitted as part of the MDAQMD Title V Program and was approved at 68 FR 65637 11/21/03 (q)(4). Therefore, the most current federally approved version of Rule 219 is the 10/23/2000 version.

## 2. SIP Analysis.

The District will request CARB to submit to USEPA the proposed amendments to Rule 219 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. The District also requests removal of all prior versions of Rule 219 from the Blythe/Palo Verde Valley portion of the MDAQMD, and that the Region 9 SIPs webpage be updated to reflect the appropriate SIP information.

This submission is necessary to address USEPA comments regarding the prior amendment of 08/23/2010. This amendment will also update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

Since there are previously existing SIP rules for this category the District will request that they all 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 proposed amendments to Rule 219 – *Equipment Not Requiring a Permit* will address a more detailed interpretation by CARB of SB 700 provisions, and update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

Amendments to the agricultural and steam cleaning provisions provide clarification as interpreted by CARB and existing District policy. The amendment also removes a blanket exemption for welding and may require a small number of facilities to obtain permits that were previously exempted which is a strengthening of the rule. The remaining proposed amendments have negligible emissions and may actually encourage use of lower VOC materials. These amendments are not a back-off of existing requirements and the proposed amendments to Rule 219 should be approved as a SIP revision.

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## Appendix “A”

### Rule 219 – *Equipment Not Requiring a Permit* 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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## RULE 219

### Equipment Not Requiring a Permit

#### (A) Purpose.

- (1) The purpose of this Rule is as follows:
  - (a) To describe equipment that does not require a permit pursuant to District Rules 201 and 203; and
  - (b) To describe equipment which does not need to be listed on a Federal Operating Permit (FOP) issued pursuant to Regulation XII.

#### (B) General Provisions.

- (1) The Air Pollution Control Officer (APCO) shall not require an owner/operator to obtain a permit for particular equipment pursuant to District Rules 201 and 203 if:
  - (a) Such equipment is contained in the list of particular equipment in subpart (E) below.
- (2) The APCO shall not require an owner/operator to list particular equipment on an application for a FOP or require the listing of such equipment upon an FOP issued pursuant to Regulation XII if:
  - (a) Such equipment emits Air Contaminants in an amount less than the threshold levels listed in subpart (D)(1); and
  - (b) Such equipment is contained in the list of particular equipment in subpart (E); and
  - (c) Such equipment is not subject to an Applicable Requirement and information regarding such equipments is not required to determine the applicability of an Applicable Requirement; and
  - (d) Such equipment is not included in subpart (E) solely due to size or production rate.
- (3) The APCO shall not require an owner/operator of an Agricultural Facility to obtain a permit for equipment located at such a Facility which would otherwise be subject to permit pursuant to District Rules 201 and 203 if:
  - (a) The Agricultural Facility emits Air Contaminants in an amount less than the threshold levels listed in subpart (D)(2)(b); and



- (b) The Agricultural Facility is a Confined Animal Facility eligible for exclusion under subpart (D)(2)(a); and
  - (c) The Agricultural Facility is not otherwise a Major Facility; and
  - (d) The particular equipment potentially exempt under this subsection is not otherwise subject to regulation pursuant to the Federal Clean Air Act (“FCAA”, 42 U.S.C. Sec. 7401 et. seq.).
- (4) Nothing in this rule shall be interpreted to exempt the emissions from such equipment from being considered in any emissions calculations required pursuant to Regulation XII and Regulation XIII unless such emissions are specifically exempted by those Regulations.
- (5) The burden of proof regarding the applicability of this rule to particular equipment shall be on the owner/operator of such equipment.

(C) **Definitions.**

For the purposes of this Rule the definitions contained in Rule 1301 and 1201 shall apply unless otherwise defined herein.

- (1) “Agricultural Facility” – Any equipment or group of equipment potentially subject to District Rules 201 and 203 used in an Agricultural Operation and which are located on contiguous property under common ownership or control.
- (2) “Agricultural Operation” – The growing and harvesting of crops or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural Operations do not include activities involving the processing or distribution of crops or fowl.
- (3) “Confined Animal Facility” – A facility where animals are corralled, penned, or otherwise caused to remain in restricted areas for commercial purposes and primarily fed by a means other than grazing for at least forty-five (45) days in any twelve (12) month period.

(D) **Threshold Criteria.**

- (1) **Threshold Criteria for Exclusion from Federal Operating Permit**
  - (a) To be eligible for exclusion from an FOP pursuant to section (B)(2), any equipment listed under this rule shall not emit Air Contaminants in an amount greater than:
    - (i) Ten percent (10%) of the applicable threshold for determination of a Major Facility pursuant to Rule 1201 or two (2) tons per year of any Regulated Air Pollutant , whichever amount is less; or

- (ii) Any de minimis level for a Hazardous Air Pollutant, promulgated pursuant to 42 U.S.C. §7412 (Federal Clean Air Act §112), any significance level defined in 40 CFR 52.21(b)(23)(i), or 0.5 tons per year of such Hazardous Air Pollutant, whichever is less.

(2) Threshold Criteria for Agricultural Facilities

- (a) To be eligible for exclusion from permitting requirements pursuant to section (B)(3)(b) a Confined Animal Facility must have, at all times, less than the following numbers of animals:

- (i) 1,000 milk-producing dairy cows;
- (ii) 3,500 beef cattle;
- (iii) 7,500 calves, heifers or other cattle;
- (iv) 650,000 chickens other than laying hens;
- (v) 650,000 laying hens;
- (vi) 650,000 ducks;
- (vii) 100,000 turkeys;
- (viii) 3,000 swine;
- (ix) 2,500 horses;
- (x) 15,000 sheep, lambs, or goats; or
- (xi) 30,000 rabbits or other animals.

- (b) To be eligible for exclusion from permitting requirements pursuant to subsection (B)(3)(a), an Agricultural Facility must, in aggregate, produce actual ~~must~~ emissions less than ~~any of the following:~~ one half (1/2) of the major source thresholds. For the purposes of determining permitting applicability, fugitive emissions, except fugitive dust emissions, are included in determining aggregate emissions. [Derived from SJVUAPCD Rule 2020 §6.20 pursuant to USEPA direction of 01/22/16.]

