



# AGENDA

June 15, 2023

1:00 P.M.

## Board of Directors

**BOARD OF SUPERVISORS HEARING ROOM  
BETTERAVIA GOVERNMENT CENTER  
511 EAST LAKESIDE PARKWAY  
SANTA MARIA, CA**

### Santa Barbara County

Board of Supervisors

Das Williams, First District

Laura Capps, Second District, *Vice-Chair*

Joan Hartmann, Third District

Bob Nelson, Fourth District

Steve Lavagnino, Fifth District

### City of Buellton

Mayor Dave King

Alternate, Vice-Mayor John Sanchez

### City of Carpinteria

Mayor Al Clark

Alternate, Councilmember Wade Nomura

### City of Goleta

Mayor Paula Perotte

Alternate, Mayor Pro Tem Kyle Richards

### City of Guadalupe

Mayor Ariston Julian

Alternate, Councilmember Christina Hernandez

### City of Lompoc

Councilmember Gilda Cordova

Alternate, Mayor Jenelle Osborne

### City of Santa Barbara

Mayor Randy Rowse

Alternate, Councilmember Eric Friedman

### City of Santa Maria

Mayor Alice Patino, *Chair*

Alternate, Councilmember Maribel Aguilera-Hernandez

### City of Solvang

Mayor Mark Infanti

Alternate, Councilmember Claudia Orona

### Clerk of the APCD Board

Aeron Arlin Genet

Web streaming of the of the APCD Board meetings, Agendas, Supplemental Materials, and Minutes of the APCD are available on the internet at: [www.ourair.org/apcd-board-of-directors-agenda](http://www.ourair.org/apcd-board-of-directors-agenda).

You may observe the live stream of the APCD Board meetings in the following ways:

- Televised on the County of Santa Barbara Television (CSBTV) local cable channel 20;
- Online at: [http://sbcounty.granicus.com/player/camera/4?publish\\_id=35&redirect=true](http://sbcounty.granicus.com/player/camera/4?publish_id=35&redirect=true)
- YouTube at: <https://www.youtube.com/user/CSBTV20>; and,
- Zoom at: <https://us02web.zoom.us/j/82213293530?pwd=a1N4L0pxdThqS0t5aDhNY01SVVdNZz09>  
Password: 630182

Persons may address the Board of Directors on any matter listed on the agenda. Matters not listed on the agenda may be addressed during the public comment period. Comments timely received on an agenda item will be placed into the record and distributed accordingly. If you wish or anticipate a desire to speak during the APCD Board of Directors Meeting, the following methods are available:

- **In-Person Santa Maria Location. Betteravia Government Center, Board Hearing Room, 511 East Lakeside Parkway, Santa Maria, CA.**  
Members of the public may address the Board on any matter listed on the agenda by completing and delivering a speaker slip to the Clerk before the item is considered.
- **In-Person Santa Barbara Remote Testimony, County Administration Building, Board Hearing Room, Fourth Floor, 105 East Anapamu Street, CA.**  
Members of the public may make a general public comment in-person by using the remote video testimony system located at the Santa Barbara County Board of Supervisors Hearing Room in Santa Barbara.
- **By Zoom.** Individuals wishing to view and provide public comment during the Board meeting through the Zoom application may join by clicking this link at the appointed time:  
<https://us02web.zoom.us/j/82213293530?pwd=a1N4L0pxdThqS0t5aDhNY01SVVdNZz09>  
**Password:** 630182  
Members of the public wishing to be called on for public comment should click on the "Raise Hand" button on Zoom when the item they wish to speak on has begun. When the Chair calls for public comment, the Clerk will announce you and will unmute your microphone. Comments from the public are limited to 3 minutes per speaker. The public will not be able to share their video or screen.

- **Telephone.** Individuals wishing to give public comment via phone are asked to call the number below at least 10 minutes prior to the start of the meeting at 12:50 pm.  
**Dial-In:** +1 (408) 638-0968 or +1 (669) 900-6833  
**Webinar ID:** 822 1329 3530  
**Passcode:** 630182
- **Distribution to the Board.** Submit comments no later than 5:00 p.m. on Wednesday, June 14, 2023 via email to [ias@sbcapcd.org](mailto:ias@sbcapcd.org), or mail to APCD Clerk of the Board at 260 North San Antonio Road, Suite A, Santa Barbara, to the Clerk CA 93110. Your comment will be placed into the record and distributed appropriately.

The times shown for the duration of agenda items are estimates. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Board Clerk to all or a majority of the members of the District Board less than 72 hours prior to that meeting are available for inspection on the District website. In compliance with the Americans with Disabilities Act, individuals needing special accommodations to participate in the meeting should contact the APCD Clerk of the Board at least three working days prior to the scheduled meeting.

**A. CALL TO ORDER – ROLL CALL**

**B. PLEDGE OF ALLEGIANCE**

**C. APPROVAL OF MINUTES**

**Approve minutes of the May 18, 2023 meeting.**

**D. ADMINISTRATIVE ITEMS**

**Approved by vote on one motion. These items read only on request of Board members.**

**D-1) Update on Public Outreach Activities**

**Receive and file an update on District outreach activities.**

**D-2) District Grant and Incentives Program Activity**

**Receive and file the following grant program related activity:**

- 1. An update on the Old Car Buy Back Program for vehicles retired during the period of May 1, 2023 through May 31, 2023; and**
- 2. Summary of the emission-reduction grant agreements approved by the Air Pollution Control Officer for the period of May 1, 2023 through May 31, 2023; in accordance with Board Resolution Number 20-13.**

**D-3) Notice of Violation Report**

**Receive and file the summary of notices of violation issued and penalty revenue received during the month of May 2023.**

**D-4) Adoption of the Fiscal Year 2023-24 Budget**

**Consider the Fiscal Year 2023-24 Budget as follows:**

- 1. Hold a public hearing to consider and adopt the budget for Fiscal Year 2023-24, as presented in the Fiscal Year 2023-24 Proposed Budget document; and**
- 2. Adopt the following:**
  - a. Budget Resolution approving the Fiscal Year 2023-24 District Budget;**

- b. **Salary Resolution amending the Classification and Salary Plan to adjust the salary for all staff based on the collective bargaining agreements and the Management Personnel Benefits Resolution previously approved by your Board on August 18, 2022.**

**D-5) Additional Funding for Woodsmoke Reduction Program**

Consider recommendations as follows:

1. **Approve and authorize the Air Pollution Control Officer (APCO) to accept \$213,104 from the California Air Resources Board (CARB) to continue the District's implementation of the Woodsmoke Reduction Program as outlined in the Woodsmoke Reduction Program - Program Guidelines - Fiscal Year 2021-2022 Appropriation;**
2. **Delegate authority to the APCO to sign a Grant Agreement with CARB;**
3. **Delegate authority to the APCO to sign installer agreements that are approved by Counsel, Auditor, and Risk Management and which shall meet the program requirements established by CARB; and**
4. **Approve and adopt a Resolution in the Matter of Continued Participation in the California Air Resources Board's Woodsmoke Reduction Program.**

**D-6) California Electric Vehicle Infrastructure (CALeVIP) Services Agreement Amendment #2**

**Approve and authorize the Chair to execute Amendment #2 to the Incentive Program Implementation Services Agreement with Center for Sustainable Energy.**

**D-7) APCD Hearing Board Appointment**

**Consider recommendation of the APCD Hearing Board Nominating Committee to reappoint Mr. Terence Dressler to the public member position on the APCD Hearing Board for a three-year term.**

**D-8) Revised District Board Meeting Schedule for Year 2023**

**Approve the District Board of Director's revised regular meeting schedule for 2023.**

**E. DIRECTOR'S REPORT  
(EST. TIME: 10 Min.)**

**Receive brief oral report by the Air Pollution Control Officer. Report to include items such as: Achievements of District staff, upcoming events of interest to the Board of Directors and the public, general status of District programs, state and federal activities and legislation, updates on air quality, updates from the California Air Pollution Control Officers Association (CAPCOA). There will be no Board discussion except to ask questions or refer matters to staff; and no action will be taken unless listed on a subsequent agenda.**

**F. PUBLIC COMMENT PERIOD**

**The Public Comment Period is reserved for persons desiring to address the APCD Board on any subject within the jurisdiction of the Board that is not included as part of the agenda. Comments shall be limited to fifteen minutes, divided among those desiring to speak, but no person shall speak longer than three minutes.**

**G. DISCUSSION ITEMS**

**G-1) Overview of Voluntary Clean Air Grant and Incentive Programs  
(EST. TIME: 20 Min.)**

Receive and file a presentation on the status of the District's Clean Air Grant and Incentive Programs.

**G-2) Wildfire Smoke Preparedness  
(EST. TIME: 15 Min.)**

Receive and file a presentation on wildfire smoke preparedness.

**H. ANNOUNCEMENTS**

This meeting will be rebroadcast on Sunday June 18, 2023, at 5:00 p.m. on County of Santa Barbara TV Channel 20.

**I. ADJOURN**

The Santa Barbara County Air Pollution Control District Board is adjourned to 1:00 p.m. on August 17, 2023.





**ACTION SUMMARY**

(Unofficial)

May 18, 2023

1:00 P.M.

**BOARD OF SUPERVISORS HEARING ROOM  
COUNTY ADMINISTRATION BUILDING  
105 EAST ANAPAMU STREET  
SANTA BARBARA, CA**

**Board of Directors**

**Santa Barbara County  
Board of Supervisors**

Das Williams, First District  
Laura Capps, Second District, *Vice-Chair*  
Joan Hartmann, Third District  
Bob Nelson, Fourth District  
Steve Lavagnino, Fifth District

**City of Buellton**

Mayor Dave King  
Alternate, Vice-Mayor John Sanchez

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Alternate, Councilmember Wade Nomura

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Mayor Paula Perotte  
Alternate, Mayor Pro Tem Kyle Richards

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Alternate, Councilmember Christina Hernandez

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Councilmember Gilda Cordova  
Alternate, Mayor Jenelle Osborne

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Alternate, Councilmember Eric Friedman

**City of Santa Maria**

Mayor Alice Patino, *Chair*  
Alternate, Councilmember Maribel Aguilera-Hernandez

**City of Solvang**

Mayor Mark Infanti  
Alternate, Councilmember Claudia Orona

**Clerk of the APCD Board**

Aeron Arlin Genet

**A. CALL TO ORDER – ROLL CALL**

Chair Capps called the meeting to order at 1:00 p.m.

Present: 11 - Williams (left at approx. 2:01 pm), Capps, Hartmann, Lavagnino, Nelson, King, Perotte, Julian, Cordova, Rowse, Orona.

Absent: 2 - Clark, Patino.

**B. PLEDGE OF ALLEGIANCE**

**C. APPROVAL OF MINUTES**

**Approve minutes of the March 16, 2023 meeting.**

A motion was made by Board member Nelson, seconded by Board member Rowse that the minutes of the March 16, 2023 meeting be approved. The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona.

Noes: 0 - None.

Abstain: 0 - None.

Absent: 2 - Clark, Patino.

**D. ADMINISTRATIVE ITEMS**

**Approved by vote on one motion. These items read only on request of Board members.**

**D-1) Update on Public Outreach Activities**

**Receive and file an update on District outreach activities.**

A motion was made by Board member Julian, seconded by Board member Williams that this matter be received and filed. The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona.

Noes: 0 - None.

Abstain: 0 - None.

Absent: 2 - Clark, Patino.

**D-2) District Grant and Incentives Program Activity**

**Receive and file the following grant program related activity:**

- 1. An update on the Old Car Buy Back Program for vehicles retired during the period of March 1, 2023 through April 30, 2023; and**
- 2. Summary of the emission-reduction grant agreements approved by the Air Pollution Control Officer for the period of March 1, 2022 through April 30, 2023; in accordance with Board Resolution Number 20-13.**

A motion was made by Board member Julian, seconded by Board member Williams that this matter be received and filed. The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona.  
Noes: 0 - None.  
Abstain: 0 - None.  
Absent: 2 - Clark, Patino.

**D-3) Notice of Violation Report**

**Receive and file the summary of notices of violation issued and penalty revenue received during the months of March and April 2023.**

A motion was made by Board member Julian, seconded by Board member Williams that this matter be received and filed. The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona  
Noes: 0 - None.  
Abstain: 0 - None.  
Absent: 2 - Clark, Patino.

**D-4) Resolution Reaffirming the District's Use of Specified County Services**

**Approve and adopt a Resolution reaffirming the District's use of specified County services.**

A motion was made by Board member Julian, seconded by Board member Williams that this matter be approved. Adopted APCD Resolution No. 23-02 The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona.  
Noes: 0 - None.  
Abstain: 0 - None.  
Absent: 2 - Clark, Patino.

**D-5) Minutes of the September 22, 2022 Regular Meeting and Minutes of the October 20, 2022, and November 18, 2022 Special Meetings of the South Central Coast Basinwide Control Council.**

**Receive and file minutes of the September 22, 2022, regular meeting and minutes of the October 20, 2022 and November 18, 2022 special meetings of the South Central Coast Basinwide Control Council.**

A motion was made by Board member Julian, seconded by Board member Williams that this matter be received and filed. The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona.  
Noes: 0 - None.  
Abstain: 0 - None.  
Absent: 2 - Clark, Patino.

**E. DIRECTOR'S REPORT**

Receive brief oral report by the Air Pollution Control Officer. Report to include items such as: Achievements of District staff, upcoming events of interest to the Board of Directors and the public, general status of District programs, state and federal activities and legislation, updates on air quality, and updates from the California Air Pollution Control Officers Association (CAPCOA). There will be no Board discussion except to ask questions or refer matters to staff; and no action will be taken unless listed on a subsequent agenda.

Received Director's Report.

**F. PUBLIC COMMENT PERIOD**

Persons desiring to address the APCD Board on any subject within the jurisdiction of the Board that is not included as part of the agenda must complete and deliver to the Clerk the "Request to Speak" form which is available at the Hearing Room entrance prior to the commencement of this comment period. Comments shall be limited to fifteen minutes, divided among those desiring to speak, but no person shall speak longer than three minutes.

There were no public comments.

**G. DISCUSSION ITEMS**

**G-1) Fiscal Year 2023-24 Proposed Budget**

Consider the Fiscal Year 2023-24 Proposed Budget as follows:

1. Receive the Proposed Budget for Fiscal Year 2023-24;
2. Hold a public hearing to accept comments and provide direction to staff regarding changes desired by the Board; and
3. Schedule a budget adoption hearing for June 15, 2023.

A motion was made by Board member Hartmann, seconded by Board member King that this matter be acted on as follows:

- a) Received;
- b) Conducted public hearing, no public comments were made; and
- c) Scheduled budget adoption hearing for June 15, 2023.

The motion carried by the following vote:

Ayes: 11 - Williams, Capps, Hartmann, Nelson, Lavagnino, King, Perotte, Julian, Cordova, Rowse, Orona.  
Noes: 0 - None.  
Abstain: 0 - None.  
Absent: 2 - Clark, Patino.

**G-2) Update on Vessel Speed Reduction Program and Ocean-Going Vessels**

**Receive and file an update on the 2022 Vessel Speed Reduction program and other activities related to large ocean-going vessels.**

Item Received.

*Director Williams left at this time.*

**H. ANNOUNCEMENTS**


This meeting will be rebroadcast on Sunday May 21, 2023, at 5:00 p.m. on County of Santa Barbara TV Channel 20.

**I. ADJOURN**

This meeting was adjourned at 2:09 p.m. to 1:00 p.m. on June 15, 2023.

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Lyz Bantilan, Public Information Officer, (805) 979-8283

SUBJECT: Update on Public Outreach Activities

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### RECOMMENDATION:

Receive and file this update on District outreach activities.

### BACKGROUND:

The District conducts public outreach throughout Santa Barbara County to provide air quality information. This regular agenda item will provide an update on recent outreach efforts by District staff since the previous Board meeting on May 18.

### DISCUSSION:

The District uses a variety of methods to share information about air quality and District programs. Those methods include the District website, news releases, air quality alerts, social media (Twitter, Instagram, and Nextdoor), school and civic group presentations, interagency coalitions, events and festivals, media interviews, and phone calls with the public. Efforts are made to provide information in English and Spanish. For this recurring agenda item, outreach activities will be organized into the following categories as needed: Agency Awareness, Community Programs, and Interagency and Regulatory Support Efforts. This update covers outreach efforts from the docket deadline of the May meeting to present.

## Agency Awareness

- **Media Relations:** The District regularly receives questions from the media regarding specific District programs as well as general air quality topics. During this time period, media interest in the District included the following coverage:
  - Marine Shipping Program: Supply Chain Dive
  - Start of High Fire Season: *Edhat* and *KSBY*
- **Santa Ynez Valley Open Streets:** The District was pleased to sponsor and attend the inaugural Santa Ynez Valley Open Streets, which took place in Buellton on May 21. The District's booth at the event provided bilingual information about air quality and health, wildfire smoke preparedness, our website resources, upcoming incentive programs, and ways to stay informed about District news and Air Quality Alerts.

## Community Programs

- **LEEF Program:** Earlier this month, the District launched the third year of our LEEF (Landscape Equipment Electrification Fund) Program. The program is available to businesses, public agencies, nonprofits, schools, and non-landscaping businesses that perform in-house landscaping work to trade in gasoline- or diesel-powered landscaping equipment and purchase electric-powered equipment. Individual homeowners are not eligible to apply. The program has approximately \$744,000 in project funding from CARB and will be available to applicants on a first-come, first-served basis. On July 19, APCD will host an electric landscaping equipment demonstration day at San Marcos High School in Santa Barbara; interested applicants are encouraged to attend to test out equipment from eight manufacturers. A similar event will be scheduled in the northern part of the county in the fall. More information is available on our website: [www.OurAir.org/LEEFProgram](http://www.OurAir.org/LEEFProgram).
- **Clean Air Ambassadors Program:** The District's Clean Air Ambassadors classroom program for K-3 students has been active in 2023, visiting 32 classrooms and reaching more than 600 students. This year also saw the rollout of a new lesson topic in a handful of the classes, focusing on the air quality benefits of renewable energy sources and sharing easy ways to reduce energy use in our daily lives. Looking forward, District staff will be meeting with the Buellton Union School District to identify ways to bring the program to schools in that part of the county, and recruitment for new Ambassadors based in the southern and northern parts of the county will start in August. For more information on the program, visit our website: [www.OurAir.org/clean-air-ambassadors-program/](http://www.OurAir.org/clean-air-ambassadors-program/)

## Interagency and Regulatory Support Efforts

- **Prescribed Burns:** During this period, District staff coordinated with County Fire on a prescribed training burn planned for Chamberlin Ranch near Los Olivos, as well as with Vandenberg Space Force Base on prescribed training burns planned to occur on base property. For prescribed burns, the District works with fire partners to complete a two-step public notification process: 1) a news release is issued once the burn window is identified, and 2) a follow-up media advisory is issued the day before or morning of the selected burn day. The District posts information about all burns on our social media accounts and sends

a text alert to subscribers the day before burning starts. As needed, portable air quality monitors are installed nearby to monitor for any smoke impacts to surrounding areas. During this time, the District also attended a County Agricultural Advisory Committee meeting to share information about our role with prescribed burns.

**FISCAL IMPACT:**

The costs for the outreach efforts and activities described above are included in the budget approved by your Board. There are no additional fiscal impacts.


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Agenda Item: D-2  
Agenda Date: June 15, 2023  
Agenda Placement: Admin  
Estimated Time: N/A  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board  
FROM: Aeron Arlin Genet, Air Pollution Control Officer   
CONTACT: Lorena Saldana, Executive Assistant/Board Clerk, (805) 979-8282  
SUBJECT: District Grant and Incentives Program Activity

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### RECOMMENDATION:

Receive and file the following:

1. An update on the Old Car Buy Back Program for vehicles retired during the period of May 1, 2023 through May 31, 2023; and
2. Summary of the emission-reduction grant agreements approved by the Air Pollution Control Officer for the period of May 1, 2023 through May 31, 2023 in accordance with Board Resolution Number 20-13.

### DISCUSSION:

This item provides an update on grant programs and the activity that has occurred since your last Board meeting. The grant fund allocation reports for the District’s Old Car Buy Back Program identify vehicles retired, funding allocation to date, emissions reduced, cost-effectiveness of program, and project location.

The District’s 2022 Clean Air Grants Program opened to receive grant applications on July 25, 2022 and closed on August 31, 2022. The District received 95 applications which have been reviewed for completeness, ranked, and are now in the process of grant agreement implementation. The 2022 Clean Air Grants Program has a budget of approximately \$3.8 million of California Air Resources Board funds (i.e., Carl Moyer Program, Community Air Protection Program, and FARMER Program). Eligible project categories include off-road equipment, on-road vehicles, school buses, agricultural engines, marine engines, and alternative fueling infrastructure. The funds will be prioritized for projects that implement zero or near-zero emission technology along with projects located within disadvantaged or low-income communities as defined by this map: <https://webmaps.arb.ca.gov/PriorityPopulations/>. As of May 31, 2023, 79 percent

(approximately \$3 million) of the total 2022 Clean Air Grant Program funds have been awarded and are in the attached grant agreement approval forms. The remaining grant funds and associated grant agreements are currently being processed.

**ATTACHMENTS:**

- A. Old Car Buy Back Program Update
- B. Grant Agreement Approval Forms

ATTACHMENT A

Old Car Buy Back Program Update

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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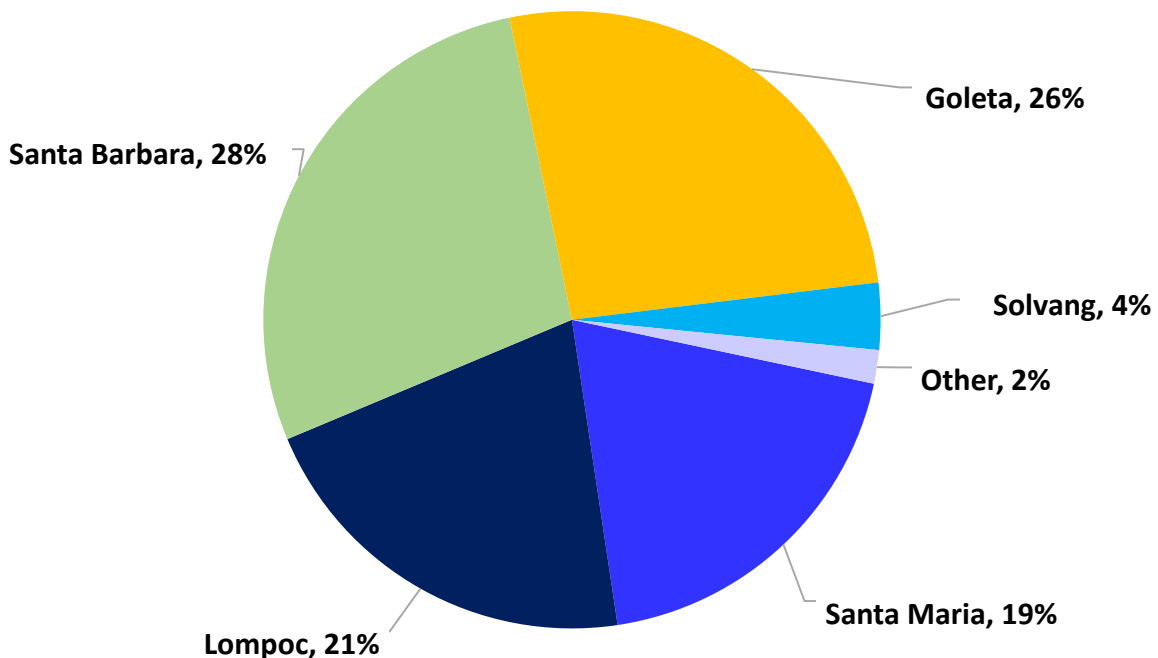
## Old Car Buy Back Program Update

The District’s Old Car Buy Back Program currently pays Santa Barbara County vehicle owners \$1,000 to voluntarily retire their fully legal and operational 1997 or older, light or medium duty car, truck, van, or SUV. The regional dismantlers earn \$250 for each vehicle that they help retire. Currently, the total program cost is \$1,250 to retire a vehicle.

The program accelerates the improvement of air quality by removing high polluting vehicles from the road, quicker than normal vehicle attrition. Funding for the program is derived from \$2 DMV registration surcharge funds. Below is the program data for the most recent reporting period and the entire fiscal year.

Old Car Buy Back Program Activity		
	5/1/2023 - 5/31/2023	FY 2022-2023
<b>Vehicles retired</b>	4	59
<b>Funds committed @ \$1,250/vehicle</b>	\$5,000	\$73,750
<b>Total tons reduced [NOx+ ROC + PM]</b>	0.31	4.61
<b>Average project cost-effectiveness</b>	\$22,230/ton	\$22,510/ton

### Vehicle Owner Location (FY 2022-2023)



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# ATTACHMENT B

## Grant Agreement Approval Forms

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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# GRANT AGREEMENT APPROVAL FORM

## GRANT INFORMATION

**To:** Air Pollution Control Officer  
**Staff Contact:** Jim Fredrickson  
**Date:** 4/28/2023  
**Grant Program:** \$2 DMV  
**Grant Program Funds:** \$1,500,000  
**Category:** Infrastructure

## PROJECT INFORMATION

**Grantee:** Los Olivos School District (AP222343)  
**Project Location:** Los Olivos  
**Grant Agreement Amount:** \$10,000  
**New Equipment:** One (1) single port Level 2 EV charging station  
**Grant Cost-Effectiveness (\$/T):** Not applicable for infrastructure projects  
**Cost-Effectiveness Limit (\$/T):** Not applicable for infrastructure projects  
**Project Life:** 3 Years  
**Project Emission Reductions:** Not applicable for infrastructure projects

Approved:   
\_\_\_\_\_  
Air Pollution Control Officer

Date: 1 May 2023

Please contact the Board Clerk to review this grant agreement

# GRANT AGREEMENT APPROVAL FORM

## GRANT INFORMATION

**To:** Air Pollution Control Officer  
**Staff Contact:** Jim Fredrickson  
**Date:** 5/3/2023  
**Grant Program:** \$2 DMV  
**Grant Program Funds:** \$1,500,000  
**Category:** Infrastructure

## PROJECT INFORMATION

**Grantee:** Orcutt Union School District (AP222315)  
**Project Location:** Orcutt  
**Grant Agreement Amount:** \$13,000  
**New Equipment:** Two (2) single port Level 2 EV charging stations  
**Grant Cost-Effectiveness (\$/T):** Not applicable for infrastructure projects  
**Cost-Effectiveness Limit (\$/T):** Not applicable for infrastructure projects  
**Project Life:** 3 Years  
**Project Emission Reductions:** Not applicable for infrastructure projects

Approved:   
\_\_\_\_\_  
**Air Pollution Control Officer**

Date: 4 May 2023

Please contact the Board Clerk to review this grant agreement

# GRANT AGREEMENT APPROVAL FORM

## GRANT INFORMATION

**To:** Air Pollution Control Officer  
**Staff Contact:** Jim Fredrickson  
**Date:** 4/28/2023  
**Grant Program:** Carl Moyer Program Year 23 / Year 24  
**Grant Program Funds:** \$154,592 / \$1,425,958  
**Category:** Infrastructure

## PROJECT INFORMATION

**Grantee:** EV Range (AP222346)  
**Project Location:** Buellton  
**Grant Agreement Amount:** \$200,000  
**New Equipment:** Four (4) dual port Level 3 EV charging stations  
**Grant Cost-Effectiveness (\$/T):** Not applicable for infrastructure projects  
**Cost-Effectiveness Limit (\$/T):** Not applicable for infrastructure projects  
**Project Life:** 3 Years  
**Project Emission Reductions:** Not applicable for infrastructure projects

Approved:   
\_\_\_\_\_  
**Air Pollution Control Officer**

Date: 4 May 2023

Please contact the Board Clerk to review this grant agreement

# GRANT AGREEMENT APPROVAL FORM

## GRANT INFORMATION

**To:** Air Pollution Control Officer  
**Staff Contact:** Emily Waddington  
**Date:** 05/09/2023  
**Grant Program:** CAP Year 5  
**Grant Program Funds:** \$1,037,332  
**Category:** On-Road

## PROJECT INFORMATION

**Grantee:** Santa Barbara Metropolitan Transit District (AP222310)  
**Project Location:** Santa Barbara  
**Grant Agreement Amount:** \$68,500  
**Old Equipment:** 2003 Gillig diesel transit bus  
**New Equipment:** 2022 New Flyer electric transit bus  
**Grant Cost-Effectiveness (\$/T):** \$481,964  
**Cost-Effectiveness Limit (\$/T):** \$500,000  
**Project Life:** 4 Years  
**Project Emission Reductions:** 0.156 tons (0.039 tons/yr)

Approved:   
Air Pollution Control Officer

Date: 12 May 2023

Please contact the Board Clerk to review this grant agreement

# GRANT AGREEMENT APPROVAL FORM

## GRANT INFORMATION

**To:** Air Pollution Control Officer  
**Staff Contact:** Mike McKay  
**Date:** 05/16/2023  
**Grant Program:** CAP Year 5  
**Grant Program Funds:** \$1,037,332.36  
**Category:** Off-Road

## PROJECT INFORMATION

**Grantee:** New Hope Harvesting (AP222355)  
**Project Location:** Santa Maria Valley  
**Grant Agreement Amount:** \$114,000  
**Old Equipment:** 2000 New Holland Ag Tractor 260hp (Tier 1)  
**New Equipment:** 2023 New Holland Ag Tractor 311hp (Tier 4F)  
**Grant Cost-Effectiveness (\$/T):** \$26,075  
**Cost-Effectiveness Limit (\$/T):** \$33,000  
**Project Life:** 3 Years  
**Project Emission Reductions:** 4.506 tons (1.502 tons/yr)

Approved:   
Air Pollution Control Officer

Date: 16 May 2023

Please contact the Board Clerk to review this grant agreement

# GRANT AGREEMENT APPROVAL FORM

## GRANT INFORMATION

**To:** Air Pollution Control Officer  
**Staff Contact:** Jim Fredrickson  
**Date:** 5/30/2023  
**Grant Program:** Community Air Protection Year 5  
**Grant Program Funds:** \$1,037,332  
**Category:** Infrastructure

## PROJECT INFORMATION

**Grantee:** Escalante Meadows L.P. (AP222357)  
**Project Location:** Guadalupe  
**Grant Agreement Amount:** \$61,000  
**New Equipment:** Three (3) dual port Level-2 electric vehicle charging stations  
**Grant Cost-Effectiveness:** Not Applicable for Infrastructure  
**Cost-Effectiveness Limit:** Not Applicable for Infrastructure  
**Project Life:** 3 Years  
**Project Emission Reductions:** Not Applicable for Infrastructure

Approved:   
\_\_\_\_\_  
**Air Pollution Control Officer**


Date: 30 May 2023

Please contact the Board Clerk to review this grant agreement



Agenda Item: D-3  
Agenda Date: June 15, 2023  
Agenda Placement: Admin  
Estimated Time: N/A  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board  
FROM: Aeron Arlin Genet, Air Pollution Control Officer   
CONTACT: Kaitlin McNally, Compliance Division Manager, (805) 979-8298  
SUBJECT: Notice of Violation Report

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### RECOMMENDATION:

Receive and file the attached summary of notices of violation issued and penalty revenue received during the month of May 2023.

### DISCUSSION:

Pursuant to Section 40752 of the California Health and Safety Code, the Air Pollution Control Officer shall observe and enforce Part 3 and Part 4 of Division 26 of the Health and Safety Code, all orders, rules, and regulations prescribed by the District Board, all variances and orders prescribed by the District Hearing Board, and all permit conditions imposed pursuant to the District permit program.