- ~~(i) Fifty (50) tons per year of any Regulated Air Pollutant other than those listed in subsection (ii) and (iii) below;~~
- ~~(ii) For Nitrogen Oxides (NO<sub>x</sub>) or VOC:  
1. 12.5 tons per year for any Agricultural Facilities located within a federal ozone nonattainment area; and  
2. Fifty (50) tons per year for any Agricultural Facilities located outside a federal ozone nonattainment area.~~
- ~~(iii) Five (5) tons per year of any single Hazardous Air Pollutant, 12.5 tons per year of any combination of Hazardous Air Pollutants or one half (1/2) the amount of any such lesser quantity of a single Hazardous Air Pollutant that USEPA should establish by rule.~~

(E) Specific Equipment Not Requiring a Permit.

- (1) Vehicles and Transportation Equipment.

- (a) Motor vehicles as defined by §415 of the Vehicle Code of the State of California but not including any article, machine, equipment, or other contrivance mounted on such vehicle, that would otherwise require a permit under the provisions of these rules and regulations.
  - (b) Equipment mounted upon vehicles that are used exclusively to transport materials on streets or highways including, but not limited to, cement trucks, and gasoline tanker trucks (does not include asphalt or coal tar pitch roofing kettles).
  - (c) Locomotives, airplanes, and watercraft used to transport passengers or freight.
- (2) Combustion and Heat Transfer Equipment.
- (a) Internal Combustion Engines and Gas Turbines - Piston type internal combustion engines with a manufacture's maximum continuous rating of less than 50 brake horsepower, or gas turbine engines with a maximum heat input rate of less than 3,000,000 Btu (756,300 kilogram calories) per hour at International Standardization Organization (ISO) Standard Day Conditions. The ratings of all engines or turbines used in the same process will be aggregated to determine whether this exemption applies.
  - (b) General Combustion Source - Any combustion equipment that has a maximum heat input rate of less than 2,000,000 Btu (504,000 kilogram calories) per hour (gross) and is equipped to be fired exclusively with Public Utilities Commission regulated natural gas, liquefied petroleum gas or any combination thereof. The ratings of all combustion equipment used in the same process will be aggregated to determine whether this exemption applies.
  - (c) Internal combustion engines used exclusively for training at educational institutions.
  - (d) Internal combustion engines registered pursuant to the California Statewide Portable Engine Registration Program.
  - (e) Fuel cells which use phosphoric acid, molten carbonate, proton exchange membrane or solid oxide technologies.
- (3) Structures and Equipment - General.
- (a) Structural changes which cannot change the quality, nature or quantity of air contaminant emissions.
  - (b) Repairs or maintenance not involving structural changes to any equipment for which a permit has been granted.

- (c) Equipment utilized exclusively in connection with any structure, which structure is designed for and used exclusively as a dwelling for not more than four families.
  - (d) Laboratory equipment used exclusively for chemical and physical analysis and bench scale or laboratory test equipment.
  - (e) Vacuum-producing devices used in laboratory operations or in connection with other equipment which is exempt by this rule.
  - (f) Vacuum-cleaning systems used exclusively for industrial, commercial or residential housekeeping purposes.
  - (g) Natural-draft hoods, natural-draft stacks, or natural-draft ventilators.
  - (h) Bench scale experiments or research operations and equipment used exclusively for investigation, experimentation or research to advance the state of air pollution control knowledge or to improve techniques. Prior approval, which may include limitation of time, shall be obtained in writing from the Air Pollution Control Officer.
- (4) General Utility Equipment.
- (a) Comfort air conditioning or ventilating systems which are not designed or used to remove air contaminants generated by or released from specific units of equipment.
  - (b) Refrigeration units except those used as or in conjunction with air pollution control equipment.
  - (c) Water cooling towers and water cooling ponds that have a circulation rate of less than 10,000 gallons/minute (37,800 liters/minute) and which are not used for: evaporative cooling of process water; or aqueous solutions used for evaporative cooling of barometric jets or barometric condensers; and into which no chromium compounds are added.
  - (d) Equipment used exclusively for steam cleaning if the aggregate of all combustion sources associated with the same process is less than 2,000,000 Btu per hour and if the unit(s) is fired exclusively with natural gas or liquefied petroleum gas.
    - (i) The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permitting requirements.
    - (ii) Combustion units associated with the steam equipment are not excluded from permit requirements unless they fall below the threshold in (E)(2)(b).

[\[Incorporated for clarification pursuant to District Exemption Policy, April 7, 2014.\]](#)

- (e) Equipment used exclusively for space heating other than boilers.
- (5) Glass, Ceramic, Metallurgical Processing & Fabrication Equipment.
- (a) Crucible-type or pot-type furnaces with a brimful capacity of less than 452 cubic inches (7400 cubic centimeters) of any molten metal.
  - (b) Crucible furnaces, pot furnaces, or induction furnaces with a capacity of less than 992 pounds (450 kilograms) each, in which no sweating or distilling is conducted, provided such equipment is exempt pursuant to subsection (E)(2)(b), and from which only the following metals are poured or in which only the following metals are held in a molten state (provided the materials do not contain alloying elements of arsenic, beryllium, cadmium, chromium and/or lead). Percent by weight of such metals shall be determined by the referenced test method, or an equivalent method approved by the APCO.
    - (i) Aluminum or any alloy containing over 50 percent aluminum by weight. ASTM E 34-88
    - (ii) Magnesium or any alloy containing over 50 percent magnesium by weight. ASTM E 35-88
    - (iii) Lead or any alloy containing over 50 percent lead by weight. ASTM E 46-87
    - (iv) Tin or any alloy containing over 50 percent tin by weight. ASTM E 46-87
    - (v) Zinc or any alloy containing over 50 percent zinc by weight. ASTM E 536-84
    - (vi) Copper. ASTM E 34-88
    - (vii) Precious metals (gold, silver, palladium, and platinum). ASTM E 1335-90
  - (c) Molds used for the casting of metals.
  - (d) Equipment used exclusively for inspection of metal products and control equipment venting exclusively such equipment.
  - (e) Brazing, hand-held soldering, and hot air solder leveling, (but not hot-oil or vapor phase solder levelings), and control equipment venting exclusively such equipment. Welding [equipment](#), ~~or~~ oxygen gaseous fuel-cutting equipment, [laser etching equipment](#), [engraving of metal equipment](#) and [associated](#) control equipment ~~venting such equipment~~. [\(This exemption does not include plasma arc-cutting equipment or laser cutting equipment that is used to cut stainless steel or alloys containing cadmium, chromium, lead, manganese or nickel, or laser cutters that are](#)