In order to keep your Board informed of the enforcement actions taken by the Air Pollution Control Officer, the attached reports list a summary of the notices of violation issued and the penalty revenue received during the month indicated. Included in the attached NOV Reports is one payment plan:

- 1) Mel Giffin, Inc. – Violation Settlement Agreement civil penalty of \$8,790 is being paid in six installments, with the last due in July 2023. Two installment payments were received: \$1,465 on May 9, 2023 and \$1,465 on May 30, 2023.

### ATTACHMENTS:

- A. NOV Report, May 2023

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ATTACHMENT A

Notice of Violations  
May, 2023

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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### Notices of Violation Issued May 2023

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13266	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Installed and operated an odor eliminating misting system in the MRF tipping area without a District permit		05/03/2023	201
13301	Chamberlin Lease	Team Operating, LLC.	Santa Maria	Failed to submit the annual measurement of the True Vapor Pressure and API gravity of the diluent		05/01/2023	206
13305	Cingular - Santa Barbara	New Cingular Wireless, PCS, LLC dba AT&T Mobility	Santa Barbara	Exceeded daily permit limit for emergency diesel engine maintenance and testing hours		05/01/2023	206
13306	Davis Lease	Team Operating, LLC.	Santa Maria	Failed to submit the annual measurement of the True Vapor Pressure and API gravity of the diluent		05/02/2023	206
13307	Union Sugar Lease	Team Operating, LLC.	Santa Maria	Failed to submit quarterly produced gas H2S readings, failed to submit quarterly inspection records for the non-operational Heater Treater		05/02/2023	206
13308	Goodwin A Lease	Team Operating, LLC.	Santa Maria	Failed to perform quarterly inspections for out-of-service tanks, loading racks, and external combustion units		05/03/2023	206
13309	Lloyd Lease	Team Operating, LLC.	Santa Maria	Failed to perform quarterly inspections of wastewater tanks, loading rack, heater treater, and boiler		05/03/2023	206
13310	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Failed to measure hydrogen sulfide, acetaldehyde, methanol, naphthalene, ethylbenzene, and perchloroethylene during the source test of the windrows		05/03/2023	206
13311	Cambria Vineyards	Jackson Family Wines	Santa Maria	Failed to perform required engine maintenance		05/03/2023	1001
13312	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Failed to measure hydrogen sulfide, acetaldehyde, methanol, naphthalene, ethylbenzene, and perchloroethylene during the source test of the Anaerobic Digester Facility biofilter		05/03/2023	206
13313	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Failed to submit source test results by due date		05/03/2023	206
13314	Platform Hogan	Beacon West Energy Group	Santa Barbara County	Failed to submit source test results by due date		05/08/2023	206
13315	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Failed to submit monthly reports by the due date for 3 reporting periods as required by Variance Order 2021-12-M1		05/03/2023	206
13316	Santa Maria Pump Station	Phillips 66 Pipeline LLC	Santa Maria	Failed to submit all required records for the 2022 Annual Report		05/09/2023	206
13317	Gold Coast Surgery Center	Gold Coast Surgery Center, LLC.	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13318	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Failed to vent exhaust from the Anaerobic Digester Facility to the biofilter	x	05/10/2023	206
13319	The Okonite Company	The Okonite Company	Santa Maria	Exceeded permitted nitrogen oxide emission limit during source test of Boiler #5		05/09/2023	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13320	Bradley Rd, 1710 S. (Costco Gas)	Costco Wholesale Corp.	Santa Maria	Failed an initial Vapor Recovery System test for 6 nozzles		05/10/2023	206, 316
13321	Morganti Lease	Team Operating, LLC.	Santa Maria	Failed to perform quarterly inspections for out-of-service boilers and heater treater		05/12/2023	206
13322	Jim Hopkins Lease	Team Operating, LLC.	Santa Maria	Stored crude oil in a tank battery without a leak-free, properly installed, maintained and operated vapor recovery system		05/12/2023	325
13323	Bradley Lands/Bradley Consolidated Lease	Team Operating, LLC.	Santa Maria	Failed to properly maintain equipment (a crude oil tank was found with multiple holes)		05/12/2023	206
13324	Bradley Lands/Bradley Consolidated Lease	Team Operating, LLC.	Santa Maria	Failed to control emissions of produced gas at all times (idle well 3-6 was found with a hydrocarbon leak greater than 50,000 ppm)		05/12/2023	325
13325	Bradley Lands/Bradley Consolidated Lease	Team Operating, LLC.	Santa Maria	Installed a new tank without a District permit		05/12/2023	201
13326	Broadway, 1519 N. (MVFF)	Chase, Inc.	Santa Maria	Failed to maintain daily inspection records		05/15/2023	206, 316
13327	Careaga #1	PRE Resources, Inc.	Santa Maria	Failed to measure fuel gas heating value; failed to conduct quarterly and annual produced gas H2S measurements; and failed to measure API gravity, true vapor pressure, and storage temperature of oil		05/16/2023	206
13328	Careaga LA #2	PRE Resources, Inc.	Santa Maria	Failed to measure produced gas heating value; and failed to measure API gravity, true vapor pressure and storage temperature of oil		05/16/2023	206
13331	Betteravia Rd, 1665 W. (MVFF)	Trojan Petroleum	Santa Maria	Performed a static leak decay test within 24 hours of a scheduled Vapor Recovery Test		05/18/2023	206
13332	Betteravia Rd, 1665 W. (MVFF)	Trojan Petroleum	Santa Maria	Installed a diesel engine rated over 50 bhp without a District permit		05/18/2023	201
13333	Carlotti Dr, 1710 N. (MVFF)	California Highway Patrol	Santa Maria	Failed to complete and pass Vapor Recovery System testing by due date		05/18/2023	206
13334	La Goleta	Southern California Gas Company	Goleta	Exceeded the number of allowable leaks		05/22/2023	CCR 95324
13335	Jim Hopkins Lease	Team Operating, LLC.	Santa Maria	Installed an uncertified boiler without submitting a compliance report by the due date		05/23/2023	360
13336	Sweeney Rd, 2010 (MVFF)	County of Santa Barbara	Lompoc	Failed an initial Vapor Recovery System test for 1 nozzle		05/23/2023	206, 316
13337	Betteravia Rd, 1155 E. (MVFF)	Valley Pacific Petroleum Services, Inc.	Santa Maria	Failed an initial Vapor Recovery System test for the drop tubes on both 87 underground storage tanks		05/24/2023	206, 316
13338	County of Santa Barbara - Tajiguas Anaerobic Digestion	Mustang Renewable Power Ventures, LLC.	Goleta	Installed and operated the Gore composting pilot project without a District permit		05/26/2023	201
13339	ATC Sequoia - Winchester Cyn Rd.	ATC Sequoia, LLC.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13340	Slippery Rock Ranch, LLC. - 1745 N. La Patera	Slippery Rock Ranch, LLC.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13341	Montecito Sanitary - LS #5	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13342	Lystek International	Lystek International, Ltd.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13343	Toyon Research Corp.	Toyon Research	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13344	Steadfast Carpinteria Senior, LLC.	RBP Carpinteria RE, LLC.	Carpinteria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13345	City of Santa Maria - Police Dept - Betteravia	City of Santa Maria	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13346	Channel Islands Post Acute	LCCH Investments Company, Inc.	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13347	Edison St, 990 (MVFF)	Chumash CA Gas Station, LLC.	Santa Ynez	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13348	Tres Hermanas Vineyard & Winery, LLC.	Tres Hermanas Vineyard & Winery, LLC.	Santa Ynez	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13349	County of Santa Barbara - Public Safety Dispatch	County of Santa Barbara	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13350	City of Santa Maria - City Hall	City of Santa Maria	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13351	City of Santa Maria - Fire Station #1	City of Santa Maria	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13352	Montecito Sanitary - LS #2	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13353	Solvang Lutheran Home dba Atterdag Village of Solvang	Solvang Lutheran Home, Inc.	Solvang	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13354	Highway 154, 2275 (MVFF)	County of Santa Barbara	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13355	Milpas St, 200 S. #5698 (MVFF)	Apro, LLC.	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13356	City of Santa Maria - Police Dept.	City of Santa Maria	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13357	Montecito Sanitary - LS #4	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13358	Montecito Sanitary - LS #1	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13359	Frontier - 15501 Lake Canyon Road	Frontier California, Inc.	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13360	Precision Auto Body & Painting-Magnolia	Precision Auto Body & Painting	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13361	Mission Linen Supply	Mission Linen Supply	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13362	Exquisite Auto Body and Painting	Exquisite Auto Body and Painting	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13363	Broadway, 2404 S. (MVFF)	Santa Maria Petroleum, Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13364	Precision Auto Body & Painting-S. Fairview	Precision Auto Body & Painting	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13365	Montecito St, 401 W. #0219 (MVFF)	UP2 Holdings, LLC.	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13366	Champion SB Auto Body and Paint	Champion SB Auto Body and Paint	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13367	Main St, 815 W. #0693 (MVFF)	Apro, LLC.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13368	Laurel Ave, 719 W. (MVFF)	S.M.H. Diversified, Inc.	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13369	Foster's Body & Paint	Foster's Body & Paint	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13370	Fairview Ave, 165 N. (MVFF)	Apro, LLC.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13371	Montecito Sanitary District WWTP	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13373	HERBL, Inc. - 759 Ward Dr.	HERBL, Inc.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13374	Kang Family Partners LLC dba SYV Marriott	Kang Family Partners LLC	Buellton	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13375	Dermatology Spa Med, Inc.	Dermatology Spa Med, Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13376	Grevino, LLC.	Grevino, LLC.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13377	Wood Glen Hall	Wood Glen Hall, Inc.	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13378	Federal Aviation - Santa Barbara Airport	Federal Aviation Administration	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13379	One Hour Valley Cleaners - Santa Maria	One Hour Valley Cleaners-Santa Maria	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13380	Mission St, 402 W. (MVFF)	Circle K Stores, Inc.	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13381	Main St, 1260 W. (MVFF)	Eagle Energy Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13382	County of Santa Barbara - Laguna Sanitation District WWTP	County of Santa Barbara	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13383	Gold Coast Collision - Inger Drive	Gold Coast Collision Body & Paint	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13384	Hollister Ave, 4801 (MVFF)	Circle K Stores, Inc.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13386	De La Vina St, 2234 (MVFF)	Gasco	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13387	Crystal Cleaners	Crystal Cleaners	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13388	Gold Coast Collision - Cook St	Gold Coast Collision Body & Paint	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13389	City Motors Collision Center	City Motors Collision Center	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13390	Betteravia Rd, 1220 E. (MVFF)	Circle K Stores, Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13391	Avenue of the Flags, 631 (MVFF)	Eagle Energy Inc.	Buellton	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13392	Russell Ranch Lease	Elysium Russell, LLC.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13393	Santa Maria Asphalt Refinery	California Asphalt Production, Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13394	Rosewood Miramar Beach Montecito	Miramar Acquisition Co, LLC.	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13395	Mariposa at Ellwood Shores	Westmont Living	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13396	Pacific Western Bank	Pacific Western Bank	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13397	Santa Barbara Junior High School	Santa Barbara Unified School District	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13398	La Cumbre Junior High School	Santa Barbara Unified School District	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13399	San Marcos High School	Santa Barbara Unified School District	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13400	Dos Pueblos High School	Santa Barbara Unified School District	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13401	City of SM - Paul Nelson Aquatic Center	City of Santa Maria	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13402	Park Lane (985) ES Engine	Bill Wesemann	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13403	Macy's - Town Center East	Macy's West Stores, Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13404	Montecito Retirement Association	Montecito Retirement Association	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13405	Obispo St, 393 (Bulk)	Lupe's Company	Guadalupe	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13406	Obispo St, 393 (MVFF)	Lupe's Company	Guadalupe	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13407	H St, 1400 N. (MVFF)	Circle K Stores, Inc.	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13408	Betteravia Rd, 830 W. (MVFF)	Quinn Rental Services	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13409	Lompoc Unified School District	Lompoc Unified School District	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13410	Broadway, 1601 N. (MVFF)	Santa Maria Petroleum, Inc.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13411	Cuyama Pump Station	E&B Natural Resources Management Corporation	New Cuyama	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13412	Five Speed Auto Repair & Collision	Five Speed Auto Repair & Collision	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13413	County of Santa Barbara - South Jail	County of Santa Barbara	Santa Barbara	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13414	County of Santa Barbara - Fire Station #27	County of Santa Barbara - Fire Department	Los Alamos	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13415	T-Mobile - RPL Management	T-Mobile West, LLC.	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13416	T-Mobile - City of Guadalupe	T-Mobile West, LLC.	Guadalupe	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13417	T-Mobile - Premier Agriculture	T-Mobile West, LLC.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13418	T-Mobile - Union Plaza	T-Mobile West, LLC.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13419	T-Mobile - Chamberlin Ranch	T-Mobile West, LLC.	Santa Ynez	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13420	Clean & Clear, LLC.	Clean & Clear, LLC.	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13421	County of Santa Barbara - Benefit Service Center	County of Santa Barbara	Santa Maria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13422	Coastal Manufacturing	Coastal Manufacturing, LLC.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13424	College Ranch Road (6801) ES Engine	Santa Ynez RE 010/011 LLC	Santa Ynez	Failed to submit 2022 Annual Report by due date		05/26/2023	206

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13425	City of Carpinteria - Temporary City Hall	City of Carpinteria	Carpinteria	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13426	Outdoor Hardware Supply	Lowe's Home Centers, LLC.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13429	Highway 166, 5007 (MVFF)	New Cuyama Gas Station	New Cuyama	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13430	Ocean Ave, 1421 E. (MVFF)	Circle K Stores, Inc.	Lompoc	Failed to submit 2022 Annual Report by due date		05/26/2023	206
13431	Glen Annie Rd, 49 N. (MVFF)	Circle K Stores, Inc.	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206



### Penalty Settlement Payments Received May 2023

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule	Date Paid	Total Penalty Received
12181	Imerys Filtration Minerals, Inc.	Imerys Filtration Minerals, Inc.	Lompoc	Suspended civil penalty payment for repeat violation (NOV 12801 issued on 7/6/2021) for failing to conduct visible emissions evaluation for the baghouse	x	02/04/2020	206	05/04/2023	\$3,000
12697	Agri-Chip	Agri-Chip	Santa Barbara	Exceeded the engine emission limit for Carbon Monoxide on 2/1/21, failed to correct the exceedance, and failed to perform follow-up inspections		04/12/2021	206, 1001	05/09/2023	\$1,000
12698	Agri-Chip	Agri-Chip	Santa Barbara	Exceeded the engine emission limit for Carbon Monoxide on 2/14/21, failed to correct the exceedance, and failed to perform follow-up inspections		04/12/2021	206, 1001	05/09/2023	\$1,000
Multiple <sup>1</sup>	Giffin Equipment	Mel Giffin, Inc.	Goleta & Santa Barbara	Operated 7 portable diesel engines without District permits or PERP registrations. Payment #4 of 6.		12/13/2022	201	05/09/2023	\$1,465
12712	Gold Coast Packing	Gold Coast Packing	Santa Maria	Failed to continuously monitor for ammonia slip associated with the emission control system		05/14/2021	206	05/15/2023	\$500
12687	Various Locations	Nu Line Technologies, LLC	Santa Barbara	Operated a 109 bhp portable diesel engine over 50 bhp without a District permit or PERP registration		03/24/2021	201	05/18/2023	\$500
12497	Santa Barbara Chicken Ranch	Santa Barbara Chicken Ranch	Santa Barbara	Exceeded visible emissions opacity limit		08/21/2020	302	05/22/2023	\$2,500
13299	Travis Lease	PetroRock, LLC.	Santa Maria	Installed a burner in the portable steam generator that was not authorized by the District permit		04/24/2023	206	05/22/2023	\$500
Multiple <sup>1</sup>	Giffin Equipment	Mel Giffin, Inc.	Goleta & Santa Barbara	Operated 7 portable diesel engines without District permits or PERP registrations. Payment #5 of 6.		12/13/2022	201	05/30/2023	\$1,465


**\$11,930**

1. Payment was received for the following 7 Notices of Violation: 13229, 13230, 13231, 13232, 13233, 13234, and 13235. These violations were issued on December 13, 2022. The total civil penalty of \$8,790 for these violations is being paid in 6 installments, with the last due in July 2023. The two payments received are Payments 4 & 5 of 6 scheduled payments.

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## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Kristina Aguilar, CPA, Administrative Division Manager, (805) 979-8288

SUBJECT: Adoption of the Fiscal Year (FY) 2023-24 Budget

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### RECOMMENDATION:

Consider the Fiscal Year 2023-24 Budget as Follows:

1. Hold a public hearing to consider and adopt the budget for Fiscal Year 2023-24, as presented in the *Fiscal Year 2023-24 Proposed Budget* document (Attachment A); and
2. Adopt the following:
  - a. Budget Resolution (Attachment B) approving the Fiscal Year 2023-24 District Budget; and
  - b. Salary Resolution (Attachment C) amending the Classification and Salary Plan to adjust the salaries for all staff based on the collective bargaining agreements and the Management Personnel Benefits Resolution previously approved by your Board on August 18, 2022.

### DISCUSSION:

We recommend that your Board, as part of holding a public hearing, adopt the attached Budget Resolution and Salary Resolution for Fiscal Year 2023-24.

### ATTACHMENTS:

#### ***Attachment A - Proposed Budget for Fiscal Year 2023-24***

On May 18, 2023, your Board held the first of two required public hearings on the District's budget for Fiscal Year 2023-24. The purpose of that hearing was to solicit additional public comment and receive direction from your Board. Prior to that hearing, staff held a public workshop on April 18, 2023. There have been no changes to the proposed budget that was presented to your Board in May. The total budget from the proposed budget in May was \$19,637,884. You may adopt this

budget as presented in the *Fiscal Year 2023-24 Proposed Budget* document, or as modified by your Board.

***Attachment B – Budget Resolution***

The attached budget resolution formalizes the adoption of the Fiscal Year 2023-24 budget, incorporating by reference the budget documents presented, hearing proceedings, and decisions by the Board in making any final budget adjustments. It also authorizes the Air Pollution Control Officer and Auditor-Controller to make adjustments to the adopted budget during the fiscal year for ministerial items, such as items required by financial reporting pronouncements and administrative efficiencies.

***Attachment C – Salary Resolution***

The attached salary resolution amends the original Salary Resolution No. 97-05, as amended. This is an incremental process as personnel actions are brought before your Board. This resolution recognizes the Job Class Table on page 14 of the *Fiscal Year 2023-24 Proposed Budget* document (Attachment A) as superseding all previous modifications to Section 4 of the original Salary Resolution No. 97-05.

ATTACHMENT A

Proposed Budget for  
Fiscal Year 2023-24

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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air pollution control district  
SANTA BARBARA COUNTY



**Proposed Budget**

Fiscal Year 2023-24

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# SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

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**Supervisor Das Williams**

*First District*

*Santa Barbara County Board of Supervisors*

**Supervisor Laura Capps, Vice-Chair**

*Second District*

*Santa Barbara County Board of Supervisors*

**Supervisor Joan Hartmann**

*Third District*

*Santa Barbara County Board of Supervisors*

**Supervisor Bob Nelson**

*Fourth District*

*Santa Barbara County Board of Supervisors*

**Supervisor Steve Lavagnino**

*Fifth District*

*Santa Barbara County Board of Supervisors*

**Mayor Dave King**

Alternate – Vice-Mayor John Sanchez

*City of Buellton*

**Mayor Al Clark**

Alternate – Councilmember Wade Nomura

*City of Carpinteria*

**Mayor Paula Perotte**

Alternate – Mayor Pro Tem Kyle Richards

*City of Goleta*

**Mayor Ariston Julian**

Alternate – Councilmember Christina

Hernandez

*City of Guadalupe*

**Councilmember Gilda Cordova**

Alternate – Mayor Jenelle Osborne

*City of Lompoc*

**Mayor Randy Rowse**

Alternate – Councilmember Eric Friedman

*City of Santa Barbara*

**Mayor Alice Patino, Chair**

Alternate – Councilmember Maribel

Aguilera-Hernandez

*City of Santa Maria*

**Mayor Mark Infanti**

Alternate – Councilmember Claudia Orona

*City of Solvang*

# AIR POLLUTION CONTROL OFFICER'S BUDGET MEMORANDUM

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May 18, 2023

The Governing Board of the Santa Barbara County Air Pollution Control District

Dear Chair Hartmann and Board Members:

The Fiscal Year (FY) 2023-24 Proposed Budget was prepared according to the policy framework and direction provided by the Board and the Air Pollution Control District Strategic Plan.

## *Budget Overview*

This budget is planned for FY 2023-24, which runs from July 1, 2023, through June 30, 2024. The budget adoption process is specified in California Health and Safety Code Section 40131 and includes requirements for two public hearings and notification to all fee payers. In addition, the District conforms to the provisions of the County Budget Act of 2010, Revision 1, effective January 1, 2013, and starting with Government Code Section 29000.

Every year our budget process begins with the programming of revenues. The District projects total revenue from the previous years' actual revenues after making any known or anticipated adjustments. After revenues are forecasted, expenses (including salaries and benefits) are programmed to match revenues, thus making a balanced budget. Therefore, planned revenues cover all operational expenses. Periodic expenses (e.g., capital improvements) are paid through fund balance accounts (i.e., savings) specifically designated for those items.

The majority of the FY 2023-24 revenues will be generated by two sources: 1) funds earned by employees (predominately engineers and air quality specialists) who complete work products such as permits, inspections, evaluations, planning, and reviews for regulated sources, and 2) federal and state grants with uses prescribed by the agency providing the funds. The work products generated by grant funding are air quality monitoring, data acquisition, clean air plans, environmental planning documents, incentive programs, and public outreach. Expense line items are thoroughly reviewed each year to keep costs down.

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*The District's mission is to protect the people and environment of Santa Barbara County from the effects of air pollution.*

*The FY 2023-24 budget was built to ensure continued mission success and progress toward our vision: Clean Air.*

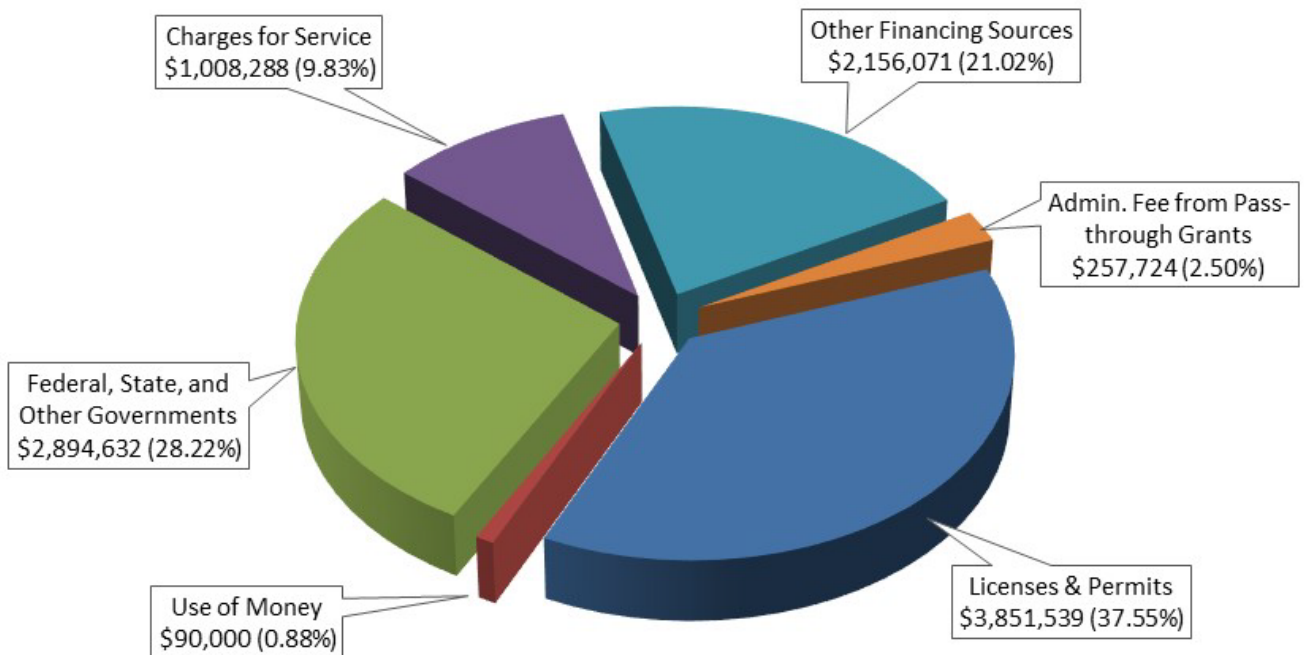
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### *FY 2023-24 Budget at a Glance*

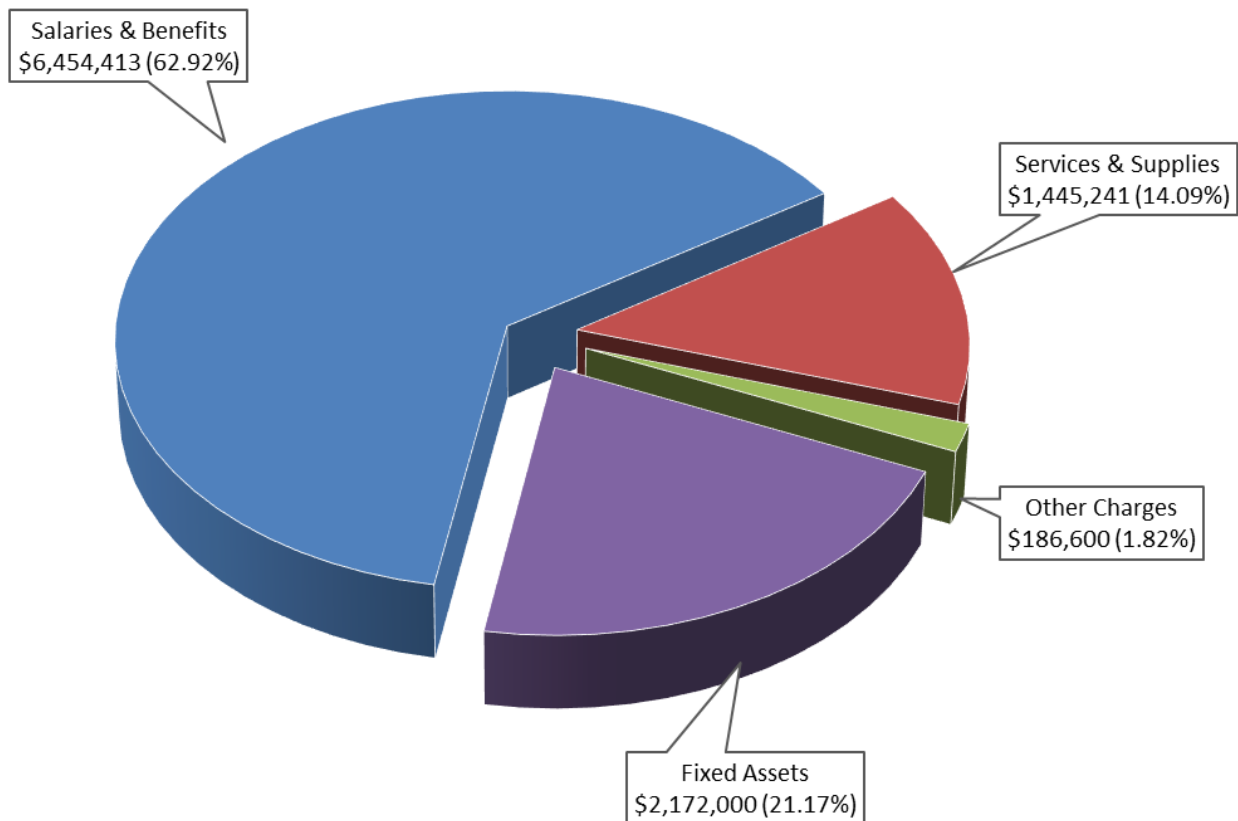
The District’s balanced proposed budget for FY 2023-24 totals \$19,637,884, a 10% increase from the current year’s adopted budget. Almost 50% (i.e., 47.4% or \$9,310,168) of the proposed budget are pass-through funds, which are received by a recipient government (District) and distributed to a third party for voluntary emission-reduction grant projects. These funds have specified uses and are not eligible to cover District operations. To best illustrate the budget that falls within the District’s purview to cover operating expenses, the summary figures below depict the District Revenues and Expenditures with the exclusion of pass-through funds — a total operating revenue of \$10,258,254 (an approximately 2% increase from FY 2022-23). Expenditures continue to be dominated by salaries and benefits, which total \$6,454,412. The proposed budget, and requested funding level, will provide the resources needed by the District to maintain core and mandated air quality programs.

The District is well-prepared for unforeseen expenses in that our fund balances provide an adequate reserve. Our fund balance total is forecasted to be \$3,618,510 (approximately 44% of the total operating budget), and of that total, \$1,500,000 has been set aside by our Board as strategic reserve to be used during a fiscal emergency.

### *Total Operating Revenue \$10,258,254*



## Total Operating Expenditures \$10,258,254



## Revenue & Expenditure Changes

The total operating budget is estimated to increase 2.1% (\$209,019) compared to the current year (FY 2022-23). This increase is primarily attributed to the high year of the three-year re-evaluation cycle. A one-time fixed asset expenditure to renovate the District's newly purchased office building in Santa Maria will be rolled to FY 2023-24 due to timing of when the anticipated construction will start. The following outlines significant factors influencing the FY 2023-24 budget:

- **Pass-Through Grant Fund Revenues:**

The state Legislature, through the budget adoption process, continues to place a strong emphasis on the use of funding for voluntary emission-reduction programs through the network of local air districts. This action resulted in more than \$3 million of new money for Santa Barbara County projects in FY 2023-24, approximately \$2.3 million less than the prior fiscal year. These funds will be used to continue expanding the reach of the grant programs, including the Carl Moyer, Community Air Protection, FARMER, Electrified Landscaping Equipment and Wood Smoke Changeout programs. The grant funds help local businesses and organizations take advantage of cleaner technologies to secure immediate emission reductions. Project categories include agricultural equipment,

marine vessels, school and transit buses, old passenger cars and trucks, and electric vehicle infrastructure. Efforts during the 2022 Legislative Session resulted in reauthorization of the Carl Moyer and \$2 DMV Grant Programs being extended an additional ten years beyond the previous December 30, 2023, sunset date. Throughout FY 2023-24, these one-time revenue sources will provide \$327,186 in administrative funds to implement the grant programs, a portion of these administrative funds will be used for grant administration for future years. See detail of pass-through revenue on page 19 of this document.

- **Fee Revenues:**

The District has not proposed an increase in the Rule 210 fee schedule for regulated sources since 1991 other than the annual adjustment for Consumer Price Index (CPI) change allowed in our rules, which, for FY 2023-24, is 7.7%. While the CPI applied in FY 2023-24 budget was larger than previous years, it was offset by a reduction in fee revenue due to the changing landscape of some of the District's larger sources.

- **Salaries and Benefits:**

The District negotiated a three-year agreement with the two employee bargaining units in FY 2022-23. The first year saw a cost of living adjustment (COLA) for District employees of 3.5%, which was effective August 18, 2022. The second year of that agreement provides District staff with a 2% COLA as of July 1, 2023.

- **One-time Expenditures Included in this Year's Budget:**

Last year, the District had budgeted to use a portion of fund balance to remodel the newly purchased office building in northern Santa Barbara County for our north county staff. With the anticipation of demolition and building renovations, \$1,600,000 was allocated in FY 2022-23; however, only approximately \$225,000 will be spent for building design and demolition by the end of June 2023. The leftover renovation budget of \$1,375,000 is being rolled over into this budget, along with another \$625,000 to fully renovate the space and bring it up to the District's standards. When the office building is fully renovated, it will house the District's north county fleet and it will offer a fully equipped monitoring lab for staff as well as a space for the District to hold public workshops. The plan for the renovation includes resiliency for the District's IT/air monitoring networks as well as sustainable building practices, with a goal of being a net-zero energy-efficient building. Fund balance reserves are being proposed for this project with the idea that in future years the District will replenish the monies to levels appropriate for the District's size.

### *Fund Balances*

The District designates two categories of fund balances. Each category has "savings" accounts with monies set aside for specific purposes. The total fund balance amount for FY 2023-24 is forecasted to be \$3,618,510 (approximately 44% of the total operating budget).

- **Restricted Funds:**

Restricted fund balances are those where law prescribes use. These savings accounts are created by grant allocations received from federal and state agencies, such as the state’s Carl Moyer Grant Program. Monies in these accounts are for multi-year grant programs that are managed by our Planning Division and pass through the District for qualified projects as defined by the funding source. Each year the District strives to spend all these monies; however, based on the grant allocation process, it is common for residual funds to be carried into the next year’s budget if some of the clean air projects aren’t completed and paid out in this fiscal year.

- **Committed Funds:**

Committed fund balances are monies set aside for specific categorized expenditures, such as capital replacement, retiree health subsidy, and the data acquisition system (DAS), which feeds hourly air quality information to the District website. In addition, within committed fund balances, there are discretionary dollars available for spending at planned intervals or when unforeseen circumstances arise requiring a withdrawal. Discretionary fund balances consist of our strategic reserve, re-evaluation fee cycle, and an account for unforeseen operational requirements. For FY 2023-24, committed fund balances designated as discretionary is \$2,268,439.

### *Long-Range Outlook*

Each year when developing the budget, in addition to compiling the proposed revenue and expenditures for the upcoming year, significant effort is also devoted to the long-range fiscal outlook to ensure the District is positioned to respond to changes in the traditional revenue streams and has adequate resources to successfully fulfill our mission and mandates. The reorganization efforts included in the FY 2018-19 budget have been implemented, resulting in a total of 34 full-time employees (down from 43). This effort was driven by the anticipated change in oil and gas activities throughout the county that would ultimately result in a reduction in revenue and workload. The District proactively initiated a reorganization to better operate within our parameters while maintaining highly skilled staff to carry out the agency’s work. Structural changes have provided the District with tools to optimize the agency’s resources and retain and recruit highly skilled professional employees while living within our budgetary means. With a reduction in the number of staff and the focus on efficiency practices, the District is better positioned to operate in an era of changing revenue and associated workload.

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*Each budget cycle, the District conducts a five-year forecast to identify changes to the revenue and expenditures to ensure the agency is well positioned to move into a new era, beyond traditional revenue streams. The goal of this proactive approach is to safeguard the District’s long-term stability and necessary resources to implement our mission and mandates.*

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The decommissioning process for several oil and gas platforms offshore from the county is anticipated to take more than 10 years to complete. During this transition, District workload will remain at a steady or even at a slightly elevated level when assisting with these activities. However, in the long-term, workload associated with these sources — such as source testing, air monitoring, permit re-evaluations, inspections, and compliance tasks — will decrease. With this long-term pending change to local pollution sources and associated impact to revenue and workload, the District will continue assessing efficiency measures and long-term funding needs to ensure adequate resources are available to attain and maintain clean air standards. This effort includes working with state and federal agencies to ensure funds are maintained to allow the District to implement required programs.

Over the past year, the District worked with Matrix Consulting to develop a Cost Recovery and Fee Analysis. The purpose of the Fee Study is to determine the District's ability to recover the costs associated with administering its regulatory programs and requirements. Results of this study will help the District identify, evaluate, and address the potential impacts to our long-term revenue and workload due to changes in the industries we regulate. For programs that do not achieve full cost-recovery, it will be important to set fees at levels that recover costs but are not prohibitive to the industries we regulate. As we move into FY 2023-24, the District will present a Long-Range Fiscal Strategy to the Board to develop a road map of critical steps to ensure a fiscally sound agency into the future. This effort will include changes to Rule 210 to address issues identified above and to improve its ease of use.

### *Conclusion*

The FY 2023-24 proposed budget represents thoughtful consideration of impacts, consequences, alternatives, and workforce levels. The District was optimistically cautious in generating a revenue forecast and total expenses by carefully deliberating the need for each expenditure. The District is well-positioned to address uncertainties by closely monitoring funding sources, our retirement plan, and actual expenditures, and is prepared to make timely resource allocation adjustments as warranted. Ongoing tracking of the District's performance metrics and assessments made with each annual budget process is critical to assessing the effectiveness of the agency. With this budget, I am confident the District can meet our mission requirements throughout the year. We are committed to clean air and to protecting the health of the people and the environment.

Very Respectfully,



Aeron Arlin Genet

Air Pollution Control Officer



# SANTA BARBARA COUNTY HISTORICAL AIR QUALITY

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## *Ozone*

Ozone forms in the atmosphere when precursor pollutants such as nitrogen oxides (NO<sub>x</sub>) and reactive organic compounds (ROCs) undergo complex chemical reactions in the presence of sunlight. Factors that contribute to high ozone levels include intense and prolonged heat, and stagnant air. Santa Barbara County's air quality has historically violated ambient air quality standards for ozone that were established by the state and federal Clean Air Acts. Ozone concentrations above these standards adversely affect public health, diminish the production and quality of many crops, reduce visibility, and damage native and ornamental vegetation.

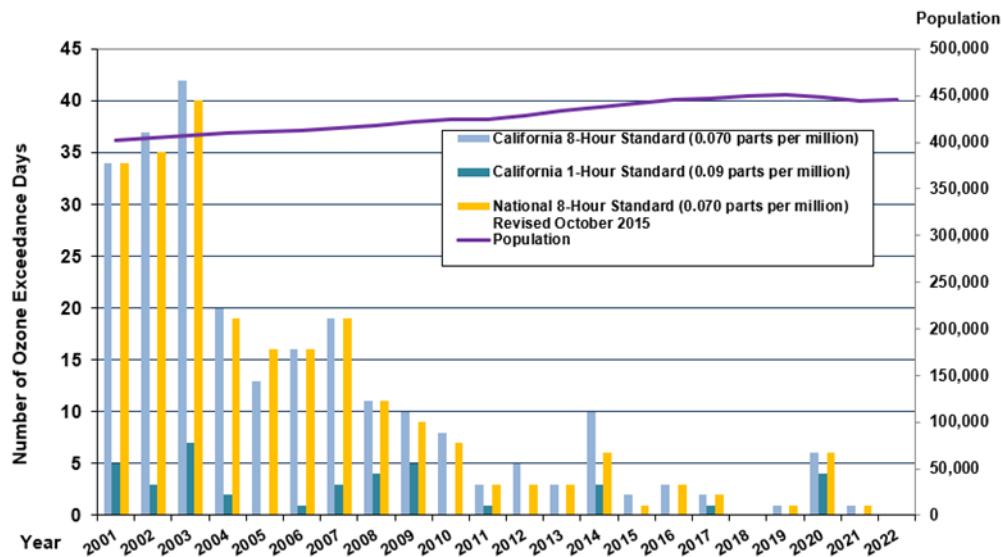
In 1970, when the District was formed, the air in Santa Barbara County did not meet the federal one-hour ozone standard. For 30 years, our efforts focused on attaining that standard. In August 2003, Santa Barbara County was officially designated attainment for the federal one-hour ozone standard. Furthermore, the United States Environmental Protection Agency (USEPA) has designated Santa Barbara County as attainment for the 2008 federal eight-hour ozone standard (0.075 parts per million). The eight-hour standard replaced the previous federal one-hour standard. In December 2015, the USEPA strengthened the federal eight-hour ozone standard to 0.070 ppm; Santa Barbara County was designated unclassifiable/attainment for the revised standard in April 2018.

The District has made tremendous progress toward meeting the two California ozone standards; a one-hour standard of 0.09 ppm (established in 1988), and an eight-hour standard of 0.070 ppm (established in 2005). The number of recorded exceedances of these standards has trended down over time while population has increased, as demonstrated in the chart below. In fact, ozone measurements for the three-year data set from 2016 to 2018 were so low that the District was designated as attainment in 2020. Unfortunately, two measured values during 2019 during hot and stagnant conditions led to two violations of the 8-hour standard. In February 2021, the California Air Resources Board took action to redesignate Santa Barbara County as nonattainment for the state ozone standards, based on the three-year data set from 2017 to 2019. This setback highlights the challenges for the District and the state in meeting these standards given changing weather and climate patterns.

In 2022, the county once again measured no exceedances of the state and federal 8-hour ozone standards. The number of recorded annual exceedances continues to remain low, and in January 2023, the California Air Resources Board took action to designate Santa Barbara County as nonattainment-transitional for the state ozone standards, based on the three-year data set from 2019-2021.



## Santa Barbara County Ozone Exceedance Days 2001-2022



### Particulate Matter

The state and federal particulate matter (PM) air quality standards fall under two different size ranges — PM<sub>10</sub>, which represents particles less than 10 microns in diameter, and PM<sub>2.5</sub>, which represents particles less than 2.5 microns in diameter. Both PM<sub>10</sub> and PM<sub>2.5</sub> are small enough to be inhaled; however, PM<sub>2.5</sub> particles can be inhaled more deeply into the lungs and can also enter the bloodstream, causing serious health effects.

Historically, the county has experienced regular exceedances of the state 24-hour PM<sub>10</sub> standard. Santa Barbara County is designated attainment for the federal PM<sub>10</sub> standard (150 µg/m<sup>3</sup>) and nonattainment for the state PM<sub>10</sub> standard (50 µg/m<sup>3</sup>). Exceedances of the state standard typically occur during windy and/or dry conditions and occur more frequently in the northern portion of the county. During regional wind events, such as Santa Ana or Sundowner wind conditions, the entire county may experience elevated PM<sub>10</sub> levels.

Santa Barbara County has historically experienced wildfires that cause high particle measurements in the form of both PM<sub>2.5</sub> (primarily related to smoke) and PM<sub>10</sub> (primarily related to ash and post-fire re-entrainment of ash). In recent history, wildfire season has grown longer, leading to increased levels of exposure to PM more frequently and for longer periods of time. Wildfire events in other areas of California have also contributed to high PM levels here in Santa Barbara County. While these events affect local air quality, the state and federal Clean Air Acts provide mechanisms for excluding unusually high values such as these from the data sets that are used to determine the region’s official attainment status for the applicable air quality standards. District staff continue to track these occurrences and collect and store information to support “exceptional events” demonstrations, when needed.

## ABOUT THE DISTRICT

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### *What is the District?*

The Santa Barbara County Air Pollution Control District (District) is an independent special district charged with protecting human health by improving and protecting Santa Barbara County's air quality. In 1970, the California Legislature gave local governments the primary responsibility for controlling air pollution from all sources except motor vehicles and consumer products. In response, the District was established to adopt measures to control local sources of pollution, issue permits, monitor air quality, maintain an inventory of pollution sources, and manage other pertinent activities. District staff members have expertise in engineering, chemistry, planning, environmental sciences, field inspection, air monitoring, public outreach, data processing, accounting, information technology, human resources, and administration.

The 13-member governing board of the District consists of the five County Board of Supervisors and one elected representative (a mayor or city councilmember) from each of the eight incorporated cities within the county.

### *The District's Mission*

The District's mission is to protect the people and the environment of Santa Barbara County from the effects of air pollution. We accomplish this mission by implementing state and federal air pollution control laws in order to attain all ambient air quality standards and to minimize public exposure to airborne toxins and nuisance odors. In carrying out this mission, the District always strives to demonstrate excellence and leadership in the field of air pollution control.

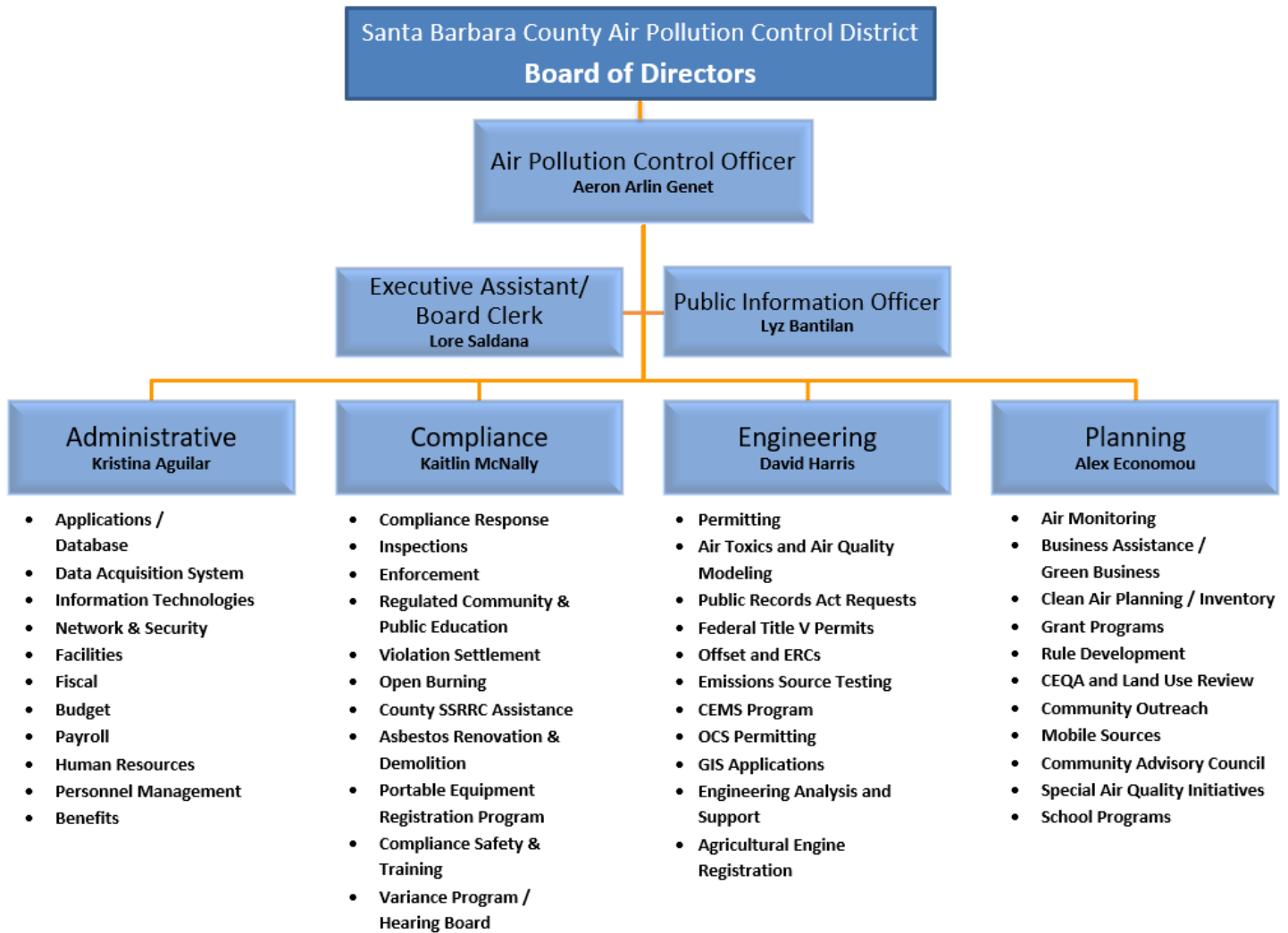
Our goal is to provide consistent, high-quality, cost-effective professional services to the public and regulated community. In striving toward our goal, the District embraces the attributes of accessibility, accountability, diversity, equity, inclusivity, and transparency.

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*The District's mission is to protect the people and the environment of Santa Barbara County from the effects of air pollution.*

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## Organizational Chart



*FY 2023-24 Job Class Table (Effective June 15, 2023)*

Position Number	Classification Title	Adopted FY 2022-23	Additions / Deletions	Proposed FY 2023-24	Monthly Equivalent Salary Range (A-E)	Representation Unit
<b>Funded Positions</b>						
170	OFFICE TECHNICIAN	2.00		2.00	4437-5308	23
179	EXECUTIVE ASSISTANT/BOARD CLERK	1.00		1.00	7198-8643	32
180/181	ACCOUNTING TECHNICIAN I/II	1.00		1.00	4380-6024	24
182	ACCOUNTING TECHNICIAN III	1.00		1.00	5775-6954	24
400/401	PERMIT TECHNICIAN I/II	1.00		1.00	5148-6764	28
435/436	AIR QUALITY ENGINEER I/II	1.00		1.00	7027-9289	28
437	AIR QUALITY ENGINEER III	4.00		4.00	8607-10367	28
438	DIVISION SUPERVISOR	4.00		4.00	9701-11673	32
453/454	AIR QUALITY SPECIALIST I/II	1.00		1.00	5877-7671	28
443	AIR QUALITY SPECIALIST III	10.00		10.00	7180-8633	28
445	PRINCIPAL MONITORING SPECIALIST	1.00		1.00	7901-9553	28
446	PUBLIC INFORMATION OFFICER	1.00		1.00	7218-8668	32
503	HUMAN RESOURCES ANALYST I/II	1.00		1.00	6829-9008	32
600	DIVISION MANAGER	4.00		4.00	11057-13316	43
670	AIR POLLUTION CONTROL OFFICER	1.00		1.00	19,847	41
<b>TOTAL NUMBER OF FUNDED POSITIONS</b>		<b>34.00</b>	<b>0.00</b>	<b>34.00</b>		
<b>TOTAL NUMBER OF UNFUNDED POSITIONS</b>		<b>11.00</b>	<b>0.00</b>	<b>11.00</b>		
<b>TOTAL NUMBER OF POSITIONS</b>		<b>45.00</b>	<b>0.00</b>	<b>45.00</b>		

The Job Classification Table (above) depicts the positions needed to meet the District’s mission requirements. The 34 individuals who fill these positions are organized into four Divisions making up a dedicated District team of professionals. The District Staff Directory listing the employees filling these positions can be found at <https://www.ourair.org/apcd/apcd-staff-directory/>.

## STRATEGIC PLAN

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This section presents a strategic vision of the District for the future, including the programs and services to be provided, goals and objectives, the resources needed to achieve these goals, and metrics for success. Below are the priorities, goals, and objectives of the District.

### *Priority 1: Protection of Public Health through Air Quality Improvement*

**Goal:** Continue to implement programs that directly reduce emissions.

**Objectives:**

- As necessary, adopt new rules and regulations that cost-effectively reduce emissions.
- Emphasize alternatives to “command-and-control” regulations, such as pollution prevention, incentives, and social responsibility.
- Develop partnership initiatives to introduce innovative or other low-polluting technologies in areas not currently regulated or where technology recipients agree to go beyond regulatory requirements.
- Involve the community in pollution-reduction efforts through grant programs, public education, and recognition of outstanding pollution-reduction efforts.
- Maintain a fair and consistent compliance program, with emphasis on educating the regulated community.
- Ensure a contribution by all emission sources toward emission reductions.
- Use penalties to act as a deterrent and to place emphasis on compliance.

**Goal:** Maintain a strong, science-based program.

**Objectives:**

- Place a high priority on staff training and professional advancement.
- Base decisions on well-documented data that has been subject to critical and open review.
- Maintain a sound and robust emission inventory and air quality monitoring system.
- Maintain and update the Clean Air Plans using the latest data and control techniques. Use the best available resources in developing programs, rules, and permit analyses.

**Goal:** Ensure that the District’s mission and actions are aligned and routinely reviewed.

**Objectives:**

- Maintain and periodically update the Strategic Plan.
- Develop and adopt annual goals and track progress.

**Goal:** Ensure adequacy of resources.

**Objectives:**

- Improve efficiency by taking advantage of technological advances and improving District systems and processes for improvements.
- Broaden the District's funding base by actively pursuing additional sources of revenue.
- Review our financial status to ensure financial stability.

*Priority 2: Community Involvement*

**Goal:** Involve the community in air quality protection.

**Objectives:**

- Initiate collaborative efforts and partnerships with the community around equity-based air quality and environmental goals.
- Offer timely information, in multiple languages, on air quality issues and upcoming events via the District's website, social media, and public information process.
- Provide the public with additional informational resources, including presentations and printed materials.
- Support the District's Community Advisory Council to provide input on rules and clean air plans and to foster open communication and a collaborative approach to air quality planning.
- Conduct workshops on new rules, plans, and the budget to obtain community input.
- Reach out to community partners and the media for additional opportunities to inform the public.
- Participate in community events.
- Support students and teachers in efforts to learn about air quality and the environment.

*Priority 3: Continuously Improve Service*

**Goal:** Maintain and improve relationships with all constituents.

**Objectives:**

- Keep the Board well-informed.
- Provide opportunities for public input on decisions affecting them.
- Train staff in customer service and reward good service.
- Survey constituents regarding the quality of service received.
- Tap employee expertise, reward high performance, and push decisions down to the lowest level at which they can be competently made.

# FISCAL YEAR 2023-24 DISTRICT BUDGET

## Revenue Plan

<b>REVENUE PLAN</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Licenses &amp; Permits</i>				
Evaluation Fees	\$ 317,367	\$ 331,742	\$ 419,729	\$ 358,031
Asbestos Notification Fees	77,362	75,907	110,128	86,752
Reevaluation Fees	795,154	686,630	869,575	1,237,452
Air Toxics (AB 2588)	2,138	3,704	3,704	3,468
Application Fees	117,034	124,796	138,424	140,000
Annual Emission Fees	688,817	798,098	783,931	796,846
Notice of Violation	288,840	225,000	257,650	275,000
Inspection Fees	23,747	25,298	25,298	27,246
Source Test Fees	112,686	92,844	99,722	123,029
DAS	307,430	323,562	323,562	261,554
Monitoring	456,880	565,347	565,347	540,161
<i>Use of Money</i>				
Interest	(257,680)	75,000	90,000	90,000
<i>Federal, State, and Other Governments</i>				
Federal - EPA Grant	562,490	625,000	646,494	670,400
Motor Vehicle \$4	1,531,630	1,546,356	1,529,308	1,546,356
Motor Vehicle \$2	765,815	773,178	764,654	773,178
State-PERP	61,714	52,200	52,625	55,330
State-ARB	353,124	419,757	287,884	355,546
Other Governments	258,629	310,000	256,800	267,000
<i>Charges for Services</i>				
Environmental Review	6,902	5,000	5,000	6,000
AQAP Fees	405,382	397,538	407,022	339,996
CARB Grant Programs	2,174,344	4,648,938	4,626,389	2,290,895
Reimbursable Charges	698,779	669,785	787,477	662,292
<i>Miscellaneous Revenue</i>	(28,071)	2,000	5,000	2,000
Revenue Total	9,720,513	12,777,680	13,055,723	10,908,532
<i>Other Financing Sources</i>				
Decrease in Fund Balance	1,531,781	5,044,838	566,831	8,729,351
Revenue Plan Total	<u>\$ 11,252,293</u>	<u>\$ 17,822,518</u>	<u>\$ 13,622,554</u>	<u>\$ 19,637,884</u>

## Expenditure Plan

<b>EXPENDITURE PLAN</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Expenditures</i>				
Administration	\$ 4,389,229	\$ 4,992,020	\$ 3,503,752	\$ 5,365,631
Engineering	1,356,274	1,354,210	1,348,204	1,397,461
Compliance	1,387,001	1,334,425	1,341,169	1,330,339
Planning	4,128,320	9,182,599	3,220,174	11,544,453
Expenditure Total	11,260,824	16,863,254	9,413,300	19,637,884
<i>Other Financing Uses</i>				
Increase in Fund Balance	601,465	959,264	4,791,347	-
Expenditure Plan Total	<u>\$ 11,862,289</u>	<u>\$ 17,822,518</u>	<u>\$ 14,204,647</u>	<u>\$ 19,637,884</u>

## Character of Expenditures

<b>CHARACTER OF EXPENDITURES</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Expenditures</i>				
Regular Salaries	\$ 4,022,127	\$ 4,087,430	\$ 4,087,430	\$ 4,347,764
Overtime	62	-	-	-
Benefits	2,198,602	2,006,713	2,006,713	2,106,648
Salaries & Benefits Total	6,220,791	6,094,142	6,094,143	6,454,412
Services & Supplies	3,610,157	8,610,991	2,517,763	10,824,871
Other Charges	176,917	179,600	177,873	186,600
Fixed Assets	1,252,959	1,978,521	623,521	2,172,000
Expenditure Total	11,260,824	16,863,254	9,413,300	19,637,884
<i>Other Financing Uses</i>				
Increase in Fund Balance	601,465	959,264	4,791,347	-
Expenditure Plan Total	<u>\$ 11,862,289</u>	<u>\$ 17,822,518</u>	<u>\$ 14,204,647</u>	<u>\$ 19,637,884</u>



## Revenue Breakout by Category

### TOTAL REVENUE

	Adopted FY 2022-23	Proposed FY 2023-24	Budget to Budget Var.	% Budget to Budget Var.
Revenue Total	\$ 12,777,680	\$ 10,908,532	\$ (1,869,148)	-14.6%
Use of Fund Balance	5,044,838	8,729,351	3,684,513	73.0%
Revenue Plan Total	<u>\$ 17,822,518</u>	<u>\$ 19,637,884</u>	<u>\$ 1,815,366</u>	<u>10.2%</u>

### GRANTS/PASS THROUGH REVENUE

	Adopted FY 2022-23	Proposed FY 2023-24	Budget to Budget Var.	% Budget to Budget Var.
<i>Grant Revenues</i>				
CARB Grants (Moyer and Other)	\$ 4,648,938	\$ 2,290,895	\$ (2,358,043)	-50.7%
Motor Vehicle \$2	773,178	773,178	-	0.0%
	5,422,116	3,064,073	(2,358,043)	-43.5%
<i>Administrative portion of Grant</i>				
Admin Fee- General Fund	(621,978)	(327,186)	294,793	-47.4%
<i>Use of Grant Fund Balances</i>	2,636,672	6,573,280	3,936,608	149.3%
Revenue Plan Total	<u>\$ 7,436,810</u>	<u>\$ 9,310,168</u>	<u>\$ 1,873,358</u>	<u>25.2%</u>

### OPERATING REVENUE

	Adopted FY 2022-23	Proposed FY 2023-24	Budget to Budget Var.	% Budget to Budget Var.
Operating Revenue	\$ 7,355,564	\$ 7,844,459	\$ 488,895	6.6%
Pass-through Admin Fee	621,978	327,186	(294,793)	-47.4%
Grant Admin fee being used for future year's grant administration	(336,473)	(69,461)	267,012	0.0%
Use of operating fund balances	2,408,166	2,156,071	(252,095)	-10.5%
Total Operating Budget	<u>\$ 10,049,235</u>	<u>\$ 10,258,254</u>	<u>\$ 209,019</u>	<u>2.1%</u>

## Expenditure Breakout by Category

### TOTAL EXPENDITURES

	Adopted FY 2022-23	Proposed FY 2023-24	Budget to Budget Var.	% Budget to Budget Var.
Salaries and Benefits	\$ 6,094,141	\$ 6,454,412	\$ 360,271	5.9%
Services and Supplies	8,610,992	10,824,871	2,213,879	25.7%
Other Charges	179,600	186,600	7,000	3.9%
Capital Assets	1,978,521	2,172,000	193,479	9.8%
Increase to Fund Balance	959,264	-	(959,264)	-100.0%
Expenditure Total	<u>\$ 17,822,518</u>	<u>\$ 19,637,884</u>	<u>\$ 1,815,366</u>	<u>10.2%</u>

### GRANTS/PASS THROUGH EXPENDITURES

	Adopted FY 2022-23	Proposed FY 2023-24	Budget to Budget Var.	% Budget to Budget Var.
<u>Grant Expenditures</u>				
Salaries and Benefits	\$ -	\$ -	\$ -	
Services and Supplies	7,011,837	9,379,629	2,367,792	33.8%
Other Charges	-	-	-	
Capital Assets	-	-	-	
Increase to Fund Balance	761,446	-	(761,446)	6552%
Grant Expenditure Total	<u>\$ 7,773,283</u>	<u>\$ 9,379,629</u>	<u>\$ 1,606,346</u>	<u>20.7%</u>

### OPERATING EXPENDITURES

	Adopted FY 2022-23	Proposed FY 2023-24	Budget to Budget Var.	% Budget to Budget Var.
<u>Operating Expenditures</u>				
Salaries and Benefits	\$ 6,094,141	\$ 6,454,412	\$ 360,271	5.9%
Services and Supplies	1,599,155	1,445,241	(153,914)	-9.6%
Other Charges	179,600	186,600	7,000	3.9%
Capital Assets	1,978,521	2,172,000	193,479	9.8%
Increase to Fund Balance	197,818	-	(197,818)	-100.0%
Total Operating Expenditures Budget	<u>\$ 10,049,235</u>	<u>\$ 10,258,254</u>	<u>\$ 209,019</u>	<u>2.1%</u>

## DISTRICT DIVISION SUMMARIES

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The District operates with 34 positions from two office locations (one in Santa Barbara and one in Santa Maria) and is organized into four Divisions: Administrative, Engineering, Compliance, and Planning.

### *Administrative Division*

Administrative includes administrative overhead, fiscal and executive services, human resources, and information technology services.

#### ***Administrative Overhead***

Administrative Overhead represents agency-wide operational costs not attributable to any one program, such as building maintenance, janitorial services, lease costs, insurance, and utilities.

#### ***Fiscal and Executive Services***

Fiscal and Executive Services is responsible for the activities of the Board of Directors and related committees. It is also responsible for the proper accounting and reporting of resources, and the administration of District facilities, fleet, and operations. In addition to payroll, payables, and receivables, Fiscal and Executive Services manages electronic timecard submittals and provides fiscal reports by department, project, activity, and permit number.

#### ***Human Resources***

Human Resources is responsible for recruitment, employee and labor relations, benefits administration, classification and compensation, collaborative bargaining, workers' compensation, training, diversity, equity and inclusion, and compliance oversight for state and federal employment law requirements.

#### ***Public Information***

The multi-lingual Public Information Program includes production and distribution of printed and digital materials, videos, an electronic newsletter, and other educational materials; the program also includes maintenance and management of the District website and social media accounts. Our Public Information Officer maintains media relations and promotes awareness of District programs. During wildfires and other events that affect air quality, staff coordinate with local agencies to inform the public of air quality impacts.

#### ***Information Technology Services***

Information Technology (IT) Services is responsible for managing, developing, operating, cyber security, training, and maintaining information systems at the District. Our systems include a computing network providing engineering and office automation, an integrated database system, and a data acquisition system to manage real-time air monitoring data from monitoring stations operated by the District and industry-operated monitoring stations, as

well as data collection and verification of continuous emission monitoring of large facilities. Additionally, we program IT solutions that streamline our processes, creating cost reductions, timesaving efficiencies, and increased productivity.