~~with an electrical power input rated moreing greater than 400 watts30 KVA~~ and control equipment venting such equipment. *[Derived from SCAQMD (e)(8) and 40 CFR Part 63 National Emissions Standards for HAPs: Area Source Standards for Nine Metal Fabrication and Finishing Source Categories.]*

- (f) Equipment used for washing products fabricated from metal or glass provided that no organic washing agents are used in the process.
  - (g) Foundry sand mold forming equipment to which no heat and no VOC or chemical desiccants are applied, and control equipment venting such equipment exclusively.
  - (h) Equipment used exclusively for forging, pressing, rolling, or drawing of metals or for heating metals exclusively with electricity prior to forging, pressing, rolling, or drawing.
  - (i) Equipment used exclusively for heat treating glass or metals (provided no organic compounds are present) or used exclusively for case hardening, carburizing, cyaniding, nitriding, carbonitriding, siliconizing, or diffusion treating of metal objects, provided any combustion equipment involved is exempt pursuant to subparagraph (E)(2)(b).
  - (j) Ladles used in pouring molten metals.
  - (k) Tumblers used for the cleaning or deburring of metal products without abrasive blasting.
  - (l) Die casting machines, except those used for copper base alloys, those with an integral furnace having a brimful capacity of more than 992 pounds (450 kg), or those using a furnace not exempt pursuant to subparagraph (E)(2)(b).
  - (m) Wax burnout kilns where the total internal volume is less than 7.0 cubic feet (0.2 cubic meter) or kilns used exclusively for firing ceramic ware, provided such kilns are exempt pursuant to subparagraph (E)(2)(b).
  - (n) Shell core and shell-mold manufacturing machines.
- (6) Abrasive Blasting Equipment.
- (a) Blast cleaning cabinets in which a suspension of abrasive in water is used and control equipment venting exclusively such equipment.
  - (b) Abrasive blast cabinet dust-filter combination units where the total internal volume of the blast section is less than 53 cubic feet (1.5 cubic meters).

- (c) Enclosed equipment used exclusively for shot blast removal of flashing from rubber and plastics at sub-zero temperatures and control equipment venting exclusively such equipment.
- (d) Shot peening operations on non-ferrous materials, provided no surface material is removed, and control equipment venting exclusively such equipment.
- (e) Portable sand/water blaster equipment and associated internal combustion engine provided the water in the mixture is 66 percent or more by volume is maintained during operation of such equipment. Internal combustion engines must be exempt pursuant to (E)(2)(a). [Derived from SCAQMD Rule 219 §(f)(5).]

(7) Machining Equipment.

- (a) Equipment used exclusively for buffing (except automatic and semi-automatic tire buffers), polishing, carving, mechanical, cutting, drilling, machining, pressing, routing, sanding, surface grinding or turning of ceramic art work, ceramic precision parts, leather, metals, plastics, rubber, fiberboard, masonry, carbon or graphite, and control equipment exclusively venting such equipment.
- (b) Equipment used exclusively for carving, cutting, drilling, planing, routing, sanding, sawing, shredding or turning of wood or the extruding, pressing or storage of wood chips, sawdust, wood shavings, and control equipment exclusively venting such equipment.
- (c) Equipment used exclusively to mill or grind coatings and molding compounds where all materials charged are in paste form.

(8) Printing and Reproduction Equipment.

- (a) Printing and related coating or laminating equipment, without dryers, using less than two gallons of combined graphic arts material per day. Dryers include, but are not limited to, UV lights and infrared lamps. Graphic arts materials are any inks, coatings, adhesives, fountain solutions, thinners, retarders, or cleaning solutions used in printing or related coating or laminating processes. (Does not include equipment associated with wood flat stock coating operations).
- (b) Photographic process equipment by which an image is reproduced upon material sensitized by radiant energy and control equipment venting exclusively such equipment.
- (c) Platen presses used in laminating.
- (d) Silk screening where the product is manually positioned.

- (9) Food Processing and Preparation Equipment.
- (a) Smokehouses for preparing food in which the maximum horizontal inside cross-sectional area does not exceed 21.5 square feet (2 square meters).
  - (b) Confection cookers where products are edible and intended for human consumption and control equipment venting exclusively such equipment.
  - (c) Equipment used exclusively to grind, blend, or package tea, cocoa, spices or roasted coffee, and control equipment venting exclusively such equipment.
  - (d) Equipment used in eating establishments for the purpose of preparing food for human consumption.
  - (e) Ovens, mixers, scales, and blenders used in bakeries where products are edible and intended for human consumption and control equipment venting exclusively such equipment whose total production is less than 1,000 pounds (454 kilograms) of product per operating day.
  - (f) Smokehouses using exclusively liquid smoke and which are completely enclosed with no vents to any control device or the atmosphere.
  - (g) Barbecue equipment which is not used for commercial purposes.
  - (h) Barbecue equipment which is used for commercial purposes within the district but for not more than a combined total of fourteen (14) days in any calendar year.
- (10) Plastics and Rubber Processing Equipment.
- (a) Any equipment/process listed below that has uncontrolled emissions of VOCs not exceeding five pounds (2.27 kilograms) in any one day.
    - (i) Presses used for curing rubber products and plastic products where no blowing agent is present.
    - (ii) Ovens used exclusively for the forming of plastics, which are concurrently being vacuum-held to a mold, and where no foam forming or expanding process is involved, provided such equipment is exempt pursuant to subparagraph (E)(2)(b).
    - (iii) Equipment used exclusively for softening or annealing plastics, provided such equipment is exempt pursuant to subparagraph (E)(2)(b).
  - (b) Presses used exclusively for extruding rubber products or plastics where no plasticizer is present, or for pelletizing polystyrene foam scrap, or to extrude or pelletize acrylics (except those used to pelletize polyvinyl chloride, polystyrene, and their copolymers).