## *Engineering Division*

The Engineering Division provides initial and ongoing permitting, air toxics, and permit compliance services to applicants and operators of stationary sources of air pollution. The Division also coordinates all Public Records Act requests and supports lead agency requests for technical review of new projects. Permits are required for a broad range of activities, from small businesses such as dry cleaners to large petroleum production and mining operations. The Division manages permits for approximately 1,400 permitted or registered stationary facilities of small, medium, and large size, with a broad range of air pollution-emitting activities. The Division also is responsible for the emission offsets program, including the Emission Reduction Credit Source Register.

The District ensures that operators of such facilities abide by federal, state, and local air pollution laws and regulations. Larger facilities also require federal (Part 70) operating and Prevention of Significant Deterioration (PSD) permits in accordance with the federal Clean Air Act. Engineering Division staff also review detailed Plans and Reports from our larger sources, including the review of semi-annual Compliance Verification Reports from the Part 70 Sources.

### ***Public Records Act Requests***

The Engineering Division is responsible for coordinating the agency's response to all Public Records Act requests in a timely and transparent manner, often responding to the request the same day. The District routinely responds to approximately 125 requests per year.

### ***Permitting***

The review of new sources of pollution entails detailed engineering analyses of permit applications; evaluating applications for compliance with local, state, and federal rules and regulations; issuing the mandated authority to construct permits; and, if compliance with applicable air regulations and permit conditions is met, issuing the permits to operate. Reevaluations of existing permits, as required by law, are performed every three years to review the project descriptions, equipment lists, and conditions and to bring the permits current with any new or revised rules and regulations. Larger sources require federal operating permits in addition to the District's permitting requirements. The District also regulates and permits 15 federal Outer Continental Shelf (OCS) oil and gas offshore platforms under a delegation agreement with the USEPA. Engineering staff coordinate with other agencies to ensure that the permit holder complies with all permit conditions, applicable rules and regulations, performance standards, the California Health & Safety Code, and the federal Clean Air Act.

### ***Air Toxics***

The air toxics function includes implementation of the state’s Air Toxics “Hot Spots” (AB 2588) Program, the review of applications to ensure no sources of significant toxic risk are permitted, and the tracking and implementing of requirements of state and federal air toxic regulations. Computer air quality modeling analyzes potential air quality impacts of proposed projects using highly specialized software, which simulate the movement and dispersion of air pollutants, including the preparation of health risk analyses in certain cases. This modeling is also used in our larger permit applications to ensure compliance with state and national Ambient Air Quality Standards and Increments. The “Hot Spots” Program requires businesses to develop and update an emission inventory of toxic air pollutants, and some businesses are required to perform a health risk assessment. The State of California develops Air Toxic Control Measures for categories of sources that emit toxic air contaminants, and the District implements these measures locally. The USEPA also develops air toxic control requirements, known as National Emission Standards for Hazardous Air Pollutants, and these are implemented locally by the District via a delegation agreement. We utilize GIS tools in our permitting and air toxics programs to ensure sensitive receptors (e.g., schools) are properly notified.

### ***Permit Compliance***

Once a District permit to operate is issued, Engineering Division staff provide ongoing support for the more detailed and complex data submittals, source test plans/reports, and continuous emissions monitoring plans/reports. This may also include site assessments in the field. The source testing function is the physical measurement of pollutants from emission points at a facility and is used to determine compliance with applicable rules and permit conditions. Staff also prepare compliance reports for input into USEPA’s Integrated Compliance Information System, participate in the County’s System Safety and Reliability Review Committee, review Breakdown Reports, oversee the District’s Leak Detection and Repair (LDAR) program, develop tools to implement new and existing permit compliance programs, and review Part 70 Semi-Annual Compliance Verification Reports.

## ***Compliance Division***

The Compliance Division provides initial and ongoing inspection and enforcement services to applicants and operators of stationary sources of air pollution. Inspectors perform inspections at a broad range of operations, from small businesses such as dry cleaners to large petroleum production and mining operations. Facility inspections are performed at different frequencies based on the facility’s potential to emit, actual emissions, and compliance history. All permitted facilities are inspected at least once every three years, with most inspections occurring more frequently (e.g., once per quarter, once every six months, once per year, or once every two years). The Division also performs random surveillance inspections; replies to public nuisance complaints regarding odors, smoke, and dust; implements the federal asbestos program; inspects equipment under the Statewide Portable Equipment Registration Program (PERP); inspects local

agricultural engine registrations; and in coordination with the Santa Barbara County Fire Department, implements our open burning programs (e.g., agricultural burns, prescribed burns). Compliance staff annually inspect approximately 650 permitted or registered stationary facilities of small, medium, and large size, with a broad range of air pollution-emitting activities.

### ***Inspector Duties***

The field inspectors verify compliance by conducting and documenting site inspections, reviewing records, accessing on-site monitoring data, and evaluating pollution levels. A large part of the inspector's role is to educate the sources on what is required and expected of them; inspectors provide in-the-field compliance assistance and instruction. Compliance staff also respond to public complaints, prepare reports for variances and abatement orders heard before the District Hearing Board, manage the District's mutual settlement program, manage the asbestos renovation and demolition compliance program, and manage the open burning and agricultural/prescribed burning programs (including direct coordination with the County/City Fire Departments). Compliance staff coordinate with the Engineering Division on the more technically complex sources, and with the Planning Division on telemetered monitoring data from in-plant monitors and ambient monitoring stations, clean air funding programs, and revisions to rules. We also coordinate with other agencies on topics that cover multiple jurisdictions, such as air quality complaints.

### ***Enforcement and Mutual Settlement***

Our enforcement function includes documenting non-compliance with the air quality requirements by writing Notices of Violation (NOVs). The primary goal is to get a source back into compliance with the applicable permit and rule requirements. The District typically attempts to settle violations directly with the source. The District will occasionally refer cases to the District Attorney's office.

### ***Variance Program***

The District's Hearing Board issues abatement orders and variances to stationary sources that currently are, or likely may become, out of compliance with local air district rules, regulations, or the Health and Safety Code. District inspectors perform some of the administrative functions of processing a variance, including providing the petition application; appearing as a party to the variance proceeding; preparing staff reports, when applicable; and following up to ensure that the increments of progress, emission limits and final compliance dates contained within the Variance order are met.

## ***Planning Division***

The Planning Division is responsible for planning and rule development, as well as coordinating with planning departments around the county. Planning also conducts outreach regarding the following: grant and incentive programs to promote clean air technologies, presentations for schools and community groups, and partnerships with local agencies and organizations. The

Division reviews discretionary actions by the County and cities, provides comments on air quality issues, and is responsible for ensuring compliance with the California Environmental Quality Act (CEQA). Grants administered by the Division include incentives for electric vehicle infrastructure, and for replacing higher-emitting cars, school buses, on-road vehicles, agricultural engines, off-road equipment, and marine diesel engines with newer, cleaner engines or with electric vehicles. In addition, the Planning Division initiates and supports collaborative efforts to reduce emissions from unregulated sources, such as voluntary programs to reduce emissions from marine shipping (Protecting Blue Whales and Blue Skies), from residential wood-burning fireplaces or woodstoves (Woodsmoke Reduction Program), and from landscaping equipment (Landscape Equipment Electrification Fund). The Division is implementing legislative requirements and incentive programs associated with the state's AB 617 Community Air Protection program. The Planning Division also oversees the District's air monitoring network.

### ***Planning***

The Planning Division prepares clean air plans that map the path to improved air quality and form the basis for future rule development and permitting work. Clean air plans may be required by state and/or federal laws and generally include an inventory of the county's pollution sources, the status of the county's air quality, a detailed evaluation of proposed air pollution control measures, and forecasts of future air quality, including economic growth projections. The Planning Division establishes and maintains detailed emission inventories for clean air planning and invoicing of emission-based fees to support District programs.

### ***Rule Development***

Air quality-related rules are developed to protect human health and the environment of Santa Barbara County. Rules may be prescribed by the District's clean air plans to meet state and federal air pollution requirements, or by other legislative mandates. New and amended rules are analyzed for cost-effectiveness. Opportunities for public participation in the rule development process are extensive, involving public workshops, Community Advisory Council reviews, and public hearings before the District's Board of Directors.

### ***Community Programs***

The Planning Division initiates and supports collaborative efforts to reduce emissions from sources outside the District's regulatory purview. Staff participate in planning efforts for the use of zero-emission vehicles and alternative fuels and provide input on other community efforts to improve air quality and educate the public. Staff provide presentations at schools, businesses, and community events; develop and support partnerships around common interests with a range of organizations and agencies; and implement special outreach efforts and initiatives.

### ***Land Use***

District staff ensure that all permits, plans, rules, and programs of the District comply with CEQA. As a CEQA "responsible agency," we review the larger land development and planning

policy documents and provide comments and recommendations for mitigation measures on the air quality analyses in other local agencies' environmental documents. District staff provide technical assistance to planning agencies around the county evaluating air quality impacts of proposed development. Staff also participate in statewide efforts to refine project-level tools for calculating air quality, health, and climate change impacts and mitigation measures. In addition, staff coordinate with Santa Barbara County Association of Governments (SBCAG) on the development and implementation of transportation control measures and regional transportation plans. Staff participate on SBCAG committees to evaluate transportation plans, projects, and funding proposals.

### ***Grant and Incentive Programs***

District grant and incentive programs promote the development, demonstration, and implementation of clean fuels and clean energy technologies to reduce air pollution through incentives to local businesses and industry. Staff initiate projects through government-industry partnerships and through leveraged funding. One example is an incentive program to reduce speeds of ocean-going vessels, through our Protecting Blue Whales and Blue Skies initiative. The District's portion of the funding generally comes from CARB under a variety of funding programs (e.g., Carl Moyer, FARMER, AB 617 Community Air Protection, Woodsmoke Reduction) and funds from the clean air surcharge on motor vehicle registration fees. Permit and emission-based fees are not used to fund these programs.

### ***Air Monitoring***

The Air Monitoring Section is responsible for measuring and reporting air pollution levels throughout the county. This is done via two networks of air quality monitoring stations. The urban network is funded and operated by the District to monitor air quality in urban or populated areas throughout the county. The District also receives federal funding to support urban air monitoring efforts. The regional and facility-specific network is funded and/or operated by certain large sources to monitor background and regional pollutant levels and the air quality in the vicinity of those major facilities. The monitoring staff maintain the air monitoring network, perform quality assurance reviews on data, analyze air quality levels, and submit required reports to CARB and the USEPA. This section also works to provide air quality information to the public, including real-time air quality data and forecasts. If any monitoring station shows pollution levels above certain thresholds, staff will work with the Public Information Officer to widely distribute an Air Quality Alert.



## Impact Measures

The information listed below is a summary of air quality metrics that are measured throughout the calendar year and pertain to the District's efforts to attain the state and federal ambient air quality standards.

<b>Measure</b>	Actual CY 2022	Goal CY 2023	Est. Actual CY 2023	Goal CY 2024
Number of days on which the state one-hour ozone standard is not met somewhere in Santa Barbara County	0	0	0	0
Number of days on which the federal eight-hour ozone standard is not met somewhere in Santa Barbara County	0	0	0	0
Number of days on which the state eight-hour ozone standard is not met somewhere in Santa Barbara County	0	0	0	0
Number of days on which the state PM <sub>10</sub> standards are not met somewhere in Santa Barbara County	7	≤ 15	15	≤ 15
Number of days on which the federal PM <sub>2.5</sub> standard is not met somewhere in Santa Barbara County	0	0	0	0

CY = Calendar Year

## *FY 2022-23 Significant Accomplishments*

This fiscal year has been a year of re-entry back to the office to a new-normal beyond the COVID-19 pandemic. The District successfully carried out our core responsibilities while working a hybrid schedule of remote work and office work. Safety procedures were continued for staff who worked in the office or out in the field to carry out the essential functions of the agency that required in-person interactions. Below is a listing of the significant accomplishments the District achieved throughout FY 2022-23:

- Completed installation and commissioning of a new ambient air monitoring station in Santa Maria, which began operating in the third quarter of 2022. Installed Refinery-Related Community Air Monitoring equipment for this location.
- Completed the Clean Air Rooms Pilot Program, by providing additional free HEPA air purifiers to individuals who placed themselves on the program waiting list. The program was completed by distributing devices at a Foodbank event in Guadalupe in October 2022. Overall, this pilot program provided approximately 800 free HEPA devices to residents of Guadalupe and Casmalia, along with multi-lingual outreach about wildfire smoke and health.
- Made significant efficiencies with the District's electronic processes. A new employee performance review online solution was implemented. Migrated to Microsoft Teams Voice which is Microsoft's cloud-based phone system add on for Microsoft Office 365. It is a phone system only in the cloud, accessible from a mobile device or your computer, at any location. And a new online solution was implemented, Adobe Sign, where sources can now submit certain forms online and the data will automatically feed into the District's programs and databases.
- Continued the District's efforts on diversity & inclusion. The IDEAA (Inclusion, Diversity, Equity, Accountability & Awareness) committee held multiple events and trainings throughout the year for District employees.
- Increased the number of District staff who are certified to be members of our internal Bilingual Team to help create public information materials in English and Spanish. There are seven individuals on the Bilingual Team, which is 17.5% of the District's workforce.
- Performed 457 permitting actions in CY 2022.
- Performed 656 inspections in CY 2022.
- Responded to 324 air pollution complaints in CY 2022.
- Replied to 121 requests for information and provided 11,281 records under the Public Records Act during CY 2022.
- Maintained the number of people exposed to a cancer risk of 10 in a million or greater from permitted sources at zero.
- Executed \$4.5 million in Clean Air Grant contracts.
- Disbursed \$1.7 million in award funding to 32 Clean Air Grant projects that became operational in FY 2022-23.

## *Air Quality*

Santa Barbara County air quality currently meets all federal and state ambient air quality standards, except for the state ozone standards and the state 24-hour and annual arithmetic mean standards for particulate matter (PM<sub>10</sub>).

### ***2022 Ozone Measurements***

- During the 2022 calendar year, the state and federal 8-hour ozone standards were not exceeded, a decrease from one day in 2021.
- The state 1-hour ozone standard was not exceeded in 2022, the same as in 2021.

### ***2022 Particulate Matter Measurements***

- During the 2022 calendar year, the state 24-hour PM<sub>10</sub> standard was exceeded on seven days, an increase from 1 day in 2021.
- The federal 24-hour PM<sub>10</sub> standard was not exceeded in 2022, the same as in 2021.
- The federal 24-hour PM<sub>2.5</sub> standard was not exceeded in 2022, the same as in 2021.

# FISCAL YEAR 2023-24

## OPERATING BUDGETS BY DIVISION

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### *Administrative Division*

The Administrative Division expenses are allocated to the District’s direct operating activities as an overhead allocation based upon direct billable salaries and benefits. The Administrative Division includes a Fiscal and Executive section, Human Resources, Public Information, and an Information Technology Section, which includes information technology services and data acquisition. Each section has costs associated with specific goals and objectives; and an Administrative Overhead section, which accumulates expenses that are not attributable to any specific district activity, such as rent, landscaping, janitorial, insurance, and utilities.

<b>EXPENDITURE PLAN</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 2,079,426	\$ 2,722,686	\$ 1,325,338	\$ 3,371,276
Fiscal & Executive	1,239,599	973,217	971,997	900,180
Human Resources	96,001	167,942	169,442	146,342
Public Information	211,379	372,162	372,162	330,462
Information Technology	762,824	756,013	664,813	617,372
Operating Total	<u>4,389,229</u>	<u>4,992,020</u>	<u>3,503,752</u>	<u>5,365,631</u>
<i>Other Financing Uses</i>				
Increase in Fund Balance	-	197,818	-	-
Expenditure Plan Total	<u><u>\$ 4,389,229</u></u>	<u><u>\$ 5,189,838</u></u>	<u><u>\$ 3,503,752</u></u>	<u><u>\$ 5,365,631</u></u>

<b>CHARACTER OF EXPENDITURES</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Regular Salaries	\$ 1,263,124	\$ 1,303,727	\$ 1,303,727	\$ 1,366,458
Overtime	62	-	-	-
Benefits	777,800	697,923	697,923	695,472
Salaries & Benefits Total	<u>2,040,986</u>	<u>2,001,650</u>	<u>2,001,650</u>	<u>2,061,930</u>
Services & Supplies	1,177,086	1,229,870	1,110,457	1,134,701
Other Charges	153,501	145,500	151,645	154,000
Fixed Assets	1,017,657	1,615,000	240,000	2,015,000
Operating Total	<u><u>\$ 4,389,229</u></u>	<u><u>\$ 4,992,020</u></u>	<u><u>\$ 3,503,752</u></u>	<u><u>\$ 5,365,631</u></u>

## **Significant Changes (FY 2022-23 Adopted to FY 2023-24 Proposed)**

The FY 2023-24 operating total for the Administrative Division will increase by \$373,611 from the adopted 2022-23 budget, to \$5,365,631.

Salaries and benefits increased \$60,280, primarily due to the District negotiating a three-year agreement with the two employee bargaining units in FY 2022-23. The first year saw a cost of living adjustment (COLA) for District employees of 3.5%, which was effective August 18, 2022 and was not included in last year's salary budget numbers. The second year of that agreement provides District staff with a 2% COLA as of July 1, 2023. Merit increases staff also contribute to the increase.

Services and supplies decreased by \$95,169 or 7.7%. This decrease is due to the District needing to cut about 10% of services and supplies across the board (where applicable) to balance the budget. These accounts include but were not limited to equipment and equipment maintenance, building maintenance, office expenses, professional services, software, training, and travel.

Other charges increased by \$8,500, primarily due to an anticipated increase to the District's liability insurance premiums due to inflation and the economy.

Fixed assets increased \$400,000 from the previous fiscal year. Last year, the District had budgeted to use a portion of fund balance to for building demolition and renovations. Of the \$1,600,000 allocated in FY 2022-23, only approximately \$225,000 will be spent by the end of June 2023. The leftover renovation budget of \$1,375,000 is being rolled over into this budget along with another \$625,000 to fully renovate the space and bring it up to the District's standards. This year's fixed asset budget also includes the purchase of equipment for the District's data acquisition system (DAS).

### ***FY 2023-24 Goals and Objectives***

#### *Fiscal and Executive Section*

1. Revamp new project Fiscal forms in Adobe to allow for a streamlined process internally.
2. Research the billing tool option within the District's current accounting software to test whether it has the capability to handle all billings throughout the year.
3. Implement a cost recovery policy for the District.

#### *Human Resources Section*

4. Continue to expand on diversity, equity, and inclusion training for all staff. Including adding a page to our website to focus on the District's efforts regarding DE&I.
5. Update two Policy and Procedure documents within the Admin section of District P&Ps.

### *Public Information*

6. Use the District's communication tools to increase agency awareness and awareness of air quality issues, and significantly increase the number of Santa Barbara County residents who subscribe to our bilingual air quality news and who follow our social media accounts.
7. Increase outreach to Spanish-speaking and Mixteco-speaking individuals through meetings with various community groups and conduct outreach to underserved communities pursuant to the AB 617 Community Air Protection Program and increase the number of Spanish webpages on the District's website.
8. Complete the redesign of the online Permitted Facilities Map tool to better match the aesthetics and functionality of the District's redesigned website.

### *Information Technology Section*

9. Continue to research and migrate District applications and databases to the Cloud.
10. Work closely with contractor during construction of new server room at McCoy property location and make sure all IT aspects are covered (e.g., wiring, security, etc.) during the remodel process.

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## *Fiscal and Executive Services*

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*Purpose Statement: Fiscal and Executive Services provide executive, clerical, fiscal, and facilities support to all APCD staff and fulfill the financial reporting needs of the public and the regulated community.*

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### ***FY 2022-23 Significant Accomplishments***

- Completed the financial audit for FY 2021-22 with no audit findings.
- Successful implementation of the budget – exceeding revenue and lower-than-budgeted expenditures.
- Successfully demoed interior of the office building in north county, getting it ready for construction.
- Successfully worked with an architect and County General Services and received approved plans from the City of Santa Maria for the remodel of the office building in north county. Also, successfully opened the RFP for construction on the building and awarded construction contract. Remodel construction is set to take place in FY 2023-24.
- Successfully hired and trained a new Office Technician.
- Completed a Fee Study and developed a Long-Range Fiscal Strategy for Board's consideration.
- Successfully met the Maintenance of Effort requirement for the District's EPA 105 grant. This allowed the District to continue to receive the annual federal grant funding of approximately \$500,000.

### **Recurring Performance Measures**

<b>Measure</b>	<b>Actual FY 2021-22</b>	<b>Goal FY 2022-23</b>	<b>Est. Actual FY 2022-23</b>	<b>Goal FY 2023-24</b>
Percent of actual revenue received to revenue budgeted	103.0%	100%	96.1%	100%
Percent of actual expenditures to expenditures budgeted	77.7%	100%	55.8%	100%
Total federal maintenance of effort (MOE) above/(below) previous year MOE + \$1	\$1,017,179	≤ \$1	≤ \$1	≤ \$1

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### **Human Resources**

*Purpose Statement: Human Resources is responsible for recruitment and selection of employees, labor relations, benefits administration, classification and compensation, collaborative bargaining, workers' compensation, training, and compliance oversight for state and federal employment law requirements. These human resources benefits and labor relations services ensure organizational equity to meet the changing needs of the District and its staff.*

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#### **FY 2022-23 Significant Accomplishments**

- Conducted 11 recruitments (approximately 32% of APCD workforce).
- Successfully completed the reporting requirements for the health care reform mandates.
- Administered District safety training program in compliance with OSHA regulations.
- Managed District workers' compensation program, with no claims reported for the year.
- Managed and provided comprehensive Human Resources programs and services for the District and its employees.
- Continued the District's efforts on diversity & inclusion. The IDEAA (Inclusion, Diversity, Equity, Accountability & Awareness) committee held multiple events and trainings throughout the year for District employees.
- Implemented all new permanent OSHA guidelines and new legislation as it became effective to make sure the District was following all protocols put into place after the end of the pandemic.

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## Public Information

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*Purpose Statement: In order for meaningful public participation to occur, outreach to the media and community members is key. We are committed to maintaining multiple communication channels for the exchange of easy-to-understand air quality information on issues occurring throughout Santa Barbara County.*

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### **FY 2022-23 Significant Accomplishments**

- Issued more than 35 news releases regarding District news, air quality alerts, and prescribed burns, and promoted media coverage of District issues and news.
- Participated in media interviews on local air quality issues.
- Continued to share instructions about how to protect against wildfire smoke by creating “clean air rooms.” Worked with schools on understanding air quality alerts and air quality data to best guide decision-making about outdoor activities for students during wildfire smoke events; and participated in responder calls and meetings.
- Completed the Clean Air Rooms Pilot Program, by providing additional free HEPA air purifiers to individuals who placed themselves on the program waiting list. The program was completed by distributing devices at a Foodbank event in Guadalupe in October 2022. Overall, this pilot program provided approximately 800 free HEPA devices to residents of Guadalupe and Casmalia, along with multi-lingual outreach about wildfire smoke and health.
- Increased the number of District staff who are certified to be members of our internal Bilingual Team to help create public information materials in English and Spanish.
- Continued to attract new social media followers and subscribers to our listservs for news, air quality alerts, and prescribed burn information.
- Began the process of working on the complete redesign of the online Permitted Facilities Map tool to better match the aesthetics and functionality of the District’s redesigned website.

### **Recurring Performance Measures**

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est Actual FY 2022-23	Goal FY 2023-24
Publish e-newsletter	1	4	3	4
Community events	0	6	3	4
Number of air quality alert subscribers	2,300	4,600	3,000	4,500



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## Information Technology Services

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*Purpose Statement: The Information Technology Services (ITS) is responsible for the management, development, operation, training, and maintenance of information systems. These systems include a network of computers providing engineering and office automation, an integrated database system, and a data acquisition system to manage real-time air monitoring data from monitoring stations operated by the District and industry-run monitoring stations, as well as emission data from large facilities. The ITS staff develop innovative IT solutions to create operational efficiencies that reduce costs and increases productivity.*

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Two programs make up Information Systems: the Data Acquisition System (DAS) and the Local Area Network (LAN.)

### ***FY 2022-23 Significant Accomplishments***

#### Automated Data Acquisition (DAS) Program

- Provided reliable operation of the Data Acquisition System in support of program goals.
- The DAS system uptime exceeded 97%, Backups were 100%, and Data Acquisition exceeded 90%.
- Ongoing improvements of function and efficiencies of the DAS system and the support of the monitoring sites.

#### Local Area Network (LAN)

- Provided a highly reliable computing system for the District in support of the District's business. Due to increased remote work during the pandemic, all staff were issued laptops.
- Continued to increase IT system security whenever feasible.
- Hardware and software systems were upgraded or replaced as necessary keeping in line with our goal of providing reliable and cost-effective information systems.
- Provided ongoing support and enhancements for the payroll, accounting, Integrated Database System, and the telecommuting program.
- Successfully met with data wiring contractors and put together a plan for all data cables at the new north county office building.

**Recurring Performance Measures**

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est. Actual FY 2022-23	Goal FY 2023-24
Network uptime	>97%	97%	>97%	97%
APCD website uptime	>99%	100%	>99%	100%
Data Acquisition System (DAS) valid data acquisition rate	>97%	97%	>97%	97%

## Engineering Division

The Engineering Division is composed of the Permitting Section, Air Toxics Section, and Permit Compliance Section. The programs that these Sections operate have costs associated with specific goals and objectives. The Division also includes an administrative overhead function that accumulates expenses not attributable to any specific Division activity, such as management and supervision of staff, facilitating staff development and training opportunities, budget management and tracking, and goal and policy implementation.

<b>EXPENDITURE PLAN</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 284,413	\$ 162,795	\$ 162,096	\$ 372,464
Permitting & Air Toxics	1,071,861	1,191,415	1,186,108	1,024,997
Operating Total	1,356,274	1,354,210	1,348,204	1,397,461
<i>Other Financing Uses</i>				
Increase in Fund Balance	-	-	-	-
Expenditure Plan Total	<u>\$1,356,274</u>	<u>\$1,354,210</u>	<u>\$ 1,348,204</u>	<u>\$1,397,461</u>

<b>CHARACTER OF EXPENDITURES</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Regular Salaries	\$ 920,673	\$ 944,276	\$ 944,276	\$ 965,913
Overtime	-	-	-	-
Benefits	431,987	395,159	395,159	417,518
Salaries & Benefits Total	1,352,660	1,339,435	1,339,435	1,383,431
Services & Supplies	2,333	12,775	7,275	11,530
Other Charges	1,280	2,000	1,494	2,500
Fixed Assets	-	-	-	-
Operating Total	<u>\$1,356,274</u>	<u>\$1,354,210</u>	<u>\$ 1,348,204</u>	<u>\$1,397,461</u>

### ***Significant Changes (FY 2022-23 Adopted to FY 2023-24 Proposed)***

The FY 2023-24 operating total for the Engineering Division decreased by \$43,251 from the adopted FY 2022-23 budget, to \$1,397,461.

Salaries and benefits increased \$43,996, primarily due to the District negotiating a three-year agreement with the two employee bargaining units in FY 2022-23. The first year saw a cost of living adjustment (COLA) for District employees of 3.5%, which was effective August 18, 2022 and was not included in last year's salary budget numbers. The second year of that agreement

provides District staff with a 2% COLA as of July 1, 2023. Merit increases staff also contribute to the increase.

Services and Supplies decreased \$1,245 due to the District needing to cut about 10% of services and supplies across the board (where applicable) to balance the budget. These accounts include but were not limited to equipment and equipment maintenance, building maintenance, office expenses, professional services, software, training and travel.

Other charges increased by \$500. This increase is due to fuel costs for the Engineering Division's fleet vehicle. Fixed assets had no change from the previous year; there are no anticipated fixed asset purchases planned for FY 2023-24.

### ***FY 2023-24 Goals and Objectives***

#### *Permitting Section*

1. Continue to automate permit application forms to streamline the transfer of data into the District's permitting database.
2. Continue working with the Planning Division to implement requirements of AB 617 Community Air Protection Program, including Criteria Pollutant and Toxics Emission Reporting (CTR) requirements for permitted sources, automation of the uploading of this data to CARB's reporting database, and Best Available Retrofit Control Technology (BARCT) rule development and revisions.
3. Complete the redesign of the online Permitted Facilities Map tool to better match the aesthetics and functionality of the District's redesigned website.

#### *Permit Compliance Section*

4. Continue working with Compliance Division to automate permit compliance and annual report forms to streamline the transfer of data into the District's permit compliance database.
5. Implement program to integrate and streamline the review of continuous emissions monitoring system (CEMS) data into the District's permit compliance database.

#### *Air Toxics Section*

6. Continue the AB 2588 Toxics "Hot Spots" process for the 23 high-priority sources currently under review.

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## *Permitting, Air Toxics, and Permit Compliance*

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*Purpose Statement: We issue technically rigorous and effective permits to new and existing stationary sources and ensure each project complies with all applicable local, state, and federal air quality requirements. We strive to protect the public from the exposure to significant levels of air toxics and inform and educate the public about emissions to which they may be exposed. We operate technically sound and thorough Permit Compliance programs, and we provide transparent and timely responses to Public Records Act requests for information.*

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### ***FY 2022-23 Significant Accomplishments***

- Completed 457 permitting actions during CY 2022.
- Issued 9 Part 70 federal operating permit renewals during CY 2022.
- Reviewed 122 emissions source tests during CY 2021.
- Replied to 121 requests for information and provided 11,281 records under the Public Records Act during CY 2022.
- Successfully onboarded and trained two new Engineering Division staff.
- Completed training of Engineering Division staff on the process for manually uploading permit compliance data for our USEPA-mandated reporting requirements.
- Updated the District's gas station modeling guidelines based on CARB's recently published Gasoline Service Station Industrywide Risk Assessment Guidance document.
- Completed review of two AB 2588 Air Toxics "Hot Spots" program Air Toxics Emissions Inventory Plans (ATEIPs) and two Air Toxics Emissions Inventory Reports (ATEIRs).
- Worked with Planning Division staff to implement Best Available Retrofit Control Technology (BARCT) requirements through permit modifications for two AB 617 Industrial Facilities.
- Worked closely with CARB and other California air district staff to significantly expand CARB's Stationary Source Permitting - Community Questions webpage, which helps the public understand how stationary source air quality permitting is conducted in California.
- Provided substantive air quality health risk and ambient standards review and analyses to the County for multiple proposed development projects.

**Recurring Performance Measures**

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est. Actual FY 2022-23	Goal FY 2023-24
<b>Permit Processing</b>				
Percent of Authority to construct permit applications reviewed for completeness within 30 days of receipt	100%	100%	100%	100%
Percent of authority to construct permits issued within 180 days of application completeness	97%	100%	98%	100%
Percent of permit to operate annual scheduled reevaluation renewals completed within the year	87%	90%	90%	90%
<b>Compliance</b>				
Percent of complete review of all Part 70 major source compliance verification reports within 120 days	59%	50%	50%	50%
<b>Source Testing</b>				
Percent of source test reports reviewed within 60 days	98%	75%	98%	90%
<b>Public Records Act Information Request Response</b>				
Percent of requests initially responded to within 10 days of receipt	100%	98%	100%	98%

## Compliance Division

The Compliance Division includes Inspection and Enforcement programs, and has costs associated with specific goals and objectives for these programs. The Division also includes an Administrative Overhead function that accumulates expenses not attributable to any specific Division activity, such as management and supervision of staff, facilitating staff development and training opportunities, budget management and tracking, and goal and policy implementation.