- (c) Equipment used for compression molding or injection molding of plastics where no blowing agent is present and control equipment venting exclusively such equipment.
  - (d) Mixers, roll mills, and colanders for rubber or plastics where no material in powder form is added and no organic solvents, diluents, or thinners are used.
  - (e) Ovens used exclusively for the curing of vinyl plastisols by the closed-mold curing process provided such ovens are exempt pursuant to subparagraph (E)(2)(b).
  - (f) Equipment used exclusively for conveying and storing plastic pellets.
- (11) Mixing and Blending Equipment.
- (a) Batch mixers which have a brimful capacity of 55 gallons or 7.35 cubic feet (208 liters) or less.
  - (b) Equipment used exclusively for mixing and blending of materials to make adhesives where no organic solvents are used and no materials in powder form are added.
  - (c) Equipment used exclusively for mixing and blending of materials to make water emulsions of asphalt, grease, oils, or waxes where no materials in powder or fiber form are added.
  - (d) Mills, mixers, post mixing stations and dispersers, with a capacity of less than 251 gallons (950 liters) used exclusively to mix, grind, or thin liquid surface coating, where the operation temperature does not exceed 125°F (51.7°C) and no VOC or solvents are used and no supplemental heat is added.
  - (e) Concrete mixers, with a rated working capacity of less than one cubic yard.
- (12) Fabric Cleaning and Dyeing Equipment.
- (a) Equipment used exclusively for dyeing, stripping, or bleaching of textiles where no organic solvents, diluents, or thinners are used.
  - (b) Laundry dryers, extractors, or tumblers used for fabrics cleaned only with water solutions of bleach or detergent, and control equipment exclusively venting such equipment.
- (13) Miscellaneous Process Equipment.

- (a) Equipment used exclusively for bonding lining to brake shoes where no organic solvents are used.
- (b) Equipment used exclusively to liquefy or separate oxygen, nitrogen, or the rare gases from air provided that equipment is exempt pursuant to subparagraph (E)(2)(a) or (E)(2)(b).
- (c) Porcelain enameling furnaces, porcelain enameling drying ovens, or vitreous enameling drying ovens, except those units fired with fuel oil provided that such ovens are exempt pursuant to subparagraph (E)(2)(b).
- (d) Equipment used exclusively for surface preparation, cleaning, and/or stripping which uses acetic acid, alkaline oxidizing agents, hydrogen peroxide, salt solutions, sodium hydroxide and/or water. (Does not include chemical milling, circuit board etching, or the stripping of chromium).
- (e) Equipment used exclusively for electrolytic plating (excluding the use of chromic, hydrochloric or sulfuric acid) or electrolytic stripping (excluding the use of chromic, hydrochloric, nitric or sulfuric acid) of brass, bronze, copper, iron, tin, zinc, precious metals, and associated rinse tanks.
- (f) Equipment used exclusively for packaging of lubricants or greases.
- (g) Kilns with a rating of less than 2,000,000 Btu (504,000 kilogram calories) per hour used exclusively for firing ceramic ware except those fired by fuel oil (does not include wax burnout kilns).
- (h) Equipment used exclusively for coating objects with oils, melted waxes or grease and which contain no organic solvents, diluents, or thinners.
- (i) Equipment used exclusively for coating objects by dipping in waxes or natural and synthetic resins which contain no organic solvents, diluents, or thinners.
- (j) Unheated, non-conveyorized, non-agitated solvent rinsing containers and unheated non-conveyorized coating dip tanks with:
  - (i) An open surface area of less than 10.8 square feet (1.0 square meter) and an internal volume of less than 92.5 gallons (350 liters), and;
  - (ii) Only organic solvents with an initial boiling point of 302°F (150°C) or greater as determined by ASTM test method 1078-66, "Standard Test Method for Distillation Range of Volatile Organic Liquids" and;
  - (iii) Less than 25 gallons (94.6 liters) of solvent per year are lost to the atmosphere from all such equipment. Solvent lost shall not include solvent that is recycled or disposed of properly.

- (k) Batch ovens of less than 53 cubic feet (1.5 cubic meters) of internal volume where no melting occurs except:
  - (i) Ovens used to cure vinyl plastisols.
  - (ii) Ovens used to debond brake shoes.
  - (iii) These exemptions are allowed provided that such ovens are exempt pursuant to subsection (E)(2)(b).
- (l) Equipment used exclusively for washing or drying materials provided that no VOC are used in the process or that no fuel oil or solid fuel is burned.
- (m) Equipment used exclusively for manufacturing soap or detergent bars, including mixing tanks, roll mills, pladders, cutters, wrappers, where no heating, drying or chemical reactions occur.
- (n) Spray coating equipment operated within control enclosures.
- (o) Coating or adhesive application or laminating equipment such as air, airless, air-assisted airless, high volume low pressure (HVLP), air brushes, electrostatic spray coating equipment, roller coaters, dip coaters, vacuum coaters, flow coaters and spray machines provided that: used exclusively for water reducible coatings using less than three gallons per day.
  - (i) The VOC emissions from such equipment (including clean-up) are three (3) pounds per day or less or 66 pounds per calendar month or less; or
  - (ii) The total quantity of UV or electron beam (non-solvent based and non-waterborne) coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is six (6) gallons per day or less, or 132 gallons per calendar month or less; or
  - (iii) The total quantity of organic solvent based coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is one (1) gallon per day or less or 22 gallons per calendar month or less; or
  - (iv) The total quantity of water reducible or waterborne coatings and adhesives and associated VOC containing solvents (including clean-up) used in such equipment is three (3) gallons per day or less or 66 gallons per calendar month or less; or
  - (v) The total quantity of polyester resin and gel coat type materials and associated VOC containing solvents (including clean-up) used in such equipment is one (1) gallon per day or less or 22 gallons per calendar month or less; or
  - (vi) All coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (excluding cleanup

solvents) contain fifty (50) grams or less of VOC per liter of material and all cleanup solvents contain twenty five (25) grams or less of VOC per liter of material, and the total quantity of VOC emissions do not exceed one ton per calendar year.

If a combination of the coatings, adhesives and polyester resin and gel coat type materials identified in (ii), (iii), (iv) and/or (v) are used in any equipment, this exemption is only applicable if the operations meet the criteria specified in (i) or (vi), or the total usage of coatings, adhesives, polyester resin and gel coat type materials and associated VOC containing solvents (including cleanup) meets the most stringent applicable limit in (ii), (iii), (iv) or (v). For exemptions based on usage, solvent-based UV and waterborne UV materials are subject to the usage limits in (iii) and (iv), respectively. VOC emissions shall be determined using test methods approved by the District, CARB and USEPA. In the absence of approved test methods, the applicant can submit VOC calculation procedures acceptable to the District.

[This section derived from SCAQMD Rule 219 §(l)(6) pursuant to a request from industry.]

- (p) Surface coating and spray coating equipment using a combined total of less than one gallon-per-day (3.8 liters per day) of paint and solvent (does not include control enclosures).
- (q) Spray coating equipment and control enclosure used exclusively in primary and secondary schools; for instructional purposes only.
- (r) Inert gas generators except equipment not exempt pursuant to subparagraph (E)(2)(b).
- (s) Hammermills used exclusively to process aluminum cans.
- (t) Heated degreasers with a liquid surface area of less than 1 square foot (930 square centimeters).
- (u) Paper baling and associated shredding equipment and conveying systems serving such equipment and control equipment venting such equipment.
- (v) Architectural surface coatings equipment used for business and residential structures.
- (w) Oil/water separators that process water contaminated with petroleum products whose Reid Vapor Pressure does not exceed 0.5 pound per square inch (25 mm Hg).

(14) Storage and Transfer Equipment.

- (a) Equipment used exclusively for the storage and transfer of fresh, commercial, or purer grades of:
  - (i) Sulfuric acid or phosphoric acid with an acid strength of less than 99 percent weight by weight as determined by test method ASTM E 223-88 or an equivalent method approved by the APCO.
  - (ii) Nitric acid with an acid strength of less than 70 percent weight by weight as determined by test method ASTM D 891-89 or an equivalent method approved by the APCO.
- (b) Equipment used exclusively for the storage of Public Utilities Commission regulated natural gas and liquefied gases.
- (c) Equipment used exclusively for the transfer of less than 20,000 gallons (75,700 liters) per day of organic material or equipment used exclusively for the storage of the following:
  - (i) Unheated organic material with an initial boiling point of 302° F (150° C) or greater, or with an organic vapor pressure of 5 mm Hg (0.1 psia) or less at 70° F (21.1° C) as determined by the following ASTM test methods:
    - a. ASTM D 2879-86. "Standard Test Method for Vapor Pressure-Temperature Relationship and Initial Decomposition Temperature of Liquids by Isotenoscope"
    - b. ASTM 1078-86. "Standard Test Method for Distillation Range of Volatile Organic Liquids"
  - (ii) Fuel oils with 0.9042 specific gravity or higher (25° API or lower) as determined by test method ASTM D 287 or D 1298, or an equivalent method approved by the APCO.
  - (iii) Fuel oils with 0.8251 specific gravity or higher (40° API or lower) and having a storage capacity of less than 40,000 gallons (151,515 liters) as determined by test method ASTM D 287 or D 1298, or an equivalent method approved by the APCO.
- (d) Equipment used exclusively for transferring organic liquids, materials containing organic liquids, or compressed gases into containers of less than 60 gallons (225 liters) capacity, except equipment used for transferring more than 1,057 gallons (4,000 liters) per day of materials with a vapor pressure greater than 25.8 mm Hg (0.5 psia) at operating conditions.
- (e) Equipment with a capacity of less than 793 gallons (3,000 liters) used exclusively for the storage and transfer of any oil that has been used for its intended purpose and is subsequently designated for disposal or recycling.
- (f) Unheated underground equipment used exclusively for the storage of less than 6,077 gallons (23,000 liters) of organic liquids with a vapor pressure

of less than 77.5 mm Hg (1.5 psi) absolute under actual storage conditions as determined by test method ASTM D 2879-86 or an equivalent method approved by the APCO, and equipment used exclusively for the transfer from such storage.

- (g) Equipment used exclusively for the storage and transfer of liquid soaps, liquid detergents, vegetable oils, fatty acids, waxes, and wax emulsions.
  - (h) Equipment used exclusively for the storage and transfer of refined lubricating oils.
  - (i) Equipment used exclusively for the storage and transfer of gasoline having a storage capacity of less than 250 gallons (946 liters).
  - (j) Equipment used exclusively for the storage and transfer of "top white" (Fancy) or cosmetic grade tallow or edible animal fats intended for human consumption and of sufficient quality to be certifiable for United States markets.
  - (k) Equipment used exclusively for the storage, holding, melting, and transfer of asphalt or coal tar pitch with a capacity of less than 148 gallons (560 liters).
  - (l) Unheated solvent dispensing containers with capacity not more than 250 gallons (947 liters).
  - (m) Mobile transport tanks or delivery tanks or cargo tanks on vehicles for delivery of VOC, except asphalt tankers, used to transport and transfer hot asphalt for roofing application.
- (15) Exceptions.
- (a) A written permit may be required for any process, article, machine, equipment, or other contrivance, not otherwise subject to such permit requirements, if:
    - (i) The process, article, machine, equipment, or other contrivance is subject to New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAPS), Maximum Available Control Technology (MACT), Airborne Toxic Control Measure (ATCM) or any source specific prohibitory rule; or,
    - (ii) The process, article, machine, equipment, or other contrivance emits, in quantities determined to be appropriate for review by the APCO, substances identified as toxic air contaminants or which are under review as candidate toxic air contaminants by the California Air Resources Board, or Federal EPA; or,

- (iii) The APCO makes a determination that a permit shall be required because the equipment may not operate in compliance with all district rules and regulations.

(F) Recordkeeping

- (1) Any person claiming exemptions under the provisions of this rule shall provide adequate records and any applicable Material Safety Data Sheets (MSDS) to verify and maintain any exemption. Such records shall be retained on-site for at least five (5) years. Any test method used to verify the percentages, concentration, vapor pressures, etc., shall be District approved.

[SIP: Submitted as amended on mm/dd/yy on \_\_\_\_\_; SIP Pending 4/25/2005; SIP Approved San Bernardino County portion 6/6/1977, SIP Approved Riverside County portion SCAQMD Rule 219 as amended 9/4/1981.]