<b>EXPENDITURE PLAN</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 410,404	\$ 175,544	\$ 194,444	\$ 304,175
Compliance & Enforcement	976,596	1,158,881	1,146,725	1,026,164
Operating Total	1,387,001	1,334,425	1,341,169	1,330,339
<i>Other Financing Uses</i>				
Increase in Fund Balance	-	-	-	-
Expenditure Plan Total	<u>\$1,387,001</u>	<u>\$1,334,425</u>	<u>\$1,341,169</u>	<u>\$1,330,339</u>

<b>CHARACTER OF EXPENDITURES</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act. FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Regular Salaries	\$ 768,264	\$ 779,728	\$ 779,728	\$ 839,915
Overtime				-
Benefits	433,182	397,687	397,687	439,350
Salaries & Benefits Total	1,201,446	1,177,415	1,177,415	1,279,265
Services & Supplies	17,525	37,010	28,620	31,074
Other Charges	16,155	20,000	15,134	20,000
Fixed Assets	151,876	100,000	120,000	-
Operating Total	<u>\$1,387,001</u>	<u>\$1,334,425</u>	<u>\$1,341,169</u>	<u>\$1,330,339</u>

### ***Significant Changes (FY 2022-23 Adopted to FY 2023-24 Proposed)***

The FY 2023-24 operating total for the Compliance Division decreased by \$4,086 from the adopted FY 2022-23 budget, to \$1,330,339.

Salaries and benefits increased \$101,850, primarily due to the District negotiating a three-year agreement with the two employee bargaining units in FY 2022-23. The first year saw a cost of living adjustment (COLA) for District employees of 3.5%, which was effective August 18, 2022 and was not included in last year's salary budget numbers. The second year of that agreement

provides District staff with a 2% COLA as of July 1, 2023. Merit increases staff also contribute to the increase.

Services and Supplies decreased by \$5,936, due to the District needing to cut about 10% of services and supplies across the board (where applicable) to balance the budget. These accounts include but were not limited to equipment and equipment maintenance, building maintenance, office expenses, professional services, software, training and travel.

Other charges saw no changes from the prior year.

Fixed assets decreased by \$100,000 from the previous year. Two vehicles within the District fleet were replaced in FY 2022-23.

### ***FY 2023-24 Goals and Objectives***

1. Continue to automate Compliance letters to streamline the generation of these documents.
2. Continue working with the Engineering Division to automate annual report forms to streamline the transfer of data into the District's database.
3. Complete the redesign of the online Permitted Facilities Map tool to better match the aesthetics and functionality of the District's redesigned website.
4. Continue to cross-train Compliance Division staff to ensure continuity of operations.
5. Update 10% of the Compliance Policy and Procedures.

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## ***Compliance and Enforcement***

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*Purpose Statement: We equitably enforce all rules and regulations to ensure air pollution control requirements are being met, to motivate and educate those we regulate to comply with air pollution laws, to protect human health and the environment, and to promote regulatory equity in the marketplace. We strive to protect the public from air quality nuisance situations and inform and educate the public about emissions to which they may be exposed.*

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### ***FY 2022-23 Significant Accomplishments***

- Performed 656 inspections during CY 2022.
- Responded to and documented 324 air pollution complaints during CY 2022.
- Received and reviewed 107 asbestos renovation/demolition notifications during CY 2022.
- Performed the administrative functions for 17 variance petitions during CY 2022.



- Reviewed and approved Smoke Management Plans for ten prescribed burns, totaling 1,066.25 acres, that were conducted during CY 2022. There were no air quality exceedances associated with these prescribed burns.
- Reviewed and updated 10% of the Compliance Policies & Procedures.
- Trained all Compliance Division staff on the process for manually uploading compliance data for our USEPA-mandated reporting requirements.
- Successfully onboarded and trained one new Compliance intern.

**Recurring Performance Measures**

<b>Measure</b>	<b>Actual FY 2021-22</b>	<b>Goal FY 2022-23</b>	<b>Est. Actual FY 2022-23</b>	<b>Goal FY 2023-24</b>
<b>Inspections</b>				
Percent of citizen complaints about air pollution responded to				
- within 3 hours	91%	90%	92%	90%
- within 24 hours	99%	95%	98%	95%
Percent of Part 70 facilities inspected	83%	100%	80%	100%
Percent of permitted facilities inspected within the last 3 fiscal years	93%	100%	85%	100%
Percent of initial settlement agreements sent within 90 days of NOV issuance	45%	60%	60%	60%
Percent of settlement agreements finalized within 1 year of NOV issuance for NOVs issued in the prior fiscal year	74%	60%	60%	60%

## Planning Division

The Planning Division includes the following program groups, which have costs associated with specific goals and objectives: Air Quality Planning, Community Programs, Land Use, Grants and Incentives, Rule Development, and Air Monitoring. The Division also includes an Administrative Overhead function that accumulates expenses not attributable to any specific division activity, such as management and supervision of staff, facilitating staff development and training opportunities, budget management and tracking, and goal and policy implementation.

<b>EXPENDITURE PLAN</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Administrative Overhead	\$ 168,123	\$ 159,963	\$ 158,363	\$ 455,274
Air Monitoring	807,461	915,593	908,534	706,286
Air Quality Planning	235,402	268,466	264,952	253,627
Rule Development	84,717	119,043	118,343	101,085
Community Programs	66,062	113,713	106,213	108,795
Land Use	217,252	262,954	262,454	282,033
Grants and Incentives Program	<u>2,549,302</u>	<u>7,342,867</u>	<u>1,401,315</u>	<u>9,637,353</u>
Operating Total	<u>4,128,320</u>	<u>9,182,599</u>	<u>3,220,174</u>	<u>11,544,453</u>
<i>Other Financing Uses</i>				
Increase in Fund Balance	601,465	761,446	4,791,347	-
Expenditure Plan Total	<u>\$4,729,785</u>	<u>\$9,944,045</u>	<u>\$ 8,011,521</u>	<u>\$ 11,544,453</u>

<b>CHARACTER OF EXPENDITURES</b>				
	Actual FY 2021-22	Adopted FY 2022-23	Est. Act FY 2022-23	Proposed FY 2023-24
<i>Operating Expenditures</i>				
Regular Salaries	\$1,070,066	\$1,059,699	\$ 1,059,699	\$ 1,175,478
Overtime	-	-	-	-
Benefits	555,633	515,943	515,943	554,309
Salaries & Benefits Total	<u>1,625,699</u>	<u>1,575,641</u>	<u>1,575,642</u>	<u>1,729,787</u>
Services & Supplies	2,413,215	7,331,337	1,371,411	9,647,566
Other Charges	5,981	12,100	9,600	10,100
Fixed Assets	83,424	263,521	263,521	157,000
Operating Total	<u>\$4,128,320</u>	<u>\$9,182,599</u>	<u>\$ 3,220,174</u>	<u>\$ 11,544,453</u>

### ***Significant Changes (FY 2022-23 Adopted to FY 2023-24 Proposed)***

The FY 2023-24 operating total for the Planning Division will increase by \$2,361,854 from the adopted FY 2022-23 budget to \$11,544,453, primarily due to the increase of expending grant funds from this and prior year funds.

Salaries and benefits increased \$154,146, primarily due to the District negotiating a three-year agreement with the two employee bargaining units in FY 2022-23. The first year saw a cost of living adjustment (COLA) for District employees of 3.5%, which was effective August 18, 2022 and was not included in last year's salary budget numbers. The second year of that agreement provides District staff with a 2% COLA as of July 1, 2023. Merit increases staff also contribute to the increase.

Services and supplies increased by \$2,316,229 due to grants from the previous fiscal year rolling into the current year. It's very common each year that residual funds from prior years be carried into the next year's budget if some of the clean air projects aren't completed and paid out in the current fiscal year. These grant funds are to be used as pass-through to continue expanding the reach of the grant programs, including the Carl Moyer, Community Air Protection, FARMER, Electrified Landscaping Equipment, and Wood Smoke Changeout programs. The grant funds help local businesses and organizations take advantage of cleaner technologies to secure immediate emission reductions. Project categories include agricultural equipment, woodstove changeouts, marine vessels, school and transit buses, old passenger cars and trucks, electrifying landscaping equipment, and electric vehicle infrastructure.

Other charges had a decrease of \$2,000 from the previous year due to our contributions to other government agencies for certain projects ceasing.

Fixed Assets decreased by \$106,521. This decrease is due to the monitoring section needing less equipment replacements next year. The District received federal grant funds in FY 2022-23 for three large pieces of equipment. That was a one-time grant and the equipment was purchased. The monitoring section will continue to replace analyzers and monitoring equipment for all sites as needed, to stay up-to-date and use the best technology available.

### ***FY 2023-24 Goals and Objectives***

1. Continue to implement requirements of AB 617 Community Air Protection Program including outreach, grant projects, Criteria Pollutant and Toxics Emission Reporting (CTR) requirements, and Best Available Retrofit Control Technology (BARCT) rule development and revisions.

### *Air Quality Planning*

2. Streamline and automate input of facility information into the District’s database for emission inventory reporting; work with Engineering Division to implement CARB’s statewide reporting regulation.
3. Develop and adopt a PM10 mitigation plan for wildfires, pursuant to EPA’s 2016 Exceptional Events Rule.
4. Assess countywide trends of PM exceedances and develop recommendations to reduce PM emissions in order to reach the state PM<sub>10</sub> standard.

### *Rule Development*

5. Develop and adopt rules as required by the District’s adopted BARCT Rule Development Schedule and other state and federal mandates.
6. Based on the results of the Fee Study, develop, and adopt modifications to our Fee Rule 210.

### *Grants and Incentives Program*

7. Implement a new cycle of grant funding awarded by the state legislature in 2022 (e.g., Carl Moyer, FARMER, and AB 617 Community Air Protection).

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## *Air Quality Planning*

*Purpose Statement: We develop, implement, and track clean air plans that comply with state and federal air quality planning mandates in order to protect the people and the environment of Santa Barbara County. The District works with the U.S. Environmental Protection Agency, California Air Resources Board, and Santa Barbara County Association of Governments to facilitate a coordinated and efficient effort to clean the air. We promote local dialogue and consensus by meeting with our Community Advisory Council during the development of clean air plans in order to address concerns of business, industry, environmental groups, and the public. Staff prepare emission inventory data required for air quality attainment planning and to invoice for emission-based fees that allow the District to continue programs that achieve clean air goals.*

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### **FY 2022-23 Significant Accomplishments**

- Reviewed, updated, and submitted to CARB quality-assured 2021 criteria and toxic pollutant stationary source emissions data for inclusion on their Pollution Mapping Tool, as outlined in the AB 197 Emission Inventory District Grant.

- Developed and adopted the 2022 Ozone Plan, which demonstrates progress and commitment to again achieve attainment of the state ozone standard.
- Successfully onboarded and trained three new Planning Division staff.

**Recurring Performance Measures**

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est Actual FY 2022-23	Goal FY 2023-24
Submit emissions inventory data to the California Air Resources Board each year	7/29/2021	8/1/2022	7/29/2022	8/1/2023
Process emissions inventory data submitted by sources for fee invoices each year	6/15/2022	5/31/2023	5/31/2023	5/31/2024

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**Rule Development**

*Purpose Statement: In order to implement air quality-related measures identified in clean air plans and other legislative mandates, and to protect human health and the environment of Santa Barbara County, we develop new and modified rules and regulations and prepare them for adoption by the District Board.*

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**FY 2022-23 Significant Accomplishments**

- Continued the evaluation of the next rules on the AB 617 BARCT Rule Development Schedule. This rule development schedule was adopted by the District Board on December 20, 2018, and there are two remaining rule development activities planned for 2023.
- Worked extensively with industry to determine that amendments to District Rule 333 are no longer necessary and incorporated the BARCT requirements for Reciprocating Internal Combustion Engines directly into the facility’s Permit to Operate.
- Began the evaluation of potential modifications of District Fee Rule 210.

**Recurring Performance Measures**

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est Actual FY 2022-23	Goal FY 2023-24
Number of draft rule projects released for public review	0	3	2	2

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## Community Programs

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*Purpose Statement: The District provides the community with assistance and information about air quality and health and the District's programs, rules, and services through our community outreach programs. We encourage the entire community to work together for clean air in Santa Barbara County.*

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### **FY 2022-23 Significant Accomplishments**

- Collaborated with partners to conduct a Vessel Speed Reduction (VSR) incentive program for emission-reduction and whale-protection benefits in the Southern California Region and the San Francisco Bay Area. The partners recognized the 23 shipping companies that participated in the 2022 VSR program by promoting their achievements through outreach campaigns, press coverage, social media, and web advertisements in prominent shipping, business, and logistics media outlets. For more information on the program, visit [www.bluewhalesblueskies.org](http://www.bluewhalesblueskies.org).
- Urged the passage of AB 953 (Connolly and Hart) which would create a statewide voluntary vessel speed reduction program for the California coast.
- Developed and presented an air emission analysis on local cruise ship visits for the Santa Barbara Harbor Commission Subcommittee
- Deployed additional low-cost air quality sensors at District monitoring stations and community partner locations, for a total of 46 sensors, to provide air quality trends and additional real-time air quality information to the public.
- With education programs, continued to partner with the Santa Barbara County Education Office and the Santa Barbara County Water Agency to promote classroom environmental project grants to teachers, and reached 517 students through the District's Clean Air Ambassadors (CAA) program visits to K-3 classrooms.
- Provided air quality presentations to community and industry groups, partner agencies, and classrooms.
- Reached 60 students through an in-person class presentation at a University of California, Santa Barbara Environmental Law class.

### **Recurring Performance Measures**

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est Actual FY 2022-23	Goal FY 2023-24
Schools outreach/ class visits (including CAA)	18	30	43	50

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## Land Use

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*Purpose Statement: District staff review major environmental and planning documents to ensure that air quality impacts of land development projects are correctly assessed and all feasible measures to reduce air pollution from these projects are considered. We review all District activities such as clean air plans, rules, and regulations, and permits to ensure that our activities do not result in adverse impacts to the environment. We participate in the local transportation planning process and review transportation projects to ensure that transportation policies and projects do not weaken air quality improvements.*

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### **FY 2022-23 Significant Accomplishments**

- Prepared and reviewed CEQA and NEPA documents for projects in a variety of roles (as lead agency, responsible agency, or commenting agency).
- Assisted other agencies, consultants, and project proponents in the preparation of air quality impact analyses for CEQA documents for a variety of land use project types and published a limited update of the CEQA guidance document, “Scope and Content of Air Quality Sections in Environmental Documents.”
- Continued to work with land use agencies and interested parties on options for local mitigation of greenhouse gas emissions.
- Participated in committees and work groups related to land use review and air quality impact assessment and mitigation, including the Subdivision/Development Review Committees of Santa Barbara County and Goleta, and SBCAG’s Technical Transportation Advisory Committee, Technical Planning Advisory Committee, and Joint Technical Advisory Committee.
- Participated in a CAPCOA workgroup and a larger Technical Advisory Committee related to two efforts: to update and move the CalEEMod emissions estimation model to an online platform, and to make a substantial update to the CAPCOA Handbook for Analyzing GHG Mitigation Emission Reductions, Assessing Climate Vulnerabilities, and Advancing Health and Equity.

### **Recurring Performance Measures**

<b>Measure</b>	<b>Actual FY 2021-22</b>	<b>Goal FY 2022-23</b>	<b>Est Actual FY 2022-23</b>	<b>Goal FY 2023-24</b>
Percent of CEQA reviews completed within 30 days for all environmental documents and land use projects	100% of 104	100% of 140	100% of 111	100% of 140

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## Grants and Incentives Program

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*Purpose Statement: We demonstrate innovative, voluntary ways of reducing air pollution in Santa Barbara County in order to further the District's mission. We foster government and industry cooperation and support local businesses by providing incentives to aid in the implementation of low-emissions technologies. Grant and incentive programs are alternatives to the traditional regulatory approach that secure significant emissions reductions and increase flexibility for businesses and public health benefits to the community.*

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### **FY 2022-23 Significant Accomplishments**

- Applied for and received CARB grant funds for Carl Moyer Program Year 24, Carl Moyer Program Year 24 State Reserve, FARMER Year 5, Community Air Protection Year 5 incentive and implementation Funds, and Woodsmoke Reduction Program funds.
- Awarded the grants to replace the following old, high-emitting diesel-fueled equipment with cleaner emission technologies:
  - 35 agricultural tractor replacements (34 diesel-powered; one electric-powered),
  - 2 electric-powered agricultural water pumps,
  - 1 construction tractor replacement,
  - 1 electric-powered off-road utility vehicle, and
  - 4 marine vessel main engine repowers.
- Awarded grants for 2 electric school buses to help school districts expand their fleet with zero emission buses.
- Issued grants to partially fund the purchase/installation of 126 electric vehicle charging ports with Level 2 charging capability and 20 electric vehicle charging ports with Level 3 charging capability (35 charging ports in North County and 111 charging ports in South County).
- Purchased and scrapped 67 vehicles under the Old Car Buy Back Program.
- Continued working with the Center for Sustainable Energy, California Energy Commission, and regional partners to implement the California Electric Vehicle Infrastructure Project (CALeVIP) rebate program for electric vehicle charging stations. The South Central Coast Incentive Project will provide more than \$5 million in funding for CALeVIP rebates in Santa Barbara County. So far, more than \$1.2 million of the project funds have been issued countywide.



### Recurring Performance Measures

<b>Measure</b>	Actual FY 2021-22	Goal FY 2022-23	Est Actual FY 2022-23	Goal FY 2023-24
NO <sub>x</sub> , ROC, and PM emissions reduced from signed grant agreement projects (tons).	129	125	256	193
Average cost effectiveness for all grant program funded projects (\$/ton)	\$17,455	\$23,944	\$28,470	<\$33,000

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### Air Monitoring

*Purpose Statement: We operate a county wide ambient air monitoring network to determine the relationship between our air quality and the federal and state air quality standards by comprehensively and accurately documenting the urban, regional, and source-specific pollutant concentrations. Information is gathered to allow for sound decisions by policymakers, the public, and the District in our combined efforts to protect public health.*

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### FY 2022-23 Significant Accomplishments

- Operated or provided oversight for the collection of high-quality ambient air quality data from monitoring stations throughout the county.
- Performed deployments of temporary particulate monitors for ten prescribed burns to inform the public about potential air quality impacts.
- Published the 2021 Annual Air Quality Report on the District’s website.
- Continued equipment and parts replacement according to schedule.
- Passed all performance audits and met minimum data collection rates.
- Submitted and received USEPA approval of our 2022 Annual Air Monitoring Network Plan.
- Completed installation and commissioning of the new Santa Maria air monitoring station. Received an approval letter from EPA designating this station as a SLAMs station. Installed Community Air Monitoring equipment, pursuant to AB 1647, at the Santa Maria station.
- Deployed a mobile air monitoring station to investigate air quality complaints in Carpinteria, Goleta, and Summerland for a total span of over four months.

- Continued running a PM<sub>2.5</sub> monitor at our Santa Ynez monitoring station to help evaluate particulate levels in the area.
- Installed a new PM<sub>2.5</sub> monitor in Carpinteria to help evaluate particulate levels in the area.
- Completed USEPA’s Technical Systems Audit (TSA) of the District’s air monitoring program, commented on the draft TSA report, and began addressing USEPA’s findings.

***Recurring Performance Measures***

<b>Measure</b>	Actual	Goal	Est. Actual	Goal
	FY 2021-22	FY 2022-23	FY 2022-23	FY 2023-24
Collect 80%/90% valid data for air quality/meteorological measurements.	95%/100%	100%/100%	100%/100%	100%/100%

ATTACHMENT B

Budget Resolution

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF ADOPTING THE  
BUDGET FOR FISCAL YEAR 2023-24

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

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**RECITALS**

**WHEREAS**, the Air Pollution Control District of the County of Santa Barbara, State of California (“District”), is obligated by law to adopt a budget as set forth in Section 40130 et. seq. of the Health and Safety Code; and

**WHEREAS**, on March 31, 2023, said District made copies of the proposed budget available to the general public including a summary of the budget and a schedule of fees to fund District programs and gave notice by e-mail and mail to persons subject to District fees of the availability of said proposed budget; and

**WHEREAS**, on May 18, 2023, the District Board held a properly noticed hearing to review the budget and receive comment from the general public and from officers and employees of the District with regard to the District’s proposed budget; and

**WHEREAS**, on June 15, 2023, the District Board held a properly noticed hearing on the final budget; and

**WHEREAS**, the public hearing on the final budget has now been closed.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, as follows:

1. Said budget as settled by this Board shall be and the same hereby is adopted as the budget for the 2023-24 Fiscal Year for the District, and said budget document consists of the *Fiscal Year 2023-24 Proposed Budget* and related designations, budget revisions, the

APCD RESOLUTION ADOPTING THE BUDGET  
FOR FISCAL YEAR 2023-24

record for the Budget Hearings, and the summaries and decisions of the District Board in making final budget adjustments incorporated herein and made a part of this resolution as though set forth in full;

2. Said budget will be prepared in final form by the Control Officer and the Auditor-Controller in accordance with the requirements, determinations and actions of the District Board and the requirements of the State Controller's Office;
3. The Control Officer and Auditor-Controller are authorized to make final budget adjustments that transfer 2022-23 appropriations for fixed assets and other material purchases that have been ordered, but not received, by June 30, 2023 to the 2023-24 budget;
4. The Control Officer and Auditor-Controller in compiling the final budget are authorized to make adjustments where the Fiscal Year 2022-23 actual year-end closing figures for the General Fund (No. 1960) differ from the budget estimates and to make any final budget changes required to balance the budget by adjusting the applicable Fund Balance accounts;
5. The Control Officer and Auditor-Controller are hereby authorized to make adjustments to the final budget for Fiscal Year 2023-24 to reflect the transfer of any Fiscal Year 2022-23 unassigned General Fund (No. 1960) balance to the applicable Fund Balance accounts, such that the beginning unassigned General Fund (No. 1960) balance for Fiscal Year 2023-24 will be zero;
6. The fees and charges for services listed in the proposed budget and as increased, modified and revised, and finally settled, are hereby adopted and incorporated into the financing of the final budget;
7. As appropriate during the fiscal year, and upon receipt of proper documentation by the Auditor-Controller's office, the Auditor-Controller is authorized to adjust monthly appropriations and revenue estimates;

APCD RESOLUTION ADOPTING THE BUDGET  
FOR FISCAL YEAR 2023-24

8. The Control Officer is hereby delegated the authority to transfer appropriations between object levels within the District budget units, as provided in Government Code section 29125;
9. The Control Officer and Auditor-Controller, in compiling the final budget, are authorized to make ministerial budget changes and to transfer appropriations to or from fund balance components and contingencies to balance the budget for the various funds governed by the District;
10. The Control Officer and Auditor-Controller are authorized to make adjustments to the final budget throughout Fiscal Year 2023-24 for line item accounts 3381 Unrealized Gain/Loss on Investments and 9897 Unrealized Gains to properly record changes in the fair value of investments;
11. The Control Officer and Auditor-Controller are authorized to make adjustments to the final budget throughout Fiscal Year 2023-24 for line item account 3380 Interest Income and various fund balance accounts in order to properly record fund balance increases in operating funds due to interest income from the underlying agency fund (No. 1961);
12. The Control Officer and Auditor-Controller are authorized to make any adjustments to the final budget for Fiscal Year 2023-24 in order to comply with any Governmental Accounting Standards Board Pronouncements or to conform the budget to Generally Accepted Accounting Principles; and
13. A copy of said final budget will remain on file with the Clerk of the District Board.

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**PASSED, APPROVED AND ADOPTED** by the Air Pollution Control District Board of the Santa Barbara County, State of California, this 15<sup>th</sup> day of June, 2023, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT

**ATTEST:**


AERON ARLIN GENET  
Clerk of the Board

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_  
Chair


**APPROVED AS TO FORM:**

RACHEL VAN MULLEM  
Santa Barbara County Counsel

By  \_\_\_\_\_  
Jennifer Richardson (Jun 1, 2023 14:14 PDT)  
Deputy

**APPROVED AS TO FORM:**

BETSY M. SCHAFFER, CPA  
Auditor-Controller

By  \_\_\_\_\_  
Deputy



ATTACHMENT C

Salary Resolution

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF THE  
CLASSIFICATION AND SALARY  
RESOLUTION OF THE SANTA  
BARBARA COUNTY AIR POLLUTION  
CONTROL DISTRICT

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

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**RECITALS**

**WHEREAS**, Salary Resolution No. 97-05, as amended, established a Classification and Salary Plan and authorized position allocations effective June 19, 1997; and

**WHEREAS**, this Air Pollution Control District Board finds that there is good cause for amending said Resolution No. 97-05, as amended, in the manner provided in this resolution.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, as follows:

1. Resolution No. 97-05, adopted on June 19, 1997, and as subsequently amended, is hereby amended by amending Section 4 (Job Class Table) effective on June 15, 2023 as contained in the *Fiscal Year 2023-24 Proposed Budget Job Class Table* on page 14; and
2. Except as amended by this resolution, Resolution No. 97-05, as amended, continues unchanged and in full force and effect.

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**PASSED, APPROVED AND ADOPTED** by the Air Pollution Control District Board of the Santa Barbara County, State of California, this 15<sup>th</sup> day of June, 2023, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT

**ATTEST:**

AERON ARLIN GENET  
Clerk of the Board

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_  
Chair

**APPROVED AS TO FORM:**

RACHEL VAN MULLEM  
Santa Barbara County Counsel

By *Victoria Parks Tuttle*  
Victoria Parks Tuttle (Jun 2, 2023 11:37 PDT)  
Deputy

**APPROVED AS TO FORM:**

BETSY M. SCHAFFER, CPA  
Auditor-Controller


By *C. Edie*  
Deputy



Agenda Item: D-5  
Agenda Date: June 15, 2023  
Agenda Placement: Admin  
Estimated Time: N/A  
Continued Item: No

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Emily Waddington, Air Quality Specialist, (805) 979-8334

SUBJECT: Additional Funding for Woodsmoke Reduction Program

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### RECOMMENDATION:

Consider recommendations as follows:

1. Approve and authorize the Air Pollution Control Officer (APCO) to accept \$213,104 from the California Air Resources Board (CARB) to continue the District's implementation of the Woodsmoke Reduction Program as outlined in the Woodsmoke Reduction Program - Program Guidelines - Fiscal Year 2021-2022 Appropriation;
2. Delegate authority to the APCO to sign a Grant Agreement with CARB, included as Attachment 1 to the resolution;
3. Delegate authority to the APCO to sign installer agreements that are approved by Counsel, Auditor, and Risk Management and which shall meet the program requirements established by CARB; and
4. Approve and adopt the attached Resolution in the Matter of Continued Participation in CARB's Woodsmoke Reduction Program.

### BACKGROUND:

The Woodsmoke Reduction Program (Program) helps households voluntarily replace an uncertified wood-burning stove, fireplace insert, or fireplace used as a primary source of heat with a cleaner-burning and more efficient heating device. The Program mitigates neighborhood impacts and achieves emission reductions in criteria air pollutants, toxic air contaminants, and greenhouse gases by reducing the amount of woodsmoke emitted from fireplaces and wood stoves in the county.

The Program is designed to maximize benefits to low-income communities and households who are able to qualify for a higher voucher amount up to \$10,000 towards replacement of their current wood-burning heating device. The Program also includes a standard voucher amount of up to \$5,000. The Program is operated by the District in accordance with CARB's Woodsmoke Reduction Program's guidelines<sup>1</sup>. State funds to support the Program come from California Climate Investments, a statewide program that puts Cap-and-Trade dollars to work improving public health, particularly in disadvantaged communities. More information on the District's program is available at [www.ourair.org/heatclean](http://www.ourair.org/heatclean).

With your Board's approval, the District has implemented three cycles of the Woodsmoke Reduction Program starting with a pilot program approved in March 2017 with Resolution 17-04. The first state-funded program was approved in June 2018 with Resolution 18-10. Most recently, the District implemented the third iteration of the program, which was also state-funded, and approved in October 2019 with Resolution 19-16. Overall, the Program has completed 133 change-out projects, with 87 (or 90% of funding) going to change-outs located in low-income communities or households. The District has expended \$470,562 on the Program overall with a cost effectiveness of \$3,787 per ton of particulate matter 2.5 microns or less (PM2.5) reduced and \$1,992 per ton of ozone precursors (reactive organic compounds and oxides of nitrogen) reduced.

#### **DISCUSSION:**

Woodsmoke emitted from fireplaces and wood stoves accounts for approximately 30 percent of wintertime PM2.5 emissions in the county. Woodsmoke also emits ozone precursors, greenhouse gases, black carbon, and other toxic air contaminants. Every year, the District receives complaints about neighborhood impacts due to wood-burning stoves and fireplaces. By authorizing the acceptance of funds for the Woodsmoke Reduction Program, your Board will allow the District to continue to implement this successful cost-effective program that provides valuable health benefits to community members and improves air quality.

CARB released current Woodsmoke Reduction Program Guidelines on February 15, 2023 in accordance with the state's greenhouse gas reduction goals. One significant change to the guidelines is the focus on the replacement of wood stoves and fireplaces with electric heaters, such as electric air-source heat pumps and electric fireplace inserts. Some wood-burning heaters that have proven low PM emissions such as pellet, hybrid, catalytic, and select non-catalytic stoves and inserts are also eligible replacement devices. Natural gas stoves and fireplace inserts are no longer eligible replacement heaters. Heat pumps have many advantages in that they operate very efficiently, are easy to maintain, and provide both heat and cooling. The Program may allow participants who choose electric-powered replacements to use their existing wood-burning heater in the case of a power outage.

Households located on tribal lands or in a disadvantaged or low-income census tract, as identified by state guidelines, are eligible for the Enhanced Incentive Voucher. Participants may also qualify for this higher voucher amount based upon their household income or if they participate in a federal or state low-income assistance program. The Enhanced Incentive Voucher provides up to \$10,000 for eligible costs towards replacement with an electric heat pump and up to \$5,000 for eligible costs towards replacement with all other eligible heater types. Participants who do not qualify for the Enhanced Incentive Voucher may qualify for a Standard Voucher. The Standard Voucher provides up to \$5,000 for eligible costs towards replacement with an electric heat pump and up to \$2,500 for eligible costs towards replacement with all other eligible heater types. The voucher is applied towards the purchase

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<sup>1</sup> [https://ww2.arb.ca.gov/sites/default/files/2023-02/2021\\_2022\\_wrp\\_final\\_guidelines.pdf](https://ww2.arb.ca.gov/sites/default/files/2023-02/2021_2022_wrp_final_guidelines.pdf)

of the new heating device and installation costs. The goal of the Program is to distribute at least 75% of funds to low-income or disadvantaged communities and households and those located on tribal lands. Funds must be liquidated by June 30, 2025.

The replacement heater must be purchased and installed by a participating installer who has signed an agreement with the District. Participating installers are appropriately licensed according to the CARB Guidelines and ensure that the new heater meets local building permit requirements. The District contracted with two fireplace maintenance businesses to implement past cycles of the Program. New agreements with heating, ventilation, and air conditioning (HVAC) businesses with the ability to install heat pumps will be needed to implement this Program. So far District staff have identified 21 HVAC businesses throughout the county with licenses that meet the Program requirements and that may install heat pumps.

The Program will be advertised to Santa Barbara County residents with a focus on tribal lands, and low-income and disadvantaged communities. Initial outreach ideas include a news release with countywide media coverage through newspapers, online media, and social media, as well as collaboration with participating installers on outreach materials, outreach to local tribal organizations, and outreach at community events. Program materials will be translated to Spanish and will also include an educational component to increase awareness of the air quality impacts from woodsmoke and the benefits of using alternatives to wood-burning heaters.