See SIP Table at <http://www.mdaqmd.ca.gov/Modules/ShowDocument.aspx?documentid=45> \

**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.)  
RECEIVED  
MDAQMD

STATE OF CALIFORNIA, APR 27 AM 11:03  
County of San Bernardino

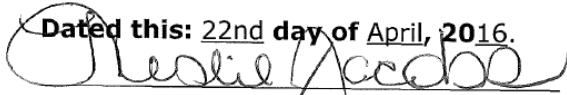
I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, 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:

April 22

All in the year 2016.

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated this: 22nd day of April, 2016.



Signature

Leslie Jacobs

This space is the County Clerk's Filing Stamp

FILED  
MOJAVE DESERT AQMD  
CLERK OF THE BOARD

APR 27 2016

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 a public hearing on May 23, 2016 at 10:00 A.M. to consider the proposed amendment of Rule 219 - Equipment Not Requiring a Permit.

**SAID HEARING** 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 proposed amended Rule 219 - Equipment Not Requiring a Permit and the Staff Report are on file and may be obtained from the Clerk of the Governing Board at the MDAQMD Offices. Written comments may be submitted to Eldon Heaston, APCO at the above office address. Written comments must be received no later than May 20, 2016 to be considered. If you have any questions you may contact Tracy Walters at (760) 245-1661 extension 6122 for further information. Traducción esta disponible por solicitud.

The proposed amendments to Rule 219 - Equipment Not requiring a Permit are necessary to address a more detailed interpretation by the California Air Resources Board of Senate Bill 700 provisions, and to update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

Pursuant to the California Environmental Quality Act (CEQA) the MDAQMD has determined that a Categorical Exemption (Class B - 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

Published in the  
Daily Press  
April 22, 2016  
(F-84)

## NOTICE OF HEARING

**NOTICE IS HEREBY GIVEN** that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on May 23, 2016 at 10:00 A.M. to consider the proposed amendment of Rule 219 – *Equipment Not Requiring a Permit*.

**SAID HEARING** 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 proposed amended Rule 219 – *Equipment Not Requiring a Permit* and the Staff Report are on file and may be obtained from the Clerk of the Governing Board at the MDAQMD Offices. Written comments may be submitted to Eldon Heaston, APCO at the above office address. Written comments must be received no later than May 20, 2016 to be considered. If you have any questions you may contact Tracy Walters at (760) 245-1661 extension 6122 for further information. Traducción esta disponible por solicitud.

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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.

Michele Baird  
Clerk of the Board  
Mojave Desert Air Quality Management District

**Appendix “C”**  
**Public Comments and Responses**

1. Metropolitan Water District of Southern California, Subject: MDAQMD Notice to Comply 4421, 3M Scotchkote Spray System HSS-450, July 29, 2015. (Attachments included in this letter have not been included but are available upon request.  
Attachments: MDAQMD NTC; 3M Scotchkote Spray System HSS-450; SCAQMD Preliminary Draft Staff Report for Proposed Amended Rule 1107 – Coating of Metal Parts and Products, July 2012; SCAQMD Proposed Amended Rule 1107 – Coating of Metal Parts and Products; SCAQMD Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, Amended May 3, 2013.
2. USEPA email, Subject: MDAQMD and AVAQMD Rules 219, January 22, 2016.

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# 1. Metropolitan Water District of Southern California



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

Office of the General Manager

July 29, 2015

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Bret Banks  
Deputy Director Antelope Valley Operations  
Mojave Desert Air Quality Management District  
14306 Park Avenue  
Victorville, California 92392-2310

Dear Mr. Banks:

## **MDAQMD Notice to Comply 4421, 3M Scotchkote Spray System HSS-450**

This correspondence is a follow-up to the July 27, 2015 conversation last week between you and Ms. Carol Kaufman of my staff, regarding Notice to Comply (NTC) 4421, which was issued subsequent to the June 10, 2015 inspection of the Metropolitan Water District of Southern California (Metropolitan), Gene Pumping Plant. The NTC requests compliance verification of the transfer efficiency for the 3M Scotchkote Spray System HSS-450 (Spray System) with MDAQMD Rule 1115, to be followed by applicable permitting.

To address the NTC, in the July 27<sup>th</sup> discussion you were receptive to reviewing the applicability of the latest South Coast Air Quality Management District (SCAQMD) rulemaking activities for Rule 1107, Coating of Metal Parts and Products. In their 2012 rulemaking, SCAQMD proposed added flexibility to allow other spray equipment options for high viscosity coatings, and recommended that high viscosity coatings be exempt from the transfer efficiency requirements. The 3M Spray System falls under these criteria, as it is dedicated to the application of 3M Liquid Epoxy Coating 323, which is a 100% solids epoxy coating with a VOC content as mixed of 12 g/L. Additionally, in permitting the high viscosity, high solids coating application equipment, SCAQMD has taken the approach of not requiring permits for coating equipment that has VOC emissions of three pounds per day or less or 66 pounds per calendar month or less. Therefore, in alignment with the SCAQMD's approach, we are asking that the 3M Scotchkote 323 Spray System similarly not be subject to the MDAQMD metal parts coating transfer efficiency and permitting requirements.

## **Background**

The Spray System utilizes a dual-cartridge setup along with unique application equipment designed specifically to spray apply the 100 % solids epoxy coating, Scotchkote 323. The novel system is designed to improve application efficiency, and can provide high build in one pass up to 45 mils (1150 microns). As compared to standard application methods, this can effectively reduce the need for additional coats up to four times. Attachment 1 is the brochure describing the 3M Scotchkote Spray System HSS-450 Spray System.

In recognition of the Spray System's improved application efficiency combined with the high viscosity and low VOC content of the Scotchkote 323, SCAQMD's proposed and existing rule requirements are as follows below.

Transfer Efficiency:

To date no formal transfer efficiency information has been available from either 3M or the Spray System manufacturer, Plas-Pak Industries. However, the properties of the high viscosity coatings and their application equipment were recognized during the SCAQMD 2012 rulemaking activities to amend Rule 1107. In their July 2012 Proposed Amended Rule (PAR) 1107 (Attachment 2), the following was proposed:

(f) Exemptions (8) *The provisions of paragraph (c)(1)\* shall not apply to metal coatings with a viscosity of 650 centipoise or greater, as applied.*

\* (c)(1) refers to approved operating equipment, including HVLP guns, and guns with specific transfer efficiencies.

In further reference to transfer efficiency, the SCAQMD July 2012 PAR 1107 Preliminary Draft Staff Report (page 9) (Attachment 3) states that, "*The options available for coating application equipment will be expanded for high viscosity coatings. Flexibility will be provided for shops that are able to document that alternative application equipment would reduce emissions beyond HVLP spray technology. Some coating properties such as high solids content may make HVLP spray application impractical without additional thinning. Facilities may submit a plan providing for the District to review and allow other spray techniques where the use of HVLP equipment would result in greater emissions. Additionally, an exemption will be included for high viscosity coatings.*"

Permitting:

In recognition of the properties of high viscosity coatings, SCAQMD Rule 219, Equipment Not Requiring a Written Permit Pursuant to Regulation II, (I)(6) (Attachment 4), exempts the following:

"Coating or adhesive application or laminating equipment such as air, airless, air-assisted airless, high volume low pressure (HVLP), air brushes, electrostatic spray equipment, roller coaters, dip coaters, vacuum coaters, flow coaters and spray machines provided that:

(A) the VOC emissions from such equipment (including clean-up) are three (3) pounds per day or less or 66 pounds per calendar month or less".

Attachments

In support of our request, the following documents are attached:

1. MDAQMD Notice to Comply No. 4421, Dated 7/15/15
2. 3M Scotchkote Spray System HSS-450 Manufacturer Information (14 pages)
3. SCAQMD Preliminary Draft Staff Report for Proposed Amended Rule 1107 – Coating of Metal Parts and Products, Highlighted Text on Pages 2, 9, 14, 37, 56-58 (23 pages)
4. SCAQMD Proposed Amended Rule 1107 – Coating of Metal Parts and Products (21 pages)
5. SCAQMD Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II (6 pages)

Mr. Bret Banks  
Page 3  
July 29, 2015

1

We appreciate your review of our request to resolve the NTC. The Spray System's efficient design, in conjunction with the high viscosity and low VOC content of the Scotchkote 323 coating, merit alignment of the transfer efficiency and permitting requirements with SCAQMD's approach.

If you have any questions or require additional information, please contact Ms. Carol Kaufman at (213) 217-6207.

Very Truly Yours,



Daniel J. Guilfoxy  
Manager, Environmental Program Support Team

SSES corres/Kaufman,Carol/ R-15-64 MDAQMD NTC 4421 MWD Reply7-29-15.doc

Attachments

cc: Mr. Alan De Salvio, Deputy Director Mojave Desert Operations, MDAQMD  
Mr. Daniel Concho, Air Quality Specialist, MDAQMD  
Ms. Roseana Navarro-Brasington, Air Quality Engineer, MDAQMD



1. Metropolitan Water District of Southern California  
Response

1. Rule 219 is proposed for amendment to include SCAQMD Rule 219 transfer efficiency language. Please refer to Rule 291 §(E)(13)(o). Rule 1115 will be amended in a separate action.

## 2. USEPA email

### Tracy Walters

---

**From:** Maurin, Lawrence <Maurin.Lawrence@epa.gov>  
**Sent:** Friday, January 22, 2016 2:27 PM  
**To:** Tracy Walters  
**Cc:** TSAI, YA-TING  
**Subject:** MDAQMD and AVAQMD Rules 219

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Tracy,

I am currently evaluating the 2010 submittal of Mojave Desert's Rule 219 and the 2011 submittal of Antelope Valley Rule 219 for SIP approval. I have looked through the staff report and have seen how you had incorporated comments that Laura Yannayon had submitted to you in 2010 prior to the adoptions of the rules.

We have since learned that CARB has provided some more detailed interpretation on the provisions in Senate Bill 700 relating to the permitting thresholds for minor agricultural sources. SB700 requires districts in California to permit agricultural sources with actual emissions at or above one half the major source threshold and prohibits districts from permitting agricultural sources with actual emissions less than one half the major source threshold. CARB had never defined which major source threshold should be referred to for permitting agricultural sources ((1) the SIP-approved threshold, (2) the most recent locally adopted threshold, or (3) the threshold corresponding with the current federal attainment status in 40 CFR 81.305). CARB has clarified that the permitting threshold for minor agricultural sources should be the most stringent of any major source threshold.

We are asking districts in California to revise their permit exemption rules in accordance with this new interpretation because most agricultural source exemption thresholds do not correspond with some SIP or locally adopted major source thresholds. EPA cannot approve into the SIP the rules which contain this discrepancy.

1 → San Joaquin Valley APCD has already made this revision, and South Coast AQMD and San Diego County APCD are in this process. We would like to ask Antelope Valley AQMD and Mojave Desert AQMD take steps to revise paragraphs (B)(3) and/or (D)(2)(b) and resubmit their respective versions of Rule 219 for SIP approval.

I would recommend taking a look at the language in San Joaquin Valley APCD Rule 2020, paragraph 6.20 for language that we would consider approvable for minor agricultural source exemptions. This language allows the major source thresholds to change, but will not affect the validity of the minor agricultural source exemption in Rule 219.

Please let me know if you have any thoughts. I'd be happy to have some further discussion on this request.

Thank you,

Larry

Larry Maurin  
Air Permits Office (AIR-3)  
U.S. Environmental Protection Agency, Region 9  
75 Hawthorne Street  
San Francisco, CA 94105

(415) 972-3943 (phone) / (415) 947-3579 (fax)  
[Maurin.Lawrence@epa.gov](mailto:Maurin.Lawrence@epa.gov)

2. USEPA email response

1. Please see Rule 219 §(D)(2)(b) for proposed updated language.

**Appendix “D”**  
California Environmental Quality Act  
Documentation

1. Draft Notice of Exemption – San Bernardino County
2. Draft Notice of Exemption – 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 Rule 219 – *Equipment Not Requiring a Permit*

**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 amendments to Rule 219 are necessary to address a more detailed interpretation by the California Air Resources Board of Senate Bill 700 (SB 700) provisions, and to update Rule 219 provisions applying to steam cleaning, welding, abrasive blasting, and coating or adhesive application or laminating equipment.

**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 219 are exempt from CEQA review because they will not create any adverse impacts on the environment.

The proposed amendments to Rule 219 will clarify portions of the rule that were previously adopted to incorporate the provisions of SB 700. Language is being changed in accordance with CARB interpretation so that the agricultural source exemption threshold corresponds to a State Implementation Plan (SIP) or Federal major source threshold.