#### **FISCAL IMPACT:**

Approval of the District's continued participation in the Woodsmoke Reduction Program will allow the District to receive \$213,104 in grant funding during Fiscal Year 2023-24, with a portion of that funding available to cover the District's administrative work to implement the program (i.e., \$192,570 for project costs and \$20,534 to the District for implementation costs). Additional funding may also be made available in future years. The Woodsmoke Reduction Program funds are included in the District's proposed budget for Fiscal Year 2023-24.

#### **ATTACHMENT:**

- A. Board Resolution - Woodsmoke Reduction Program

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ATTACHMENT A

Resolution in the Matter of Continued Participation in the  
California Air Resources Board's  
Woodsmoke Reduction Program

June 15, 2023

Santa Barbara County Air Pollution Control District  
Board of Directors

260 San Antonio Road, Suite A  
Santa Barbara, California 93110

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**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF CONTINUED  
PARTICIPATION IN THE CALIFORNIA  
AIR RESOURCES BOARD'S  
WOODSMOKE REDUCTION PROGRAM

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

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**RECITALS**

**WHEREAS**, the California Air Resources Board has identified \$5 million to continue to fund a statewide Woodsmoke Reduction Program, a voluntary incentive program to reduce neighborhood impacts due to woodsmoke pollution by replacing uncertified wood-burning stoves, fireplace inserts, and fireplaces with cleaner-burning and more efficient heating devices; and

**WHEREAS**, the California Air Resources Board on February 15, 2023 adopted the Woodsmoke Reduction Program - Program Guidelines - Fiscal Year 2021-2022 Appropriation. These Guidelines govern the expenditure of Woodsmoke Reduction Program funds for eligible projects and include guiding principles designed to achieve program objectives; and

**WHEREAS**, the Santa Barbara County Air Pollution Control District (District) is identified to receive \$213,104 in funds from the California Air Resources Board to implement a Woodsmoke Reduction Program using the Woodsmoke Reduction Program Guidelines; and

**WHEREAS**, the District needs to have an agreement with the California Air Resources Board in place to receive this funding; and

**WHEREAS**, the deadline for executing a grant agreement with the California Air Resources Board is June 30, 2023; and

**WHEREAS**, your Board adopted Resolution 17-04 in March 2017, authorizing creation of a locally-funded Woodsmoke Reduction Program to provide monetary incentives to replace wood-burning devices to decrease air pollution in Santa Barbara County neighborhoods and protect public health; and

APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION  
IN THE CALIFORNIA AIR RESOURCES BOARD'S WOODSMOKE  
REDUCTION PROGRAM

**WHEREAS**, your Board adopted Resolution 18-10 in June 2018, authorizing creation of a state-funded Woodsmoke Reduction Program to provide monetary incentives to replace wood-burning devices to decrease air pollution in Santa Barbara County neighborhoods and protect public health; and

**WHEREAS**, your Board adopted Resolution 19-16 in October 2019, authorizing continued participation in a state-funded Woodsmoke Reduction Program to provide monetary incentives to replace wood-burning devices to decrease air pollution in Santa Barbara County neighborhoods and protect public health; and

**WHEREAS**, the Woodsmoke Reduction Program will include a grant agreement with the California Air Resources Board and installer agreements that are approved by District Counsel, Auditor-Controller, and Risk Management and which shall meet the program requirements established by the California Air Resources Board. The funds associated with these grants are included in the District's proposed final budget for Fiscal Year 2023-2024.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, as follows:

1. The District Board hereby approves the District's continued participation in the California Air Resources Board's Woodsmoke Reduction Program, and acceptance of funds to implement the incentive program as outlined in the Woodsmoke Reduction Program - Program Guidelines - Fiscal Year 2021-2022 Appropriation.
2. The District Board hereby delegates authority to the Air Pollution Control Officer to execute, on behalf of the District, a grant agreement with the California Air Resources Board that is approved by District Counsel, Auditor-Controller, and Risk Management, and which shall meet the program requirements established by the California Air Resources Board. The terms for the grant agreement, for Woodsmoke Reduction Program implementation, are included as Attachment 1 to this resolution.

APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION  
IN THE CALIFORNIA AIR RESOURCES BOARD'S WOODSMOKE  
REDUCTION PROGRAM

3. The District Board hereby delegates authority to the Air Pollution Control Officer to execute installer agreements with participating installers subject to review and approval by District Counsel, Auditor-Controller, and Risk Management and all other necessary documents to implement the program and carry out the purposes of this resolution.

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APCD RESOLUTION IN THE MATTER OF CONTINUED PARTICIPATION  
IN THE CALIFORNIA AIR RESOURCES BOARD'S WOODSMOKE  
REDUCTION PROGRAM

**PASSED, APPROVED AND ADOPTED** by the Air Pollution Control District Board of  
the Santa Barbara County, State of California, this 15<sup>th</sup> day of June, 2023 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT

**ATTEST:**

AERON ARLIN GENET  
Clerk of the Board

By \_\_\_\_\_  
Deputy

By \_\_\_\_\_  
Chair

Date \_\_\_\_\_

**APPROVED AS TO FORM:**

RACHEL VAN MULLEM  
Santa Barbara County Counsel

By  \_\_\_\_\_  
District Council


**APPROVED AS TO FORM:**

GREG MILLIGAN, ARM  
Risk Manager

By  \_\_\_\_\_  
Risk Manager

**APPROVED AS TO FORM:**

BETSY M. SCHAFFER, CPA  
Auditor-Controller

By  \_\_\_\_\_  
Deputy

Resolution in the Matter of  
Continued Participation in the  
California Air Resources Board's  
Woodsmoke Reduction Program

ATTACHMENT #1

Woodsmoke Reduction Program Grant Agreement  
#G21-WSRP-21 with the California Air Resources Board

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# GRANT AGREEMENT COVER SHEET

GRANT NUMBER <b>G21-WSRP-21</b>
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NAME OF GRANT PROGRAM <b>Woodsmoke Reduction Program</b>	
GRANTEE NAME <b>Santa Barbara County Air Pollution Control District</b>	
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER <b>77-0384167</b>	TOTAL GRANT AMOUNT NOT TO EXCEED <b>\$213,104.00</b>
START DATE: <b>6/01/2023</b>	END DATE: <b>6/30/2025</b>

This legally binding Grant Agreement, including this cover sheet and Exhibits attached hereto and incorporated by reference herein, is made and executed between the State of California, California Air Resources Board (CARB) and Santa Barbara County Air Pollution Control District (the "Grantee or Subrecipient").

**List of Exhibits:**

- Exhibit A – Grant Provisions
- Exhibit A – Attachment 1 – Grantee Scope of Work
- Exhibit B – Required License
- Exhibit C – Budget Summary
- Exhibit D – Project Schedule
- Exhibit E – Insurance Waiver Forms and Examples
- Exhibit F – Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2021-2022

Grant is contingent on CARB receipt of a Board Resolution or Minute Order prior to funds being disbursed to Grantee.

This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CARB.

The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

STATE AGENCY NAME <b>California Air Resources Board</b>		GRANTEE'S NAME (PRINT OR TYPE) <b>Santa Barbara County Air Pollution Control District</b>	
SIGNATURE OF ARB'S AUTHORIZED SIGNATORY:		SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION)	
TITLE <b>Branch Chief</b>	DATE	TITLE <b>Air Pollution Control Officer</b>	DATE
STATE AGENCY ADDRESS <b>1001 I Street, Sacramento, CA 95814</b>		GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) <b>260 N. San Antonio Road, Suite A, Santa Barbara, California 93110</b>	

CERTIFICATION OF FUNDING			
AMOUNT ENCUMBERED BY THIS AGREEMENT <b>\$213,104.00</b>	PROGRAM <b>3510000L32</b>	PROJECT <b>N/A</b>	ACTIVITY <b>N/A</b>
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT <b>\$0.00</b>	FUND TITLE <b>Greenhouse Gas Reduction Fund</b>		FUND NO. <b>3228</b>
TOTAL AMOUNT ENCUMBERED TO DATE <b>\$213,104.00</b>	(OPTIONAL USE)		CHAPTER <b>249</b> STATUTE <b>AB179</b>
APPR REF <b>101</b>	ACCOUNT/ALT ACCOUNT <b>5432000</b>	REPORTING STRUCTURE <b>39007100</b>	SERVICE LOCATION <b>88511</b> FISCAL YEAR (ENY) <b>2021/22</b>

*I hereby certify that the California Air Resources Board Budget Office acknowledges that budgeted funds are available for the period and purpose of the expenditure stated above.*

SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD BUDGET OFFICE:	DATE
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*I hereby certify that the California Air Resources Board Legal Office has reviewed this Grant Agreement.*

SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD LEGAL OFFICE:	DATE <b>117</b>
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## EXHIBIT A

### Grant Provisions

#### 1. GRANT SUMMARY AND CONTACT INFORMATION

- 1.1. The parties agree to comply with the requirements and conditions contained herein, as well as all commitments identified in the following documents:
  - a. *Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2021-22 Appropriation* (Program Guidelines) dated February 15, 2023, and found in Exhibit F of this Grant Agreement; and
  - b. The most recent version of the *California Climate Investments Funding Guidelines for Administering Agencies* (Funding Guidelines), found on the Cap-and-Trade Auction Proceeds Funding Guidelines for Administering Agencies website at <https://ww2.arb.ca.gov/resources/documents/california-climate-investments-funding-guidelines-administering-agencies> and incorporated by reference herein.
- 1.2. The Woodsmoke Reduction Program (Program) is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment-particularly in disadvantaged communities. The Program as implemented at the air pollution control district or the air quality management district (District) is referred to as the Project.
- 1.3. California Climate Investments (CCI) logo and name serves to bring under a single brand the many investments whose funding comes from the Greenhouse Gas Reduction Fund (GGRF). The logo represents a consolidated and coordinated initiative by the State to address climate change by reducing greenhouse gases, while also investing in disadvantaged communities and achieving many other co-benefits. Grantee agrees to acknowledge the California Climate Investments program whenever projects funded, in whole or in part by this Agreement, are publicized in any news media, websites, brochures, publications, audiovisuals, or other types of promotional material. The acknowledgement must read as follows: 'This publication (or project) was supported by the "California Climate Investments" (CCI) program. Guidelines for the usage of the CCI logo can be found at <http://www.caclimateinvestments.ca.gov/logo-graphics-request>.



#### 1.4. Grant Summary

Program Title: Woodsmoke Reduction Program 2021-2022

Grant Funding Amount: \$213,104.00

The Woodsmoke Reduction Program is a GGRF-funded program designed to replace high-polluting, uncertified wood stoves, wood inserts, and fireplaces used for primary home heating with cleaner burning, more efficient home heating devices. The 2021-2022 GGRF appropriation committed \$5,000,000 for this Program. The Program will be administered by CARB and implemented by the District in coordination with the California Air Pollution Control Officers Association (CAPCOA). The role of CAPCOA is to centralize and standardize Program implementation. This Program will further the goals of Assembly Bill 32 (Nunez, Chapter 488, Statutes of 2006) and related statutes (comprising Health and Safety Code Division 25.5) to reduce greenhouse gas emissions, as well as provide important co-benefits in reducing black carbon emissions and improving air quality.

Residents using uncertified wood stoves, wood inserts, or fireplaces as a primary home heating source in Districts awarded Program funds are eligible for incentives. The incentive amount will vary depending on the type of replacement device, location of the residence, and the household income, with low-income households and households in disadvantaged or low-income communities or on tribal lands qualifying for higher incentives. The Program will include an outreach and educational component to ensure that households receiving incentives make informed decisions about how to burn and what to burn to maximize the efficiency of the device and minimize pollution.

#### 1.5. Grant Parties and Contact Information

- a. This grant is from CARB to the Santa Barbara County Air Pollution Control District (hereinafter referred to as Grantee). The Grantee will perform the activities outlined in Section 4, Scope of Work, and Attachment I, Grantee Scope of Work.
- b. The CARB Program Liaison is Kasia Turkiewicz or another designee appointed by CARB. Correspondence regarding this Program shall be directed to:

Kasia Turkiewicz  
California Air Resources Board  
Air Quality Planning and Science Division  
Post Office Box 2815  
Sacramento, California 95812  
Phone: (279) 208-7743  
Email: [kasia.turkiewicz@arb.ca.gov](mailto:kasia.turkiewicz@arb.ca.gov)

- c. The Grantee Liaison is Aeron Arlin Genet or another designee appointed by Grantee. Correspondence regarding this Program must be directed to:

Ms. Aeron Arlin Genet  
Air Pollution Control Officer  
Santa Barbara County Air Pollution Control District  
260 N. San Antonio Road, Suite A  
Santa Barbara, CA 93110  
Phone: (805) 961-8800  
Email: [aarlingenet@sbcapcd.org](mailto:aarlingenet@sbcapcd.org)

- 1.6. Definitions for terms used in this Grant Agreement can be found in Section 16.

## **2. GOVERNING BOARD APPROVAL**

- 2.1. Prior to the execution of this Grant Agreement, the Grantee is required to submit to CARB a resolution, minute order, or other approval of its governing board that authorizes the Grantee to enter into this Grant Agreement and that commits the Grantee to comply with the requirements of this Grant Agreement. Alternatively, the Grantee and CARB may execute this Grant Agreement before a Grantee has submitted this governing board resolution, minute order, or other approval to CARB; however, the Grantee may not perform work under this Grant Agreement, and no funding will be disbursed until the Grantee has submitted this governing board resolution, minute order, or other approval to CARB.

## **3. PROGRAM PERIOD**

- 3.1. Performance of work or other expenses billable to CARB under this Grant may commence after full execution of this Grant Agreement by both parties and Grantee's submission to CARB of its governing board's resolution, minute order, or other approval, described in Section 2 of this

Grant Agreement. Performance on this Grant ends once the Grantee has submitted a draft final report (Project Closeout) or if this Grant Agreement is terminated, whichever is earlier.

- 3.2. Upon full expenditure of grant funds, the Grantee shall submit a Project Closeout report to the CARB Program Liaison (see Section 12.2.d of this Grant Agreement) after Program completion.
- 3.3. Funds that Grantee has not liquidated by June 30, 2025, must be returned to CARB within ninety (90) days, or by September 30, 2025. Expenditure of Project funds granted may not be reduced due to any loss incurred in an insured bank or investment account.
- 3.4. If additional funding becomes available, the CARB Executive Officer in his sole discretion retains the authority to amend this Grant to provide additional disbursement to the Grantee to complete tasks related to the Scope of Work for this Grant Agreement.

#### **4. SCOPE OF WORK**

This section defines the nature of the Program and respective duties and requirements of CARB, the Grantee, and CAPCOA in implementing this Grant Agreement.

- 4.1. The Program will provide incentives towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary space heating with the Program-eligible replacement devices listed in Section 4.2.
- 4.2. Only the following types of home heating devices are eligible for incentives: electric stove heaters, electric heat pumps, pellet stoves, hybrid wood stoves, catalytic wood stoves, and select non-catalytic wood stoves listed in Table 1. Pellet or wood burning stoves must meet the current New Source Performance Standards (NSPS) to be eligible for incentives.

Table 1. Non-Catalytic Wood Stoves Eligible for Incentives

Manufacturer Name	Model Name	Annual Avg Emission Rate (grams/hr)
Energy Distribution	Invicta Group: Kazan, Kazan GA, Kiara, and Kiara GA	1.8
Energy Distribution	Gaya Ardoise, Itaya, Onyx, Gaya Feuille, Symphonia, Antaya, Theia, Akan	1.9
HHT/Hearth and Home Tech	21M-ACC-C, Discovery-1-C	1.7
Hearth and Home Technologies	Quadra Fire Expedition II and Vermont Castings Montpelier II	1.8

- 4.3. Any wood stove removed through this Program must be rendered permanently inoperable and recycled, if recycling is available in the area. If the replacement device is a ductless mini-split heat pump, household may be allowed to retain the old wood burning device to serve as emergency heat in case of a power outage. The approval to retain the old device will be granted on a case-by-case basis by the District. Households would be required to sign an agreement to use their old device only in case of a power outage.
- 4.4. Incentives offered by other programs can be combined with ones offered by this Program to reduce households' out-of-pocket costs providing the sum of all incentives does not exceed the actual cost of the project and the change-out conforms to all Program requirements.
- 4.5. CARB is responsible for the following:
  - a. Participating in meetings with Grantee to discuss Program refinements and guide the administration of the Program.
  - b. Reviewing and, if appropriate, approving Project elements provided by Grantee.
  - c. Reviewing and, if appropriate, approving all grant disbursement requests and distribution of funds to Grantee.
  - d. Working with Grantee and CAPCOA to develop templates for data and report submittals at both Program and Project levels.
  - e. Providing Project oversight in conjunction with Grantee and CAPCOA.

- f. Ensuring Grantee complies, and ensures Project compliance, with applicable requirements of the Program Guidelines, Funding Guidelines, and this Agreement.
- g. Reviewing data and reports submitted by Grantee.
- h. Submitting semi-annual reports to the California Climate Investment Reporting and Tracking System (CCIRTS).
- i. Reviewing a sufficient number of Projects (number determined by CARB Program Liaison) each year to ensure proper Program implementation as directed by both Program and Funding Guidelines.

4.6. Grantee is responsible for the following:

Developing and implementing Project tasks as described below and in Attachment I, Grantee Scope of Work. Minimum duties and requirements of Grantee include:

- a. Implementing the Project as outlined in the Program Guidelines.
- b. Participating in a Project kick-off meeting or conference call with CARB staff and CAPCOA before work begins. The purpose of the initial meeting will be to discuss the overall plan, Program schedule, Project reporting, and any issues that may need to be addressed.
- c. Participating in more frequent meetings that may be scheduled at the discretion of the CARB Program Liaison, CAPCOA, and the Grantee.
- d. Ensuring that all Project tasks are completed during the period of this grant.
- e. Apprising the CARB Program Liaison of any delays in implementing the scope of work below.
- f. Overseeing the Project budget and funds.
- g. Abiding by the insurance requirements in Section 10 of this Grant Agreement.
- h. Collecting and maintaining records in accordance with Section VI of the Program Guidelines as well as Section 7 of this Grant Agreement to comply with reporting and program review requirements.
- i. Ensuring that only licensed professionals will be used to perform services under this Grant Agreement. Professional installers could participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the

contract. Exhibit B lists acceptable licenses for each type of installation.

- j. Coordinating with CAPCOA on the submission of required reports as specified in Section 12 of this Grant Agreement.
- k. Promoting the Program with the emphasis on low-income households and households located in disadvantaged or low-income communities or on tribal lands with the goal to distribute 75 percent of Project funds to these priority populations.

4.7. CAPCOA is responsible for the following:

- a. Serving as an intermediary between CARB and Grantee in Project implementation.
- b. Monitoring Grantee's progress in Project implementation and apprising CARB Program Liaison of any problems or delays.
- c. Communicating regularly with CARB and Grantee on Project implementation.
- d. Acting as a clearing house to facilitate the exchange of information, including Program-related forms, examples of advertisements, examples of reports and other related information, between Grantee and other Districts participating in the Program.
- e. Coordinating with Grantee on the submission of required reports consistent with Section 12.
- f. Submitting required reports to CARB consistent with Section 12.

## 5. FINANCIAL MATTERS AND GRANT DISBURSEMENTS

### 5.1. Budget

- a. The maximum amount of this Grant is **\$213,104.00**. Under no circumstance will CARB reimburse the Grantee for more than this amount. A written Grant Agreement amendment is required whenever there is a change to the amount of this Grant.
- b. The budget for this Project is shown in Exhibit C. Grant Disbursement Requests for the total Grant amount must not exceed the amount shown in Exhibit C. Project implementation costs also must not exceed the amount shown in Exhibit C. All of the Project implementation funds may be used for direct costs, but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- c. The total funding may be reallocated by CARB at CARB's sole discretion in the event that the Grantee requests less than the total



funds allocated for the Project for all Project activities performed during the term of the Grant Agreement.

## 5.2. Advance Payment

Consistent with the Legislature's direction to expeditiously disburse grants, CARB in its sole discretion may provide advance payments of grant awards in a timely manner to support program initiation and implementation with a focus on mitigating the constraints of modest reserves and potential cash flow problems.

Recognizing that appropriate safeguards are needed to ensure grant monies are used responsibly, CARB has developed the grant conditions described below to establish control procedures for advance payments. CARB may provide advance payments to Grantee of a grant program or project if CARB determines all of the following.

- a. The advance payments are necessary to meet the purposes of the grant project.
- b. The use of the advance funds is adequately regulated by grant or budgetary controls.
- c. The request for application or the request for proposals contains the terms and conditions under which an advance payment may be received consistent with this section.
- d. The Grantee is either a small air district or the Grantee meets all of the following criteria:
  - i. Has no outstanding financial audit findings related to any of the moneys eligible for advance payment and is in good standing with the Franchise Tax Board and Internal Revenue Service.
  - ii. Agrees to revert all unused moneys to CARB if they are not liquidated within the timeline specified in the Grant Agreement.
  - iii. Submits a spending plan to CARB for review prior to receiving the advance payment. The spending plan shall include project schedules, timelines, milestones, and the Grantee's fund balance for all state grant programs.
  - iv. CARB shall consider the available fund balance when determining the amount of the advance payment.
  - v. Reports to CARB any material changes to the spending plan within thirty (30) days.
  - vi. Agrees to not provide advance payment to any other entity.
- e. In the event of the nonperformance of the Grantee, CARB shall require the full recovery of the unspent moneys. The Grantee shall

provide a money transfer confirmation within forty-five (45) days upon the receipt of a notice from CARB.

- f. The Grantee must complete and submit to CARB for review and approval, an Advance Payment Request Form, along with each grant disbursement that is requesting advance payment. The Advance Payment Request Form shall be provided by CARB to the Grantee after the grant execution.
- g. CARB may provide an advance of the direct project costs of the grant, if the program has moderate reserves and potential cash flow issues. Advance payments will not exceed the Grantee's interim cash needs.
- h. The Grantee assumes legal and financial risk of the advance payment.
- i. Grantee shall place funds advanced under this section in an interest-bearing account. Grantee shall track interest accrued on the advance payment. Interest earned on the advance payment shall only be used for eligible grant-related expenses as outlined in Sections 4, 8, 9, and 17 or will be returned to CARB.
- j. Grantee shall report to CARB the value of any unused balance of the advance payment and interest earned and submit quarterly fiscal accounting reports consistent with Section 12 of this Grant Agreement.
- k. Grantee shall remit to CARB any unused portion of the advance payment and interest earned within ninety (90) days following the end date of this Grant Agreement term on June 30, 2025, or the reversion date of the appropriation, whichever comes first.

### 5.3. Grant Disbursement

All disbursements from the total Grant award will be made following CARB's review and approval of any Grant Disbursement Request Forms.

- a. CARB shall disburse funds in accordance with the California Prompt Payment Act, Government Code Section 927, et. Seq.

## 6. SUSPENSION OF PAYMENT AND GRANT AGREEMENT TERMINATION

- 6.1. CARB reserves the right to issue a grant suspension order in the event that a dispute should arise. The grant suspension order will be in effect until the dispute has been resolved or the Grant Agreement has been terminated. If the Grantee chooses to continue work on the Project after receiving a grant suspension order, the Grantee will not be reimbursed for any expenditure incurred during the suspension in the event CARB terminates the Grant Agreement. If CARB rescinds the suspension order

and does not terminate the Grant Agreement, CARB at its sole discretion will reimburse the Grantee for any expenses incurred during the suspension that CARB deems reimbursable in accordance with the terms of the Grant Agreement.

- 6.2. CARB reserves the right to terminate this Grant Agreement upon thirty (30) days' written notice to the Grantee, if CARB determines that the Program has not progressed satisfactorily after conducting a Project review (Section 11.5 of this Grant Agreement) or if the Grantee has violated the grant agreement and the Grantee and CARB have been unable to agree on modifications to the Project. In case of early termination, the Grantee will submit a Progress Report covering activities up to, and including, the termination date and following the requirements specified herein and in Section 12.
- 6.3. CARB reserves the right to immediately terminate this Grant Agreement in accordance with general grant provisions outlined in Section 15.
- 6.4. CARB or its designee may recoup funds that were received based upon misinformation or fraud, or for which a Grantee, District, or subcontractor is in significant or continual non-compliance with the terms of this grant or State law. CARB also reserves the right to prohibit any entity from participating in future projects, due to non-compliance with Program requirements. Examples of Program deficiencies include.
  - a. Replacing a wood stove, wood insert, or fireplace not eligible for the Program;
  - b. Installing a device not eligible for the Program;
  - c. Issuing an Enhanced Incentive to an ineligible Applicant;
  - d. Failing to properly document each change-out;
  - e. Failing to properly dispose of the old stove;
  - f. Allowing an Applicant to install his/her replacement device; and
  - g. Failing to submit required reports.

## **7. PROJECT RECORDS**

- 7.1. Grantee will develop and maintain accounting procedures as further described below. Project records include but are not limited to Grantee's financial and other records. All Project records must be retained by the Grantee for a period of three (3) years after the final Project funds liquidation date of June 30, 2025 and shall be stored in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection. All Project records are subject to program review and State audit pursuant to Section 13 of this Grant Agreement. Upon completion of the third (3<sup>rd</sup>) year of record

retention, the Grantee shall take all reasonable steps to dispose, or arrange for the disposal, of records containing Personally Identifiable Information by (a) shredding, (b) erasing, or (c) otherwise modifying the personal information in those records to make it unreadable or undecipherable through any means.

- 7.2. Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee must:
  - a. Establish an official file for the Project that will adequately document all significant actions relative to the Project.
  - b. Establish separate accounts that will adequately and accurately depict all amounts received and expended on the Project.
  - c. Establish an accounting system that will adequately depict final total costs of the Project, including both direct and indirect costs.
- 7.3. Other records include all deliverables required under Section 12 of this Grant Agreement and those specified in the Program Guidelines.
- 7.4. Grantee will ensure that applicants are made aware that information collected under the auspices of this Program, with the exception of confidential or personally identifiable information as noted in Section 15.23 of this Grant Agreement, may be made publicly available to the extent allowed by federal, State, and local laws and regulations.

## **8. DOCUMENTATION OF USE OF PROJECT FUNDS**

- 8.1. The Grantee must maintain documentation of all Project funds including the following:
  - a. Application, including affidavit of primary source of heat;
  - b. Verification of old device eligibility;
  - c. Verification of new device eligibility;
  - d. Verification of income (if applicable);
  - e. Copy of final permit (City, County, or State);
  - f. Photographic evidence of change-out completion, including "before" and "after" photos showing the devices in relation to the room where they were/are installed;
  - g. Verification of destruction of uncertified stove (including recycling if available locally) or, where applicable, verification of rendering fireplace and chimney permanently inoperable;
  - h. Verification that the resident was trained on device operation and maintenance and, if applicable, following best practices in wood

storage and wood burning for residential space heating; and

- i. Invoices from installer and a verification of payment.

If selected for a Program Review, Grantee must make this documentation available to CARB staff. An abbreviated listing of completed change-outs and associated costs must be submitted to CARB with each quarterly Fiscal Report.

## 9. DOCUMENTATION OF USE OF PROJECT IMPLEMENTATION FUNDS

- 9.1. Project implementation funds may be used for implementing the tasks identified in the Scope of Work. The total cost of implementing the Project must not exceed the amount specified in Exhibit C, Budget Summary. All of the Project implementation funds may be used for direct costs, but indirect costs are limited to the amount shown in the Exhibit C, Budget Summary.
- 9.2. Project implementation costs include cost of labor and expenses directly related to implementing the Project (direct cost) as well as costs not tied directly or solely to the Project (indirect costs also referred to as administrative costs).
  - a. Direct project implementation costs, directly related to implementing the Project, include the following:
    - i. The Grantee's personnel costs;
    - ii. Fringe benefit costs;
    - iii. Operating costs (including rent, supplies, and equipment);
    - iv. Travel expenses and per diem rates set at the rate specified by California Department of Human Resources (CalHR)<sup>1</sup>;
    - v. Overhead;
    - vi. Consultant fees (if pre-approved by CARB); and
    - vii. Printing, records retention, and mailing costs.
  - b. Indirect project implementation costs, not tied directly or solely to the Project, also referred to as administrative costs, include the following:
    - i. Distributed administration and general administrative services;
    - ii. Non-project related contracts or subscriptions;
    - iii. Rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the project; and

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<sup>1</sup> Under no circumstances should the Grantee exceed travel expenses and per diem rates set by CalHR.

- iv. Any other costs that are not directly and fully incurred to support the grant.
- 9.3. The Grantee must maintain documentation of all direct and indirect Project implementation costs, including the following:
- a. Personnel documentation must make use of timesheets or other labor tracking software. Duty statements or other documentation may also be used to verify the number of staff and actual hours or percent of time staff devoted to Project administration.
  - b. Administration funds for subcontractor(s) must be documented with copies of the contract and any applicable invoices.
  - c. Printing, mailing, records retention, and travel expenses must be documented with receipts and/or invoices.
  - d. Any reimbursement for necessary travel and per diem must be at rates not to exceed those amounts paid to the State's represented employees. No travel outside the State of California will be reimbursed unless prior written authorization is obtained from CARB. CalHR's travel and per diem reimbursement amounts may be found online at <http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>. Reimbursement must be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee; and
  - e. If indirect costs are used to document administration funds for the Project, the Grantee must indicate how these costs are determined.
- 9.4. The above documentation, records, and referenced materials must be made available for review during monitoring visits and audits by CARB, or its designee. These records must be retained for a minimum of three (3) years after the final Project funds liquidation date of June 30, 2025.
- 9.5. The above documentation must be provided to CARB in the Final Report.

## 10. INSURANCE REQUIREMENTS

- 10.1. General Provisions
- a. Coverage Term: Coverage needs to be in force for the complete term of the Project agreement. If insurance expires during the term of the Project agreement, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the Project agreement.
  - b. Policy Cancellation or Termination and Notice of Non-Renewal:

Installer/contractor is responsible to notify the State within five (5) business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event installer/contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the Project agreement upon the occurrence of such event, subject to the provisions of this Grant Agreement.

- c. Deductible: Installer/contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- d. Primary Clause: Any required insurance contained in the Project agreement shall be primary, and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating: All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the installer/contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- f. Endorsements: Any required endorsement must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance: Inadequate or lack of insurance does not negate the installer/contractor's obligations under the Agreement.
- h. Satisfying an SIR: All insurance required by this Grant Agreement or the Project agreements must allow the State to pay and/or act as the installer/contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the installer/contractor's agent in satisfying any SIR is at the State's discretion.
- i. Available Coverages/Limits: All coverage and limits available to the installer/contractor shall also be available and applicable to the State.
- j. Subcontractors/Manufacturers: In the case of installer/contractor's utilization of subcontractors/manufacturers to complete the contracted scope of work, installer/contractor shall include all subcontractors/manufacturers as insured's under installer/contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of installer/contractor.

#### 10.2. Commercial General Liability

Installer/contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent



contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Project agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the installer/contractor's limit of liability. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

#### 10.3. Automobile Liability

Installer/contractor shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. **The policy must name the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.**

In the event that the installer/contractor does not have any commercially owned motor vehicles, a no-owned autos waiver must be completed and retained in District files. A sample waiver form is included in Exhibit E of this Grant Agreement.

#### 10.4. Workers' Compensation and Employers' Liability

Contractor must furnish to the State a certificate of insurance to remain in effect at all times during the term of this Agreement. Contractor shall maintain statutory workers' compensation and employers' liability for all its employees who will be engaged in the performance of the Agreement. Employers' liability limits of \$1,000,000 are required. The policy must include:

**When work is performed on State owned or controlled property the Workers' Compensation policy shall contain a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided.**

In the event that the installer/contractor does not have any employees, a worker's compensation statement of exemption form must be completed and retained in District files. An example exemption form is included in Exhibit E of this Grant Agreement.

### 11. PROGRAM MONITORING

11.1. Any changes to the Scope of Work or timeline for the Project require the prior written approval of the CARB Program Liaison, and, depending on the scope and extent of the changes, may require a written Grant Agreement Amendment.



- 11.2. The Grantee must notify the CARB Program Liaison and Grant Coordinator immediately, in writing, if any circumstances arise (technical, economic, or otherwise), which might jeopardize completion of the Project, or if there is a change in key Project personnel.
- 11.3. The Grantee must coordinate with CAPCOA to provide information requested by the CARB Program Liaison that is needed to assess progress in completing tasks and meeting the objectives of the Project.
- 11.4. Any change in budget allocations, re-definition of deliverables, or extension of the Project schedule must be requested in writing to the CARB Program Liaison and approved by CARB, in its sole discretion. Such changes may require a written Grant Agreement Amendment.
- 11.5. CARB will review a sufficient number of Projects each year to ensure proper Program implementation. If Grantee is selected for Project review, CARB will contact Grantee Liaison at least thirty (30) days in advance. The Project review should include all books, papers, accounts, documents, photographs, and other records related to the Project for which Program funds were used. The Grantee will be expected to assign an employee familiar with the Project and accounting procedures to assist the CARB reviewer(s) and have the Project records, including cancelled warrants, readily available for inspection.

## 12. REPORTING

### 12.1. Data Flow

- a. The Grantee must coordinate with CAPCOA on the submittal of required Project and fiscal reports. If requested by CARB, Grantee will be responsible for submitting reports directly to CARB.

### 12.2. Project Reporting

- a. Project data are reported during each semi-annual reporting cycle. The reporting cycles cover December 1 through May 31 and June 1 through November 30. The reports are due to CARB on June 1 and December 1.
- b. Grantee shall submit an initial Project report called Awarded Report upon entering into a Project agreement with CARB. At this stage, Grantee must submit data with Project details and expected benefits. This report is submitted once during the first reporting cycle after signing the Agreement in a format agreed upon between the CARB Program Liaison and the Grantee.
- c. The Grantee shall submit Implementation Reports each reporting cycle. The Implementation Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee

and will contain information on each change-out completed during the reporting cycle.

- d. When the Project is complete, the Grantee shall submit a Project Closeout Report. The Project Closeout Report shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee. This report shall be submitted upon completion of the Project at the next reporting cycle.

### 12.3. Fiscal Reporting

- a. Following receipt of funds, Grantee will submit quarterly fiscal accounting reports (Fiscal Report) to CAPCOA detailing expenditure of funds by Grantee, including interest accrued on any Project funds received. The Fiscal Reports shall be provided in a format agreed upon between the CARB Program Liaison and the Grantee and needs to include an itemized invoice of all expenditures incurred during the quarter.

## 13. OVERSIGHT AND ACCOUNTABILITY

The Grantee must comply with all oversight responsibilities identified herein.

- 13.1. CARB or its designee may recoup Project funds which were received based upon misinformation or fraud, or for which a Grantee or its subcontractor(s), or a participant in the Project is in significant or continual non-compliance with the terms of this Grant Agreement or state law.
- 13.2. CARB or its designee reserves the right to review the Project at any time during the duration of this Grant Agreement the Grantee's costs of performing the Grant and to refuse payment of any reimbursable costs or expenses that in the opinion of CARB or its designee are unsubstantiated or unverified. The Grantee shall cooperate with CARB or its designee including, but not limited to, promptly providing all information and documents requested, such as all financial records, documents, and other information pertaining to reimbursable costs, and any matching costs and expenses.
- 13.3. The Grantee shall retain all records referred to above and provide them for examination and Project review or State audit for three (3) years after the final Project funds liquidation date of June 30, 2025.
- 13.4. The Grantee shall develop and maintain accounting procedures to track reservation and expenditures by grant award, fiscal year, and of all funding sources.
- 13.5. CAPCOA will serve in an oversight role to centralize and standardize Program implementation. Grantee shall coordinate with CAPCOA on the submission of required reports.

## 14. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

- 14.1. CARB has determined that the Project funded by this Grant Agreement is exempt from CEQA; Grantee should ensure that the Project is implemented consistent with the Grant Agreement to maintain CEQA exempt status.

## 15. GENERAL PROVISIONS

- 15.1. **Potential sub-grantee:** Nothing contained in this Grant Agreement or otherwise shall create any contractual relation between CARB and any sub-grantees, and no sub-grant shall relieve Grantee of its responsibilities and obligations under this Grant Agreement. Grantee agrees to be as fully responsible to CARB for the acts and omissions of its sub-grantees and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Grantee. Grantee's obligation to pay its sub-grantees is an independent obligation from CARB's obligation to make payments to Grantee. As a result, CARB shall have no obligation to pay or to enforce the payment of any moneys to any sub-grantee. Grantee shall not sub-grant any services under this Grant Agreement without the prior approval in writing of CARB.
- 15.2. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties.
- 15.3. **Assignment:** This grant is not assignable by the Grantee, either in whole or in part, without the consent of CARB, in writing.
- 15.4. **Compliance with law, regulations, etc.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal, State, and local laws, rules, guidelines, regulations, and requirements.
- 15.5. **Conflict of interest:** The Grantee certifies that it is in compliance with applicable State and/or federal conflict of interest laws.
- 15.6. **Disputes:** The Grantee shall continue with the responsibilities under this Grant Agreement during any dispute. Grantee staff or management may work in good faith with CARB staff or management to resolve any disagreements or conflicts arising from implementation of this Grant Agreement. However, any disagreements that cannot be resolved at the management level within thirty (30) days of when the issue is first raised with CARB staff in writing shall be subject to resolution by the CARB Executive Officer, or designated representative. Nothing contained in

this paragraph is intended to limit any rights or remedies that the parties may have under law.

- 15.7. **Environmental justice:** In the performance of this Grant Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the State.
- 15.8. **Fiscal management systems and accounting standards:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Grant Agreement. Unless otherwise prohibited by State or local law, the Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
- 15.9. **Force majeure:** Neither CARB nor the Grantee shall be liable for or deemed to be in default for any delay or failure in performance under this Grant Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, etc.
- 15.10. **Governing law and venue:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California. CARB and the Grantee hereby agree that any action arising out of this Grant Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Grant Agreement.
- 15.11. **Indemnification:** The Grantee agrees to indemnify, defend and hold harmless the State and the Board and its officers, employees, agents, representatives, and successors-in-interest against any and all liability, loss, and expense, including reasonable attorneys' fees, from any and all claims for injury or damages arising out of the performance by the Grantee or any sub-grantee, and out of the operation of equipment that is purchased with funds from this Grant Award.
- 15.12. **Grantee's responsibility for work:** The Grantee shall be responsible for work and for persons or entities engaged in work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contract, or sub-grantee's contract, for work on the Program or any project, including but not limited to payment disputes with contractors, subcontractors, and providers of services. The State

will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

- 15.13. **Independent contractor:** The Grantee, and its agents and employees, and sub-grantees, if any, in their performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees or agents of CARB.
- 15.14. **Nondiscrimination:** During the performance of this Grant Agreement, the Grantee, sub-grantees, and their contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. The Grantee and its third party entities shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Grantee and its third party entities shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Grantee and its third party entities shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement

- 15.15. **No third party rights:** The parties to this Grant Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Grant Agreement, or of any duty, covenant, obligation or undertaking establish herein.
- 15.16. **Prevailing wages and labor compliance:** If applicable, the Grantee agrees to be bound by all the provisions of State Labor Code Section 1771 regarding prevailing wages. If applicable, the Grantee shall monitor all agreements subject to reimbursement from this Grant Agreement to ensure that the prevailing wage provisions of State Labor Code Section 1771 are being met.
- 15.17. **Severability:** If a court of competent jurisdiction holds any provision of this Grant Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of those provisions, will not be affected.

- 15.18. **Termination:** CARB may terminate this Grant Agreement by written notice at any time prior to completion of Projects funded by this Grant Agreement, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Grant Agreement, within ten (10) days.
- 15.19. **Timeliness:** Time is of the essence in this Grant Agreement. Grantee shall proceed with and complete the Project in an expeditious manner.
- 15.20. **Waiver of rights:** Any waiver of rights with respect to a default or other matter arising under the Grant Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Grant Agreement are in addition to any other rights and remedies provided by law.
- 15.21. **Availability of funds:** CARB's obligations under this Grant Agreement are contingent upon the availability of funds. In the event funds are not available, the State shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Grant Agreement.
- 15.22. **Confidentiality:** No record that has been designated as confidential by CARB, or is the subject of a pending application of confidentiality, shall be disclosed by the Grantee. Any confidential information or data submitted to CARB by the Grantee may be shared with other divisions within CARB.
- 15.23. **Personally identifiable information:** Information or data that personally identifies an individual or individuals is confidential in accordance with California Civil Code sections 1798, et seq. and other relevant State or Federal statutes and regulations. The Grantee shall safeguard all such information or data which comes into their possession under this agreement in perpetuity, and shall not release or publish any such information or data.
- 15.24. **Ownership:** All information or data received or generated by the Grantee under this agreement shall become the property of CARB. No information or data received or generated under this agreement shall be released without CARB's approval. This does not prohibit Grantee from promoting the Program. Grantee shall follow the guidelines acknowledging CCI funding and logo use outlined in Section 1.3.
- 15.25. **Audit:** Grantee agrees that CARB, the Department of General Services, Department of Finance, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant and all State funds received. Grantee agrees to maintain such records



for possible audit for a minimum of three (3) years after the term of this Grant is completed, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include similar right of the State to audit records and interview staff in any Grant related to performance of this Agreement.

## 16. DEFINITIONS

- 16.1. **AB 32:** Assembly Bill 32, Global Warming Solutions Act, Nuñez, Chapter 488, Statutes of 2006.
- 16.2. **Administrative Costs (Also Referred to as Indirect Project Implementation Costs):** A subset of project implementation costs, not tied directly or solely to the Project, such as distributed administration and general administrative services; non-project related contracts or subscriptions; rent and office space, phones and telephone services, printing, or mailing services not associated with staff working on the Project; or any other costs that are not directly and fully incurred to support the grant.
- 16.3. **Applicant:** Individual resident requesting replacement of older wood stove or device.
- 16.4. **Awarded Project Report:** The initial Project report with Project details and expected benefits submitted to CAPCOA during the first reporting cycle after signing this Agreement following the reporting requirements in Section 12 of this Grant Agreement.
- 16.5. **CAPCOA:** California Air Pollution Control Officers Association.
- 16.6. **CARB:** California Air Resources Board.
- 16.7. **CCI:** California Climate Investments
- 16.8. **Change-out:** Replacement of individual wood stove (or other device).
- 16.9. **Direct Project Implementation Costs:** Costs of direct labor and expenses associated with implementing the Project. Examples include: outreach and education, application review and processing, processing payments, and data reporting.
- 16.10. **District(s):** Local air pollution control districts or air quality management districts.
- 16.11. **Enhanced Incentive:** A higher incentive given to low-income households and households located on tribal lands or in disadvantaged or low-income communities. The maximum allowable Enhanced Incentive level is \$10,000 for an electric heat pump and \$5,000 for all other types of heating devices

- 16.12. **Funding Guidelines:** *California Climate Investments Funding Guidelines for Administering Agencies.*
- 16.13. **GGRF:** Greenhouse Gas Reduction Fund.
- 16.14. **Grantee:** Grant recipient.
- 16.15. **Implementation Costs:** Costs of implementing the Project including direct labor and expenses as well as any indirect expenses (also referred to as administrative expenses).
- 16.16. **Implementation Report:** An update on all incentives/upgrades that have been installed since the last reporting cycle for each change-out funded and overseen by Grantee. This report is submitted to CAPCOA following the reporting requirements in Section 12 of this Grant Agreement.
- 16.17. **Incentive:** The amount of funding given to an applicant to replace an uncertified wood stove, wood insert, or fireplace. The incentive amount will be determined by each District in coordination with CAPCOA but cannot exceed \$10,000 for an electric heat pump or \$5,000 for any other replacement device for Enhanced Incentive and \$5,000 for an electric heat pump or \$2,500 for any other replacement device for a Standard Incentive.
- 16.18. **Indirect Project Implementation Costs:** Also defined as Administrative Costs.
- 16.19. **Installer:** A licensed professional contracted to remove the uncertified wood stove or insert and install the replacement device, possessing an appropriate active license, consistent with Exhibit B, issued by the California Contractors State License Board throughout the life of the contract, and have a minimum of three (3) years of experience of installing home heating devices to manufacturer specifications.
- 16.20. **Program:** Woodsmoke Reduction Program
- 16.21. **Program Guidelines:** *CARB's February 15, 2023 Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2021-22 Appropriation.*
- 16.22. **Project:** Program implementation at the District level.
- 16.23. **Project Agreement:** The agreement entered into between the Grantee and any sub-grantee to implement the Program at the District level.
- 16.24. **Project Closeout:** The final report submitted by the Grantee to the CARB Program Liaison at the next reporting cycle after all funds have been expended or after the legal agreement between CARB and Grantee has ended.
- 16.25. **Reporting Cycle:** Span of time used to report on Program progress. Program data are submitted semi-annually for the reporting cycles



covering December 1 through May 31 (due to CARB June 1) and June 1 through November 30 (due to CARB December 1).

- 16.26. **Standard Incentive:** A lower incentive given to households which do not qualify for Enhanced Incentive. The maximum allowable Standard Incentive level is \$5,000 for an electric heat pump and \$2,500 for all other types of heating devices.
- 16.27. **Subcontractor:** District or Installer.
- 16.28. **Sub-grantee:** District or Installer or other entity that has entered into an agreement with Grantee or District(s) to perform services related to this Grant Agreement.

**EXHIBIT A, Attachment I**  
**Grantee Scope of Work**

1. Grantee will provide incentives in Grantee's jurisdiction towards the replacement of existing uncertified residential wood burning stoves, wood inserts, or fireplaces used for primary residential heating with the Program-eligible replacement devices listed in Section 4.2.
2. Grantee will ensure that incentives do not exceed the actual total change-out cost and are limited to a per property or household maximum of \$10,000 for an electric heat pump or \$5,000 for any other replacement device for Enhanced Incentive and \$5,000 for an electric heat pump or \$2,500 for any other replacement device for a Standard Incentive.
3. Grantee will promote the Program and help households understand the benefits of changing from an uncertified wood stove to a cleaner home heating device.
4. Grantee's goal should be to distribute seventy-five (75) percent of total funding to low-income households and households located in disadvantaged or low-income communities or on tribal lands.
5. Grantee will keep records of each change-out, including the following:
  - a. Application including address, priority population designation and/or income verification (if applicable), affidavit of primary source of heat, and proof of eligible existing stove.
  - b. Verification of installation including proof of installer eligibility, proof of final inspections/permits, and proof of eligible replacement stove.
  - c. Verification of destruction of old stove and, if applicable, rendering the fireplace inoperable.
  - d. Verification of training.
  - e. Verification of payment and invoices from installers.
6. Grantee will provide a subset of this information, consistent with templates provided by CARB, to the CAPCOA coordinator for collection and preparation of Progress Reports to be submitted to CARB.
7. Grantee will ensure that change-out recipient is trained on proper wood storage and wood burning practices (if applicable) and device operation and maintenance.
8. Grantee will coordinate with CAPCOA on the preparation of required reports consistent with Section 12.

## EXHIBIT B

### Required License

Professional installers may participate in the Program if they have a minimum of three (3) years of experience installing home heating devices to manufacturer specifications and possess an appropriate active license issued by the California Contractors State License Board throughout the life of the contract. Acceptable license(s) for each type of installation are listed below.

License Class	Equipment Allowed to Install	Special Conditions
C61/D34	<ul style="list-style-type: none"> <li>• Wood stove/insert</li> <li>• Pellet stove/insert</li> <li>• Electric stove/insert heater</li> </ul>	<p>As long as there are no modifications/alterations to the structure.</p> <p>Furthermore, a C61/D34 contractor cannot perform any masonry facing work associated with the stove/insert installation.</p>
C20	<ul style="list-style-type: none"> <li>• Wood stove/insert</li> <li>• Pellet stove/insert</li> <li>• Electric stove/insert heater</li> <li>• Heat pump</li> </ul>	
B	<ul style="list-style-type: none"> <li>• Wood stove/insert</li> <li>• Pellet stove/insert,</li> <li>• Electric stove/insert heater</li> <li>• Heat pump</li> </ul>	<p>A "B" contractor is allowed to install listed heating equipment if the installation was part of a larger project that included at least two unrelated trades. Framing and carpentry does not count towards the count of unrelated trades. Without performing additional trades or holding additional license, a B-contractor would be required to subcontract with an individual holding a C61/D34 or C20 License.</p>

## Exhibit C

### Budget Summary

Category	Subcategory	Grant Amount
Project Funds		\$192,570.00
Project Implementation Funds*	Total	\$20,534.00
	Direct	\$10,267.00
	Indirect (Administrative Funds)	\$10,267.00
Total Grant Funds		\$213,104.00

\* Project implementation costs must not exceed the Total amount shown in Exhibit C. All of the Project Implementation Funds may be used for direct costs but indirect costs are limited to the amount shown in the Exhibit C for Indirect (Administrative Funds).

## Exhibit D

### Project Schedule

Task	Milestone Description	Timeline
1	Execute Grant Agreement	No later than June 30, 2023
2	Transfer funds to Grantee	No later than June 30, 2023
3	Submit "Awarded" Reports to CARB	December 1, 2023
4	Begin project installations	Upon receiving funds
5	Submit "Implemented" Reports	Each reporting cycle
7	Submit quarterly fiscal accounting reports	Each calendar quarter
8	Complete project installations	June 30, 2025
9	Submit "Closeout" report upon completion of the project at the next reporting cycle	No later than December 1, 2025

## Exhibit E

### Insurance Waiver Forms and Examples

#### Automobile Liability

**Contractor's name and address on company stationary**

Current Date

Department Name

Re: No Owned Autos

To Whom It May Concern:

Please know and mark your records to show that (contractor's name) does not own any automobiles.

Should (contractor's name) purchase an auto(s) during the term of its contract with (Department Name) it will obtain owned auto coverage and provide evidence to (Department Name).

Sincerely,

**Name/Title of Owner, Member, Partner or Corporate Owner of the Contractor**

## Exhibit E: Insurance Waiver Forms and Examples (continued)

### Workers' Compensation and Employers' Liability

#### Workers' Compensation Statement of Exemption

Contractor must submit this form to State of California, certifying under penalty of perjury that he or she does not employ anyone in a manner that is subject to the Workers' Compensation laws of California (see Business and Professions Code Section 7125).

#### DO NOT SUBMIT THIS FORM IF YOU HAVE EMPLOYEES

For exemption from workers' compensation, you must complete the requested information and sign form.

Please type or print neatly and legibly in black or dark blue ink.

#### SECTION 1 – REQUIRED INFORMATION

<b>CONTRACTOR'S NAME</b>	<b>CONTRACT NUMBER</b>	<b>STATE DEPARTMENT</b>	
<b>MAILING ADDRESS</b> <small>number/street or P.O. box</small>	<small>city</small>	<small>state</small>	<small>ZIP code</small>
<b>STREET ADDRESS</b> <small>number/street only – NO P.O. boxes</small>	<small>city</small>	<small>state</small>	<small>ZIP code</small>
<b>PHONE NUMBER</b>	<b>CELL PHONE NUMBER</b>	<b>EMAIL ADDRESS</b>	

#### SECTION 2 – REQUIRED CHECK BOX

YOU MUST CHECK ONLY ONE OF THE BOXES BELOW.

- I do not employ anyone in the manner subject to the workers' compensation laws of California.
- I am an out-of-state contractor, and I do not hire employees who reside in California. (You must provide a certificate of insurance from your workers' compensation insurance carrier).

#### SECTION 3 – REQUIRED SIGNATURE

I certify under penalty of perjury under the laws of the State of California that the information provided on this exemption statement is true and accurate. I understand that, upon employing anyone in a manner that is subject to the workers' compensation law of the State of California, the claim of exemption executed under this form will no longer be valid. I also understand that, as soon as I employ anyone subject to California's workers' compensation law, I must obtain a Certificate of Workers' Compensation Insurance, submit that certificate to State of California within 90 days of its effective date, and continuously maintain the coverage provided by the certificate in accordance with the law and as required by this contract. I further understand that failure to comply with this requirement is grounds for disciplinary action.

<b>Date</b>	<b>Signature of Contractor (Owner, Partner, or Officer)</b>	<b>Printed Name of Contractor (Owner, Partner, or Officer)</b>

**Exhibit F**

**Woodsmoke Reduction Program  
Program Guidelines Fiscal Year 2021-2022**

Woodsmoke Reduction Program - Program Guidelines Fiscal Year 2021-2022  
Appropriation  
February 15, 2023



# Woodsmoke Reduction Program

## Program Guidelines

### ***FISCAL YEAR 2021-2022 APPROPRIATION***

February 15, 2023



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## Executive Summary

The Woodsmoke Reduction Program is part of California Climate Investments (CCI), a statewide program that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment—particularly in disadvantaged communities. The cap-and-trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. CCI projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling and much more. Statute establishes investment minimums for disadvantaged and low-income communities and low-income households. For more information, visit [California Climate Investments](https://ww2.arb.ca.gov/our-work/programs/california-climate-investments).<sup>1</sup>

Senate Bill 563<sup>2</sup> established the Woodsmoke Reduction Program (Program) to be administered by the California Air Resources Board (CARB) to promote the voluntary replacement of old wood-burning stoves with cleaner and more efficient home heating alternatives. The legislation also authorizes money from the Greenhouse Gas Reduction Fund (GGRF) to be appropriated for incentives offered as part of the Program. State Budgets appropriate \$5,000,000 in fiscal year (FY) 2016-2017,<sup>3</sup> \$3,000,000 in FY 2018-2019,<sup>4</sup> and \$5,000,000 in FY 2021-2022<sup>5</sup> to CARB to incentivize replacement of old, uncertified wood-burning devices with cleaner options. The Program, administered by CARB, is implemented by the California Air Pollution Control Officers Association (CAPCOA) in coordination with local air pollution control districts or air quality management districts (Districts). CAPCOA determines how much funding will be available to each District participating in the Program. The Program implemented in each participating District is considered a Project while an individual woodstove replacement is called a change-out. CARB developed Program Guidelines (Guidelines) to help CAPCOA and Districts set up Projects that meet the State's statutory requirements and policy objectives for appropriations from GGRF. The first Guidelines, addressing the 2016-2017 appropriation, were published on September 9, 2017,<sup>6</sup> the second update, addressing the 2018-2019 appropriation,<sup>7</sup> on May 21, 2019, and the current Guidelines address the 2021-2022 appropriation. The Program is designed to help households replace an uncertified wood stove or wood insert, or a fireplace used as a

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<sup>1</sup> <https://ww2.arb.ca.gov/our-work/programs/california-climate-investments>

<sup>2</sup> Lara, Chapter 671, Statutes of 2017, adding Health and Safety Code sec. 39733.

<sup>3</sup> Assembly Bill (AB) 1613, Committee on Budget, Chapter 370, Budget Act of 2016, Item 3900-101-3228, Section 10, Provision 4.

<sup>4</sup> Senate Bill (SB) 856, Committee on Budget, Chapter 30, Budget Act of 2018, Item 3900-101-3228, Section 36, Provision 2.

<sup>5</sup> Senate Bill (SB) 170, Committee on Budget, Chapter 240, Budget Act of 2021, Item 3900-101-3228, Section 87, Provision 2.

<sup>6</sup> <https://ww2.arb.ca.gov/our-work/programs/residential-woodsmoke-reduction/woodsmoke-reduction-program>

<sup>7</sup> Ibid.

primary source of heat, with a cleaner-burning and more efficient device. The replacement devices emit less greenhouse gases (GHG) and other air pollutants; they also are less likely to start fires than old stoves that may have been improperly installed. The Program will offer incentives towards the purchase and installation of the qualifying device. California residents using uncertified wood stoves or wood inserts manufactured before July 1, 1988 or using fireplaces as a primary heat source in Districts awarded Program funds are eligible for this Program. The incentive amount will vary depending on the location of the residence and the household income, with some households qualifying for full replacement cost. The Program will include an outreach and educational component to ensure that households make informed decisions about how to burn and what to burn to maximize the efficiency of the device and minimize pollution. This Program will further the goals of California Health and Safety Code Division 25.5,<sup>8</sup> reduce GHG emissions, improve air quality, and protect the health, safety, and well-being of California residents.

These Program Guidelines apply to FY 2021-2022 GGRF appropriations and will be updated in future years as appropriate. The replacement of existing wood-burning devices with cleaner technologies provides an important opportunity to promote lower-carbon clean heating powered by renewable energy by offering incentives only for electric heating and the cleanest wood-burning devices. Therefore, contingent on reauthorization and funds, future guidelines will continue to maximize GHG reductions while still addressing the need to provide applicants within disadvantaged or low-income communities and low-income households, as well as households on tribal lands low-income communities or households funding for lower-carbon clean heating options. Future guidelines may also consider administrative streamlining based on the experience gained through implementation.

## Program Goals and Objectives

The Program furthers the goals of Health and Safety Code Division 25.5 and reduces GHG emissions by offering incentives toward the replacement of existing uncertified residential wood burning devices used for space heating with cleaner options. For the purpose of this Program, a stove refers to a permanently installed free-standing wood stove, pellet stove, or electric heater stove or one installed in a masonry fireplace cavity or other enclosure (commonly referred to as an insert). The current iteration of the Program is funded through the appropriation of \$5,000,000 in FY 2021-2022 from the Greenhouse Gas Reduction Fund.<sup>9</sup> The Program, administered by CARB, will be implemented by CAPCOA in coordination with Districts. CAPCOA will determine how much funding will be available to each District

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<sup>8</sup> Appropriations from the GGRF must further the purposes of Health and Safety Code Division 25.5, added and amended by AB 32 (Global Warming Solutions Act of 2006, Pavley and Nuñez, Chapter 488, Statutes of 2006), SB 32 (Pavley, Chapter 249, Statutes of 2016), AB 197 (E. Garcia, Chapter 250, Statutes of 2016), and AB 398 (E. Garcia, Chapter 135, Statutes of 2017), and other legislation.

<sup>9</sup> Item 3900-102-3228 of the Budget Act of 2021, as amended by SB170 (Chapter 240, Statutes of 2021).

participating in the Program. To be eligible for the Program, a homeowner or renter, for the purpose of this document referred to as an Applicant, must currently use an uncertified wood stove or wood insert manufactured before July 1, 1988, or fireplace as a primary heat source in Districts awarded Program funds. The incentive amount will depend on where the property is located and Applicant's household income, with some households qualifying for full replacement cost. The Program will maximize benefits to households in disadvantaged or low-income communities and low-income households, as well as households on tribal lands, and has as a goal to distribute 75 percent of the total funding to these priority populations.<sup>10</sup> Applicants residing in a census tract identified as a disadvantaged<sup>11</sup> or low-income<sup>12</sup> community can qualify for higher incentives. Applicants residing outside of a census tract identified as a disadvantaged or low-income community, who can demonstrate low-income eligibility based on household income, can also qualify for higher incentives.<sup>13</sup> Applicants residing on tribal lands can also qualify for higher incentives. All other Applicants are eligible for lower incentives. Benefits to disadvantaged and low-income communities and low-income households will be evaluated using criteria listed on the CCI Quantification, Benefits, and Reporting Materials website.<sup>14</sup> Projects are expected to meaningfully address an important community need by reducing exposure to local environmental contaminants, such as toxic air contaminants and criteria air pollutants.

The existing uncertified wood stove, wood insert, or fireplace must be replaced with an electric heat pump, electric stove heater, certified pellet stove, or wood stove approved for this Program, as described in the "Replacement Device" section below. Only select wood stoves are eligible for incentives as part of this Program, which is necessary to ensure that the replacement devices reduce emissions as anticipated.

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<sup>10</sup> Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. Current definitions and designations are available at: [www.arb.ca.gov/cc-communityinvestments.1550](http://www.arb.ca.gov/cc-communityinvestments.1550).

<sup>11</sup> Disadvantaged community census tracts are identified by CalEPA per [SB 535](#) (De León, Chapter 830, Statutes of 2012), and available at <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>

<sup>12</sup> Low-income communities are defined as census tracts with a median household income at or below 80 percent of the statewide median household income or with a median household income at or below the threshold designated as low-income by Department of Housing and Community Development's State Income Limits adopted pursuant to the Health and Safety Code Section 50093 ([AB 1550](#) (Gomez, Chapter 369, Statutes of 2016)). Maps of low-income communities are available at <https://www.arb.ca.gov/cc-communityinvestments>.

<sup>13</sup> Low-income households are those with household incomes at or below 80 percent of the statewide median household income or with household incomes at or below the threshold designated as low-income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093. ([AB 1550](#), Gomez, Chapter 369, Statutes of 2016.) Districts will be responsible for verifying household income eligibility.

<sup>14</sup> Available at: <https://ww2.arb.ca.gov/resources/documents/cci-quantification-benefits-and-reporting-materials>

The Program will achieve GHG emission reductions from the increased efficiency and reduced emissions of the newly installed devices. Older, uncertified wood stoves are often inefficient, high-polluting, and may pose a fire risk. The replacement options selected for this Program should reduce greenhouse gas and particulate matter emissions. Co-benefits include significant and long-term reductions in emissions of criteria pollutants and toxic air contaminants, along with reduced fire risk and reliance on fossil fuels thereby accelerating transition to lower carbon home heating.

The replacement device must be installed by a professional, appropriately licensed stove installer (Installer) and meet local fire and building codes. A professionally installed device will improve the health, safety, and comfort of all residents. To ensure reductions in emissions are permanent, any wood stove removed through this Program must be rendered permanently inoperable and recycled, if recycling is available in the area. If the replacement device is a ductless mini-split heat pump, household may be allowed to retain the old wood burning device to serve as emergency heat in case of a power outage. The approval to retain the old device will be granted on a case-by-case basis by the District. Households would be required to sign an agreement to use their old device only in case of a power outage.

The Program will include outreach and educational components to both inform residents about the benefits of switching to cleaner burning home heating devices and train them on the proper operation and maintenance to maximize the device efficiency and minimize pollutant emissions.

The Program implemented in each participating District will be considered a Project. The Project will comprise all of the change-outs, for which Program funds are being used, within the District's jurisdiction along with the administrative work required to implement them.

## **Stove Eligibility and Performance Standards**

### **I. Existing Home Heating Devices**

To be eligible for the Program, an Applicant must be currently relying on an operational uncertified wood stove or insert, or fireplace, as a primary source of heat in the residence.

An uncertified wood stove or insert is one that has not been certified by the U.S. EPA to comply with the performance and emission standards as defined in Title 40 Code of Federal Regulations, Part 60, Subpart AAA, February 28, 1988, or any subsequent revisions. To determine if the existing stove is uncertified, Applicant may do the following:

- Determine when the wood stove was installed. Wood stoves installed before July 1, 1988 do not comply with the particulate emission standards and therefore qualify for this Program.