The proposed amendments will also add clarification using existing District policy regarding the exemption of combustion sources used in steam cleaning operations. The equipment which applies steam to substrates for the sole purpose of removing grease, dirt and other residues is exempt from permit requirements but the exclusion does not apply to associated combustion units unless they are below the permitting threshold under Rule 219 §(E)(2)(b). This clarification strengthens the exemption and will not create any adverse impacts.

The exemption for welding is also proposed for modification to reflect requirements in the Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories (40 CFR 63 Subpart XXXXXX) which regulates nine (9) industrial processes, including welding. This is no longer a blanket exemption and may require a small number of facilities to obtain permits that were previously exempted.

This amendment proposes an additional portable sand/water blasting equipment exemption. The equipment proposed for exemption have negligible emissions due to the required elevated moisture content of the blasting media. In addition there are very limited numbers of the equipment proposed for exemption in the District (currently none). The exclusion does not apply to associated combustion units unless they are below the permitting threshold under (E)(2)(b). This exemption will create a negligible increase in emissions and therefore is not a relaxation of existing requirements.

The coating or adhesive application or laminating equipment exemption is proposed for amendment at the request of industry. This exemption will allow added flexibility to allow spray equipment options for high viscosity coatings, exemption from the transfer efficiency requirements, and not requiring permits for coating equipment that has Volatile Organic Compound (VOC) emissions of three (3) pounds per day or less. Compared to their higher-VOC counterparts, the use of ultra-low VOC materials is highly desirable from an air quality standpoint because of their lower potential for emissions. This change provides an incentive for the use of ultra-low VOC materials. Additionally, proposed changes will help create a level playing field which will result in the equal treatment of all printing and related coating, laminating equipment and associated dryers and curing equipment; and other coatings, adhesive application or laminating equipment, regardless of the generic composition (solvent based, waterborne, Ultra Violet/Electron Beam, etc.) of the materials used. The exemption threshold will allow substantial flexibility in usage of these ultra-low VOC materials without requiring written permits.

Because there is not potential that the adoption 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:** Eldon Heaston **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** 05/23/2016

**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 Rule 219 – *Equipment Not Requiring a Permit*

**PROJECT LOCATION – SPECIFIC:** San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

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Because there is not potential that the adoption 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:** Eldon Heaston **PHONE:** (760) 245-1661

**SIGNATURE:** \_\_\_\_\_ **TITLE:** Executive Director **DATE:** 05/23/2016

**DATE RECEIVED FOR FILING:**

## Appendix “E” Bibliography

The following documents were consulted in the preparation of this staff report.

1. *Rule and Implementation Information for Nine Metal Fabrication and Finishing Area Source Categories* (40 CFR 63 Subpart XXXXXX).
2. MDAQMD Combustion Sources Associated with Steam Cleaning Operations 219 Exemption Policy, April 7, 2014.
3. Dust suppression Report Summary, Published by Applied Environmental Sciences, Inc., May 30, 2014.

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**Mojave Desert Air Quality Management District  
Community Relations & Education Office  
14306 Park Avenue, Victorville, CA 92392**

\*\*\*\*\*

**REPORT OF MDAQMD ACTIVITIES FOR MAY 2016**

**CDAWG Scheduled for November 15 & 16**

The 2016 California Desert Air Working Group Conference has been scheduled for November 15 and 16 at the Orleans Resort and Casino in Las Vegas Nevada. The conference – sponsored by the MDAQMD and the Mojave Environmental Education Consortium - provides a dynamic forum for the exchange of information and quality training on timely, relevant air quality and regulatory issues facing today’s environmental professional. Representatives from industry, USEPA, CARB and from air districts throughout California and Nevada regularly present during the annual event. Registration information and an agenda will be available soon on the District’s website at [www.mdaqmd.ca.gov](http://www.mdaqmd.ca.gov).

**2016 Poster Contest Awards Ceremony to be Held June 1st**

An awards ceremony honoring the 12 winners of this year’s Clean Air Month Poster Contest is scheduled to take place at the MDAQMD on Wednesday, June 1 at 3:30PM. Winners whose teachers assigned the contest as a class project will also be recognized during the event, where winners will receive gift cards in denominations between \$25 and \$100. The Kindergarten through 12<sup>th</sup> grade winners will have their posters featured in the MDAQMD’s 2017 calendar, and two entries will be randomly selected to win bikes, courtesy of contest co-sponsor VVTA. Additional co-sponsors include the Daily Press, MEEC and AWMA’s Mojave Desert Chapter. Specials thanks to MDAQMD Board member Barb Stanton, who will be on hand to recognize contest winners on behalf of both the District and VVTA.

**MDAQMD Co-Hosts Solar Cook Off on May 14**

Thirteen teams of students from local schools showed off their “zero emission” culinary skills during the 4<sup>th</sup> Annual Solar Oven Cook Off on Saturday, May 14 at the San Bernardino County Museum in Apple Valley. The daylong event – sponsored by the MDAQMD and MEEC, in association with San Bernardino County’s Office of the First District – challenged students to design and build solar cookers and use them to prepare mouthwatering dishes. Over \$2,000 in prize money was awarded to winning teams in three age groups in the categories of “Best Solar Oven Design” and “Top Recipe.” Participating schools included Apple Valley High School, George Magnet School/Adelanto, Desert Knolls Elementary/Apple Valley, Cameron School/Barstow and Excelsior Charter of Victorville.

**2016 Lawn Equipment Exchange an Electrifying Success**

Mojave Desert residents from throughout the District – including Helendale and Barstow - traveled to the Victorville Fairgrounds to exchange their gas-powered lawn mowers, blowers and trimmers for electric models during the MDAQMD’s annual Exchange Event. As a result, almost 150 pieces of equipment were swapped out and the program’s 2016 budget was fully utilized. Tentative plans call for a 2017 Exchange to take place next April. Information on the event will be available at [www.mdaqmd.ca.gov](http://www.mdaqmd.ca.gov) early next year.

**Public Outreach Update**

On May 11, 15 students from Cal State San Bernardino’s Environmental Health Science program toured the Victorville monitoring station and heard lectures about meteorology and the science of air pollution presented by CRE and air monitoring staff.