- Check the stove model against the U.S. EPA current and historical list of certified<sup>15</sup> wood heaters. If the stove’s manufacturer and model is not on the current and historical lists, the stove is considered uncertified.
- Check the back of the wood stove for a certification label. Wood stoves which do not have any label describing particulate matter emission standards qualify for this Program. Wood stoves certified by the U.S. EPA to comply with any of the particulate emission standards are not eligible for replacement through this Program. These stoves will have a label, like that pictured in Figure 1, permanently affixed to them stating that the stove is certified to comply with the 1988, 1990, 2015, or 2020 U.S. EPA standards.

Applicants will determine the eligibility of their current wood stove. Applications will be reviewed by the District to determine if preliminary qualification requirements have been met. The wood stove’s eligibility will be verified by the District or an Installer during an in-home estimate.

An Applicant using a fireplace as a primary source of heat could also qualify for this Program. Section III, Eligible Home Heating Replacements, includes more information on how to qualify for this type of change-out.

Only operational devices, currently installed in a residence, and used as a primary source of heat qualify for this Program. Applicants who remove the device prior to an in-home estimate will be disqualified.

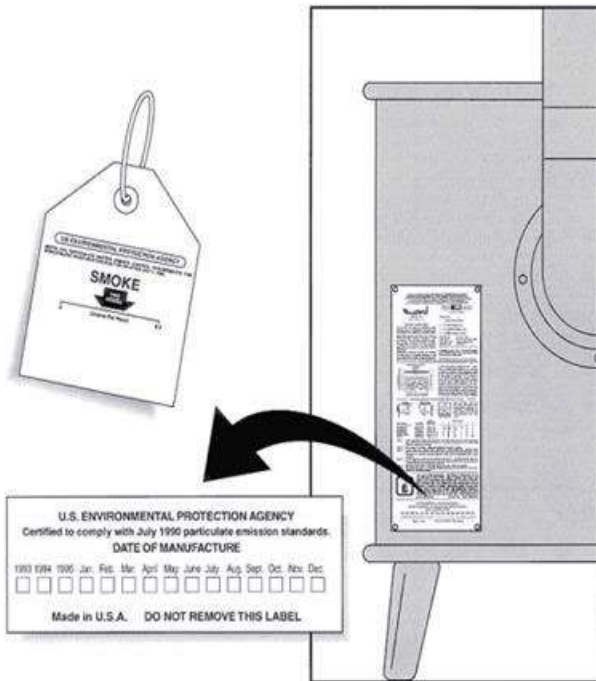
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<sup>15</sup> U.S. EPA Certified Wood Stove Database: <https://www.epa.gov/compliance/epa-certified-wood-heater-database>



Figure 1. U.S. EPA Stove Certification Label

EPA certification label circa 1988 to present



## II. Replacement Device

The uncertified wood stove or insert, or fireplace, must be replaced by an eligible replacement device. The following types of home heating devices are eligible for this Program:

- Electric stove heaters,
- Electric heat pumps,
- Pellet stoves,
- Hybrid wood stoves,
- Catalytic wood stoves, and
- Select non-catalytic wood stoves.

In a 2021 report, Assessment of U.S. EPA’s Residential Certification Program Northeast States of Coordinated Air Use Management<sup>16</sup> (NESCAUM) revealed significant problems with the current wood stove certification program. As a result of significant flexibility in testing combined with limited oversight, many wood stoves certified by U.S. EPA as meeting the

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<sup>16</sup> <https://www.nescaum.org/documents/nescaum-review-of-epa-rwh-nsp-certification-program-rev-3-30-21.pdf/>



current New Source Performance Standard (NSPS) may have higher emissions than old uncertified stoves they are replacing. Most wood stoves on the market use either a secondary combustion system (non-catalytic stoves) or a catalytic combustor (catalytic stoves) to meet the U.S. EPA emission standards. Hybrid wood stoves combine a catalytic combustor with the secondary combustion system in one.

To ensure that the replacement devices reduce emissions as anticipated only certain wood stoves are eligible to receive incentives as part of this Program. Any pellet, catalytic or hybrid (catalytic/non-catalytic) wood stove meeting the current NSPS is an eligible replacement device. Catalytic and hybrid stoves had demonstrated lower emissions when tested with the Integrated Duty Cycle (IDC) test method approved by the U.S. EPA as a broadly applicable Alternative Test Method (ATM). The IDC test assesses appliance performance under a range of operating and fueling conditions to better represent in-home use. Catalytic and hybrid wood stoves meeting current NSPS certification may be identified by performing an advanced search and selecting the appropriate subtype (catalytic stove or hybrid) from the U.S. EPA Certified Wood Stove Database.<sup>17</sup> Non-catalytic stoves do not perform as well in IDC testing, but to provide households with some non-catalytic options, four stoves approved by the State of Alaska for installation in the Fairbanks PM2.5 Nonattainment Area, listed in Table 1, will be eligible for incentives. CARB will work with an independent contractor to test additional devices and update the list of eligible non-catalytic stoves on the Program website as appropriate. Additional devices may also be listed based on U.S. EPA retesting.<sup>18</sup>

Table 1. Non-Catalytic Wood Stoves Eligible for Incentives

Manufacturer Name	Model Name	Annual Avg Emission Rate (grams/hr)
Energy Distribution	Invicta Group: Kazan, Kazan GA, Kiara, and Kiara GA	1.8
Energy Distribution	Gaya Ardoise, Itaya, Onyx, Gaya Feuille, Symphonia, Antaya, Theïa, Akan	1.9
HHT/Hearth and Home Tech	21M-ACC-C, Discovery-1-C	1.7
Hearth and Home Technologies	Quadra Fire Expedition II and Vermont Castings Montpelier II	1.8

<sup>17</sup>U.S. EPA Certified Wood Stove Database: <https://www.epa.gov/compliance/epa-certified-wood-heater-database>

<sup>18</sup> See <https://www.epa.gov/burnwise/epa-approved-test-labs-and-third-party-certifiers-residential-wood-heaters>.

The replacement device must be permanently installed by a professional, appropriately licensed Installer participating in this Program. A list of participating Installers will be established by CAPCOA or each participating District. Self-installation of heating devices will not be allowed under this Program. Portable home heating devices not permanently affixed to the home structure are not eligible replacement options. Any building permits or other required approvals shall be obtained per local, tribal, or State ordinances and shall be the responsibility of the Installer or the Applicant. Districts will be responsible for verifying that each change-out is permitted and inspected in accordance with State, local, and/or tribal ordinances before payment is issued to the Installer or the Applicant.

## Eligible Applicants

Applicants interested in replacing their uncertified wood stove or wood insert, or fireplace with an eligible replacement device qualify for this Program if they meet all of the requirements listed below:

- Use an uncertified wood stove or wood insert, or a fireplace, currently operational, as a primary source of heat;
- Select a replacement device which meets stove eligibility in Section II;
- Plan to have the replacement device professionally installed by a participating Installer;
- Agree to receive training on proper wood storage and wood burning practices (if applicable) and device operation and maintenance; and
- Surrender their old wood stove or insert to the Installer who will render it permanently inoperable and recycle it, if recycling is available in the area. If the replacement device is an electric heat pump, District may allow retaining the original heating device to be used only during power outages.

This Program provides incentives for one replacement per household. Households that previously received Program incentives are not eligible. The replacement device must be a primary source of heat in the house. The Program is available for residences occupied by owners or long-term renters. In the case of rental properties, formal approval from both the property owner and the renter will be required as part of the approval process. To qualify for an incentive, the owner will have to agree to not raise the rent of the unit for a period of two years or evict the unit's residents because of increased value of the unit due solely to the newly installed home heating device. Retroactive rebates are not available under this program, so Applicants who remove the old device or purchase a new replacement device prior to being approved for this Program will be disqualified. The old, uncertified device must be rendered permanently inoperable and recycled, if recycling is available in the area, before payment can be issued to the Installer.

Burning wood in a fireplace is very inefficient for home heating purposes; fireplaces are therefore not typically used as a primary source of heat. In rare situations when an Applicant uses a fireplace as a primary source of heat, the Applicant may qualify for the Program. If the existing fireplace is structurally sound, the Program may offer an incentive to be used towards purchase and installation of an eligible fireplace insert. However, if the fireplace is lacking structural integrity, the incentive could be used towards the purchase of an eligible free-standing home heating device or a heat pump. In this case, the fireplace and chimney must be rendered permanently inoperable to prevent use of the fireplace. Verification of inoperability would be the responsibility of the District. If the replacement device is an electric heat pump, District may allow retaining the original heating device to be used only during power outages.

Installers interested in participating in this Program must agree to the Program’s terms and conditions by signing an agreement with the District. Each District will establish their own requirements, but at a minimum, in order to participate in the Program, the Installer will be required to agree to the following:

- Abide by the terms and conditions of the Program;
- Unless verified by the District, verify that the old device and the replacement device qualify for the Program;
- Conduct professional installation of the qualified device in compliance with all applicable State, county, city, or tribal codes/ordinances;
- Provide residents with training on device operation and maintenance and, if applicable, for wood burning devices, best practices in wood storage and wood burning; and
- Render the old device inoperable and recycle it, if recycling is available in the area.

Only Installers who have a signed agreement with CAPCOA or the District will be eligible to participate in the Program. Installers will be responsible for ensuring that all installations are done in accordance with any applicable State, county, or city codes/ordinances, including obtaining any applicable permits and having the installation inspected. Agreements must include the components required by this document and should include key milestone dates and participant requirements for maintaining eligibility prior to Project completion.

## **Eligible Cost**

Eligible change-outs costs include the cost of the new device including sales tax, installation including any parts, materials, permits, or labor required for the safe and legal installation of the new device removal and disposal of the old wood stove or insert, and, if applicable, rendering fireplace inoperable. The Installer will be required to provide a base estimate for the installation of a basic heating device that will be safe, clean-burning, and efficient. Upgrades above the base estimate will be paid by the Applicant. The incentive structure will be determined by CAPCOA or each individual District but incentives can’t exceed the actual

total change-out cost and are limited to a maximum of \$5,000 or \$2,500 per property or household for pellet and hybrid stoves or electric heating devices for Enhanced and Standard Incentives, respectively. A maximum of \$10,000 or \$5,000 per property or household will be allowed for electric heat pump installations for Enhanced and Standard Incentives, respectively. Districts will pay the Installer (voucher model) or Applicant (rebate model) the approved incentive amount. Any additional balance due will be paid by the Applicant.

Applicants who remove the high-polluting device or purchase a new device prior to being approved for this Program will be disqualified from obtaining compensatory funds. Heating devices or inserts designed exclusively for aesthetic and decorative use are not eligible for this Program.

All eligible costs must be supported by appropriate documentation. Any cost that is not directly related to the change-out, including cost of remodeling work beyond what is required to complete the change-out, is not eligible for an incentive. Total costs may not exceed the maximums noted above. Costs incurred outside of the performance period, indirect/overhead costs, and cost of food or beverages (e.g., served during outreach events) are not eligible for reimbursement. Indirect/overhead costs are expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to work on the Program, functions such as personnel, business services, information technology, and salaries of supervisors. Examples of overhead costs include rent, utilities, and supplies.

The total cost of administering the Program (i.e., the total administrative costs incurred by both CAPCOA and Districts) cannot exceed \$500,000, which is 10 percent of the total 2021-2022 appropriation.

## **Eligibility**

Households using uncertified wood stoves, wood inserts, or fireplaces as a primary heat source are eligible for an incentive towards replacing their old heating device with a cleaner option. The incentive amount will be determined by each District in coordination with CAPCOA, but may not exceed a maximum of \$5,000 for wood stove, pellet stove, or electric stove heater or \$10,000 for electric heat pump. The general structure of incentives must adhere to the following rules:

- Low-income households and households located in disadvantaged or low-income communities or on tribal lands will be eligible to replace their heating device for little or no cost. They will qualify for a higher incentive (Enhanced Incentive). The maximum allowable Enhanced Incentive level is \$10,000 for an electric heat pump and \$5,000 for all other types of heating devices;
- All other households, regardless of their income, will qualify for a smaller incentive (Standard Incentive) to be applied towards the purchase and installation of the new

device. CAPCOA, in coordination with the District, will determine the maximum allowable Standard Incentive level, not to exceed \$5,000 for an electric heat pump and \$2,500 for all other types of heating devices; and

- CAPCOA, in coordination with the District, will implement the Program with the goal of directing 75 percent of the funds for Enhanced Incentives to help low-income households and households in disadvantaged and low-income communities, with an emphasis on outreach to households located on tribal lands within the District, replace their old wood stoves for little or no cost. This goal could be accomplished in a variety of ways and Districts are encouraged to explore different options to assist in meeting this Program-wide goal. Examples of two possible scenarios could include:
  - Conducting a District-wide solicitation during which all applications would be collected and reviewed, and priority would be given to those Applicants qualifying for Enhanced Incentives.
  - Implementing the Project in two phases. During the first phase, only applications from low-income households and households in disadvantaged and low-income communities or on tribal lands would be accepted. During the second phase, the Project would be open to all Applicants.

Every Applicant using an uncertified wood stove or fireplace as a primary source of heat for their home qualifies for a Standard Incentive without any need for income verification. To qualify for the higher Enhanced Incentive, the Applicant must reside on tribal land or in a disadvantaged or a low-income community or demonstrate a household income not exceeding a low-income threshold specified below. Income verification will not be required for Applicants residing on tribal lands or in disadvantaged or low-income communities.

Applicants residing outside of disadvantaged and low-income communities and tribal lands wishing to be considered for Enhanced Incentives are required to demonstrate that their household income does not exceed one of the following thresholds:

- 1) 80 percent of the Statewide Median Household Income (MHI);<sup>19</sup> or
- 2) County-specific California Department of Housing and Community Development (HCD) low-income limits.<sup>20</sup>

Districts will be responsible for verifying household income eligibility. Districts can qualify an Applicant based on the higher allowable maximum income (80 percent MHI or HCD low-income limits).

For purposes of the Program, there are multiple methods to demonstrate household income eligibility. Applicants may demonstrate eligibility by presenting pay stubs or tax returns for

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<sup>19</sup> U.S. Census Bureau, American Community Survey, 5-year Estimates available at:  
<https://www.census.gov/quickfacts/fact/table/CA,US/PST045221>

<sup>20</sup> California Department of Housing and Community Development Official State Income Limits available at:  
<http://www.hcd.ca.gov/state-and-federal-income>

each person living in the residence to District personnel for verification and, if qualifying using the HCD low-income limits, reporting the number of people in the household.

Eligibility may also be established through proof of participation in an existing federal or State low-income assistance program, several examples of which are listed below. In cases where an Applicant chooses to demonstrate eligibility through participation in an alternate low-income program, Districts will work with CARB staff to verify that the alternate program's income limits do not exceed Enhanced Incentive income limits for their area.

- U.S. Department of Agriculture Women, Infants and Children (WIC) Program;
- U.S. Department of Health and Human Services Low Income Energy Assistance Program (LIHEAP);
- California Alternate Rates for Energy (CARE) Program with a participating California utility company.

## Approval Process

Applicants will be required to complete an application. They must agree to provide information to the District and allow the District and/or Installer to verify that information. They must also agree to receive training on proper wood storage and wood burning practices (if applicable) and device operation and maintenance. The District will be responsible for verifying the following:

- Eligibility of the existing device - ensuring that the existing wood stove, wood insert, or fireplace<sup>21</sup> is uncertified, operational, and used as a primary heat source in the house;
- Eligibility of the replacement stove – ensuring that the replacement device is eligible for the Program as described in Section II; and
- If applying for the Enhanced Incentive, eligibility as a resident of a disadvantaged or low-income community, tribal lands, or a low-income household.

The application will be reviewed to determine if the preliminary qualification requirements have been met. Figure 2 illustrates the approval process and helps determine Program eligibility. The District will notify the Applicant whether the application was approved for participation in the Program. Districts must inform Applicants that applications will be treated in accordance with Public Records Act requirements and that certain information, subject to those requirements, may be publicly disclosed.

Once approved, the Applicant will schedule an in-home estimate with a participating Installer. The Installer will verify the stove's eligibility and present an estimate to the Applicant. The District will have the flexibility to run the Program as a voucher or a rebate

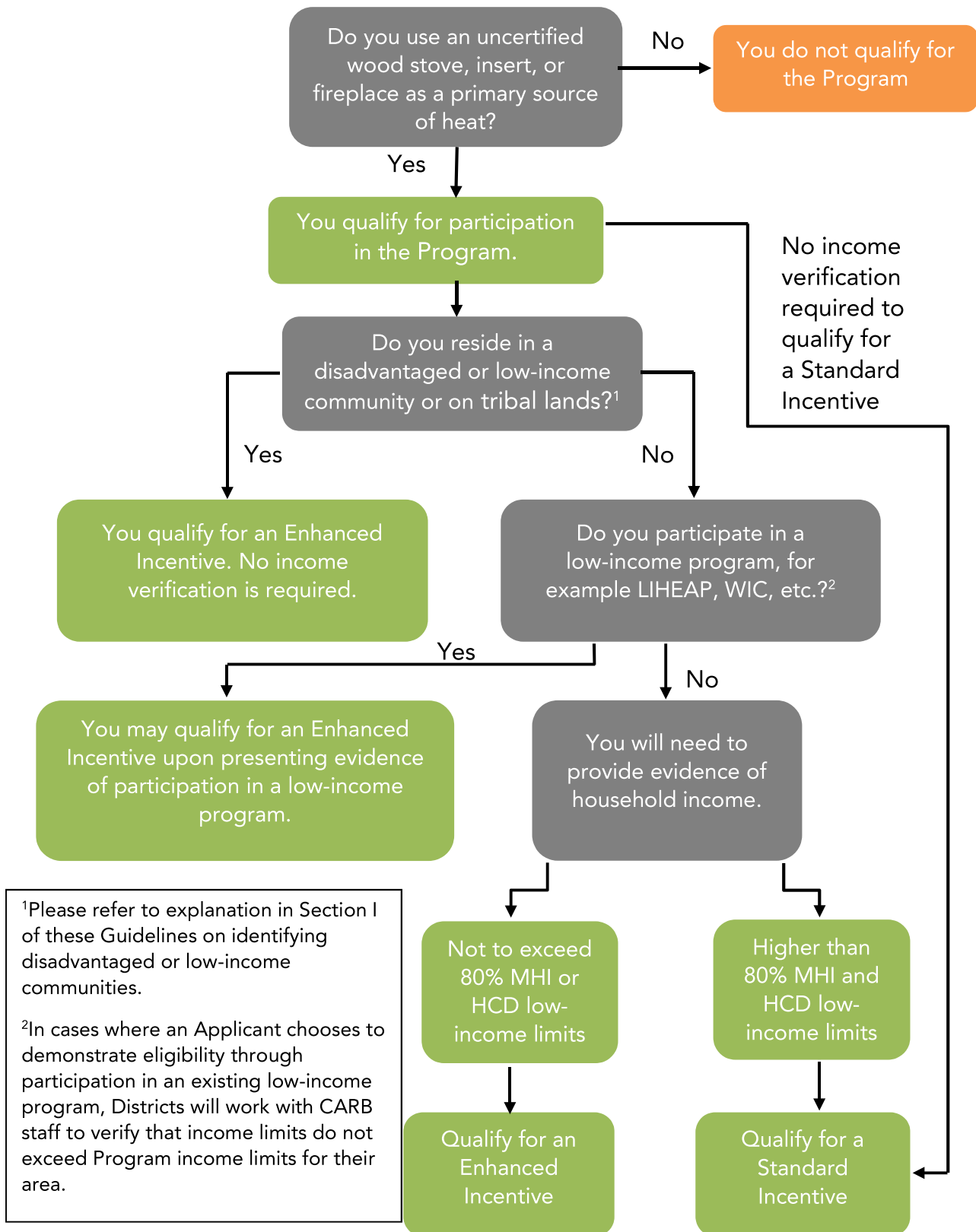
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<sup>21</sup> All fireplaces are considered uncertified heating devices.



model. If a Program follows a voucher model, qualified Applicants are issued vouchers that provide an instant discount of the cost of purchase, installation, and disposal of a qualifying device. If a Program follows a rebate model, qualified Applicants are issued rebates after they submit the required documents showing that they have purchased a qualifying device, had it installed by a participating Installer, and properly disposed of their old appliance. Districts must verify that the old device was deemed permanently inoperable and recycled, if recycling is available in the area, before issuing payment for the change-out. Districts choosing to follow a rebate model must ensure that low-income households and households in disadvantaged and low-income communities and on tribal lands are able to participate. This may require offering vouchers in lieu of rebates or administering the Project with a combination of rebates and vouchers.

Figure 2. Approval Process





## GHG Reductions

Switching from an uncertified wood stove or a fireplace to a U.S. EPA certified pellet stove or eligible wood stove reduces GHG emissions as these stoves are cleaner burning and more energy efficient. Design features in newer pellet stoves and wood stoves promote more complete combustion, reducing emissions of methane, a GHG pollutant.<sup>22</sup> They also typically use significantly less fuel to produce the same amount of heat as an uncertified stove.<sup>23</sup> This reduction in fuel use will further reduce GHG emissions by a similar amount. Switching from an uncertified wood stove to an electric stove heater or electric heat pump will also typically reduce GHG emissions. In the absence of a mechanism to verify that the wood burned in an Applicant's primary heating device is waste material harvested pursuant to an approved timber management plan prepared in accordance with the Z'berg-Nejedly Forest Practice Act of 1973 or other locally or nationally approved plan and harvested for the purpose of forest fire fuel reduction or forest stand improvement, biogenic CO<sub>2</sub> is included in the calculation of GHG benefits for these devices.

## Outreach and Education

CAPCOA and the Districts will be responsible for promoting the Program and helping households understand the benefits of changing from an uncertified wood stove to a cleaner home heating device. Since the Program-wide goal is to distribute 75 percent of total funding to residents of disadvantaged and low-income communities and low-income households and tribal lands, the outreach should focus on reaching this segment of the population.

CAPCOA and the Districts will also incentivize outreach and promotion of the Program with local tribal authorities and prioritize implementation on tribal lands.

The Program requires an educational component to ensure that the new home heating devices, particularly pellet stoves and wood stoves, are properly operated and maintained to maximize energy efficiency and achieve the lowest possible emission rates. With proper burning techniques and properly seasoned wood, if using a wood stove, the amount of wood used and emissions generated could be significantly reduced. User operation is important for achieving anticipated reductions. CAPCOA and the Districts will be required to ensure that each change-out is supplemented with a training component. This could be accomplished by

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<sup>22</sup> Residential wood stove emissions are in AP 42, Fifth Edition, Volume I, Chapter 1, External Combustion Sources, Section 1.10, web link: <https://www3.epa.gov/ttn/chief/ap42/ch01/final/c01s10.pdf>

<sup>23</sup> U.S. EPA Burn Wise Publication, How to Implement a Wood-Burning Appliance Changeout Program, September 15, 2014; web link: <https://www.epa.gov/sites/production/files/2015-08/documents/howtoimplementawoodstovechangeout.pdf>

having Installers train homeowners following the installation. Districts will be required to obtain verification of training.

## Co-benefits

In many communities throughout the State, uncertified wood stoves are a major source of air pollution. Replacing these highly polluting and inefficient stoves with cleaner home heating options can significantly reduce emissions of fine particulate (PM<sub>2.5</sub>), black carbon, and toxic air contaminants. These emission reductions will vary depending on the type of the replacement device, with the electric devices offering the greatest reductions. Certified pellet stoves and wood stoves or inserts should have significantly lower emissions compared to uncertified wood stoves based on their certification values. However, because the current U.S. EPA certification program fails to ensure that a wood stove performs consistent with the certification results, this Program provides incentives only for select wood stoves that are most likely to provide emission reductions under real-world conditions. To ensure that emission reductions do not diminish even further due to improper operation or lack of proper maintenance, each installation will be accompanied by education on proper device operation, maintenance, and importance of using seasoned wood.

Reductions in black carbon, PM<sub>2.5</sub>, and toxic air contaminants will reduce the impacts of climate change and improve indoor and outdoor air quality and visibility. In some parts of the State, the PM<sub>2.5</sub> co-benefit reductions could have a significant impact on a region's ability to attain ambient air quality standards.

Reductions in PM<sub>2.5</sub> pollution will have significant short- and long-term health benefits. Short-term exposures to PM<sub>2.5</sub> can aggravate lung disease, causing asthma attacks and acute bronchitis, and may also increase susceptibility to respiratory infections. Long-term exposures have been associated with reduced lung function and the development of chronic bronchitis and even premature death.

Consumers should be able to save approximately 20 percent of their annual fuel cost through the use of professionally installed, certified, high efficiency pellet stoves or wood stoves.<sup>24</sup> Many old stoves are improperly installed, posing significant safety concerns, including health impacts and potential fires. Professional installation required under this Program will ensure that newly installed stoves meet local fire and building codes. If a replacement device is installed in a residence that does not have functional smoke and carbon monoxide detectors, the Program may pay for purchasing and installing new detectors. The Program may support the local economy and job creation by increasing demand for, and installation of, certified wood stoves and other clean heating devices.

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<sup>24</sup> Based on the difference in efficiency between uncertified and certified stove:  
<https://www3.epa.gov/ttn/chief/ap42/ch01/final/c01s10.pdf>

## Key Dates and Deadlines

CARB posted the Program Guidelines for public review and comments on November 7, 2022. The public comment period closed on December 8, 2022, and comments were reviewed and incorporated into the Program Guidelines where appropriate. As a next step, CARB will draft grant agreements with CAPCOA and/or individual Districts. These agreements must be signed and fully executed before funds can be released. If CAPCOA acts as an intermediary between CARB and the Districts, it will be required to enter into separate agreements with the Districts. These separate agreements must ensure compliance with these Program Guidelines and any agreement between CAPCOA and CARB. Any work done prior to a District grant agreement being fully signed and executed will be ineligible for funding. The deadline for executing all grant agreements is June 30, 2023 and the deadline for submitting requests for payment to CARB is April 1, 2025.

## Reporting and GHG Quantification

CCI Funding Guidelines set tracking and reporting requirements for agencies that administer GGRF programs, such as CARB. Each District participating in the Program will be responsible for recordkeeping and providing CAPCOA and/or CARB with information necessary to fulfill Program reporting requirements. CAPCOA will be responsible for compiling the reports and submitting them electronically to CARB. All reports must be consistent with the CCI Funding Guidelines,<sup>25</sup> quantification methodologies,<sup>26</sup> reporting guidance,<sup>27</sup> and the requirements established in these Guidelines. The Program implemented in each participating District will be considered a Project with most of the reporting done on a Project basis. The Project will be comprised of all change-outs for which Program funds are being used, within the District's jurisdiction, along with the administrative work required to implement them. Some reported Project information will be publicly available on the CARB website, including the amount of funding spent on change-outs that benefit disadvantaged communities, low-income communities, and low-income households.

In order to document and calculate reductions in GHG, black carbon, and PM2.5 emissions, and document other co-benefits and benefits to disadvantaged communities, low-income communities, and low-income households, CAPCOA and/or Districts will be responsible for collecting and maintaining the following information for each change-out:

- Tracking number for each change-out;
- Location of change-out;

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<sup>25</sup> <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-funding-guidelines.pdf>

<sup>26</sup> Available at [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification)

<sup>27</sup> *ibid.*

- Incentive amount and, if applicable, verification that Applicant qualifies for an Enhanced Incentive based on the location of the property in a disadvantaged, low-income, or tribal census tract or Applicant’s household income;
- Documents proving the change-out benefits a disadvantaged community, low-income community, or low-income household and description of how the change-out meets respective community need(s);
- Type of wood burning device being replaced (stove, insert, or fireplace);
- Replacement device type and make and model;
- Quantity of wood burned annually before replacement;
- Replacement device emission rates and efficiency (if available and applicable);
- Installation date;
- Copy of final permit (City, County, or State);
- Photographic evidence of change-out completion, including “before” and “after” photos showing the devices in relation to the room where they were/are installed;
- Verification of destruction of uncertified stove (including recycling if available locally) or, where applicable, verification of rendering fireplace and chimney permanently inoperable, unless replacement device is an electric heat pump and the recipient keeps the uncertified stove to use only in case of electricity loss;
- Verification that the recipient was trained on device operation and maintenance and, if applicable, following best practices in wood storage and wood burning for residential space heating;
- GGRF dollars spent; and
- Information on jobs and training opportunities created and whether employees are residents of disadvantaged or low-income communities or low-income households.

Documentation of each wood stove replacement must include all of the parameters above, which are necessary for quantifying the reductions. Record keeping and tracking will be retained by CAPCOA or the District for three years after the Project Closeout report is submitted.

Net GHG reductions from wood stove replacement will be calculated using the CARB approved GHG Quantification Methodology for Fiscal Year 2021-2022 available at the [Cap-and-Trade Auction Proceeds Quantification Materials](#) webpage.<sup>28</sup> CARB will also develop methodologies to quantify some additional Project co-benefits. CAPCOA will be responsible for performing calculations and reporting results to CARB as part of the reports outlined above.

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<sup>28</sup> <https://ww2.arb.ca.gov/resources/documents/cci-quantification-benefits-and-reporting-materials>

## Disbursement of Funds

Funds cannot be disbursed until there is a fully executed grant agreement between CARB and CAPCOA and/or the individual District. Only those actual and direct Program related costs incurred during the approved term of the grant agreement and as specified in the grant agreement budget will be eligible for payments.

Each District shall maintain an accounting system that accurately reflects fiscal transactions with the necessary controls and safeguards. The accounting system must retain itemized receipts and invoices for all Program funds for at least three years after final payment is made by CARB.

## Program Review

The State of California has the right to inspect all work and associated records at any time over the Project life. This right shall extend to any subcontracts, and CAPCOA and/or Districts shall include such access in all their contracts or subcontracts.

CARB shall review a sufficient number of Projects each year to ensure proper Program implementation. The District responsible for the Project selected for program review will be contacted at least 30 days in advance. The program review should include all books, papers, accounts, documents, photographs, and other records related to the Project for which Program funds were used. The District will be expected to assign an employee familiar with the Project and accounting procedures to assist the State reviewer and have the Project records, including cancelled warrants, readily available for inspection.

If the program review reveals that the District did not follow these Guidelines and/or the grant agreement, does not have proper documents to demonstrate following Guidelines and/or the grant agreement, or violated any State or federal law or policy, a corrective action plan will be put in place. The District will have three months to implement the corrective measures. A follow-up program review will be conducted to verify that the deficiencies are fully mitigated. If the corrective actions were not implemented or new problems were discovered during the follow-up program review, a second corrective action plan will be established. If the second follow-up program review is less than satisfactory, the grant agreement with that District will be terminated immediately and the District will be prohibited from receiving any future funding from this Program. The District may be required to fully or partially repay Program funds spent in violation of these Guidelines and/or the grant agreement.

The following are examples of Program deficiencies:

- Replacing a wood stove, wood insert, or fireplace not eligible for the Program;
- Installing a device not eligible for the Program;
- Issuing an Enhanced Incentive to an ineligible Applicant;

- Exceeding the maximum amount of \$10,000 for an electric heat pump or \$5,000 for any other replacement device for Enhanced Incentive and \$5,000 for an electric heat pump or \$2,500 for any other replacement device for a Standard Incentive);
- Failing to properly document each change-out;
- Failing to remove and properly dispose of the old stove (except if the replacement device is an electric heat pump); and
- Allowing an Applicant to install his/her replacement device.

If deficiencies are identified during a program review, CARB will be responsible for communicating them to the District, giving the District an opportunity to respond, and, if necessary, assist in drafting a corrective action plan. Districts must make every effort, including requesting assistance from CARB, if necessary, to ensure that the deficiencies are fully mitigated.