



AGENDA

October 19, 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.

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
- YouTube at: <https://www.youtube.com/user/CSBTv20>; and,
- Zoom at: <https://us02web.zoom.us/j/82454102746?pwd=alkzeGF4UXV4MjZVaDlqZmlpWjRRUT09>
Password: 471069

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 Remote Testimony, Santa Barbara County Employees' Retirement System, Hearing Room, 130 Robin Hill Road, Suite 100, Goleta, 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 Employees' Retirement System's Hearing Room in Goleta.
- **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/82454102746?pwd=alkzeGF4UXV4MjZVaDlqZmlpWjRRUT09>
Password: 471069
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: 824 5410 2746
Passcode: 471069
- **Distribution to the Board.** Submit comments no later than 5:00 p.m. on Wednesday, October 18, 2023 via email to las@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 August 17, 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 July 1, 2023 through September 30, 2023; and
2. An update on the Landscape Equipment Electrification Fund (LEEF) Program Year 3 for zero-emission landscape equipment vouchers during the period of June 5, 2023 through September 30, 2023.

D-3) Notice of Violation Report

Receive and file the summary of notices of violation issued and penalty revenue received during the months of August and September 2023.

D-4) Minutes of the February 22, 2023 Regular Meeting of the Community Advisory Council

Receive and file minutes of the February 22, 2023 regular meeting of the Community Advisory Council.

D-5) Carl Moyer Program Participation Until 2034

Adopt a Resolution to authorize the District’s continued participation in the California Air Resources Board’s Carl Moyer Program until January 1, 2034.

D-6) District Board Meeting Schedule for Year 2024

Approve the District Board of Director’s regular meeting schedule for 2024.

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) Determine that a New District Rule for Miscellaneous Combustion Units is No Longer Necessary to Satisfy Assembly Bill 617 Requirements
(EST. TIME: 15 Min.)

Consider recommendations as follows:

1. Receive and file a report regarding Best Available Retrofit Control Technology (BARCT) for Miscellaneous Combustion Units at Assembly Bill 617 Industrial Facilities; and
2. Adopt a resolution determining that adopting a new District Rule is no longer necessary to implement BARCT for Miscellaneous Combustion Units because the affected Assembly Bill 617 Industrial Facility has requested changes to their District Permit to Operate to comply with the BARCT analysis through enforceable permit conditions.

G-2) 2022 Annual Air Quality Report
(EST. TIME: 15 Min.)

Receive and file a presentation and 2022 Annual Air Quality Report for Santa Barbara County.

G-3) Long Range Fiscal Strategy (Fiscal Years 2023 – 28)
(EST. TIME: 30 Min.)

Receive and file a presentation on the District's Long Range Fiscal Strategy Fiscal Years 2023-28 and provide feedback and direction to staff.

H. ANNOUNCEMENTS

This meeting will be rebroadcast on Sunday October 22, 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 December 21, 2023.

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ACTION SUMMARY

(Unofficial)

August 17, 2023

1:00 P.M.

**BOARD OF SUPERVISORS HEARING ROOM
COUNTY ADMINISTRATION BUILDING
511 EAST LAKESIDE PARKWAY
SANTA MARIA, CA**

Board of Directors

Santa Barbara County
Board of Supervisors
Das Williams, First District
Laura Capps, Second District, *Vice-Chair*
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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 Patino called the meeting to order at 1:02 p.m.

Present: 9 - Williams, Hartmann (arrived at approx. 1:04 pm), Lavagnino, Perotte, Julian, Cordova, Rowse (arrived at approx. 1:03 pm), Patino, Infanti.

Absent: 4 - Capps, Nelson, King, Clark.

Director Rowse participated via remote testimony from the Santa Barbara County Employees' Retirement System Hearing room.

B. PLEDGE OF ALLEGIANCE

Director Rowse arrived at this time.

C. APPROVAL OF MINUTES

Approve minutes of the June 15, 2023 meeting.

A motion was made by Board member Julian, seconded by Board member Perotte that the minutes of the June 15, 2023 meeting be approved. The motion carried by the following vote:

Ayes: 8 - Williams, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.

Noes: 0 - None.

Abstain: 0 - None.

Absent: 5 - Capps, Hartmann, Nelson, King, Clark.

D. ADMINISTRATIVE ITEMS

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

Director Hartmann arrived at this time.

D-1) Update on Public Outreach Activities

Receive and file an update on District outreach activities.

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

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

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 June 1, 2023 through June 30, 2023; and**
- 2. Summary of the emission-reduction grant agreements approved by the Air Pollution Control Officer for the period of June 1, 2023 through July 31, 2023; in accordance with Board Resolution Number 20-13.**

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

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

D-3) Notice of Violation Report

Receive and file the summary of notices of violation issued and penalty revenue received during the months of June and July 2023.

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

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

D-4) Summary of Permitting Activity

Receive and file summary of permitting activity during the months of January through June 2023.

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

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

D-5) Update the District's Standard Grant Agreement

Adopt a Resolution that updates the language, terms, and conditions of the District-issued standard grant agreement for District Board approved grant programs.

A motion was made by Board member Williams, seconded by Board member Infanti that this matter be approved. Adopted APCD Resolution No. 23-06. The motion carried by the following vote:

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

D-6) Resolution for Delegating Authority to the Air Pollution Control Officer for Approving Employee Benefit Plan Renewals

Adopt a Resolution delegating authority to the Air Pollution Control Officer to amend, enter into, and renew contracts for multiple employee benefit insurance plans to become effective January 1, 2024 for the 2024 calendar year.

A motion was made by Board member Williams, seconded by Board member Infanti that this matter be approved. Adopted APCD Resolution No. 23-07. The motion carried by the following vote:

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

D-7) Year-End Transfers and Revisions of Appropriations

Approve budget revisions and transfers necessary to close the District's accounting records for all District funds for the fiscal year ended June 30, 2023 (Fiscal Year 2022-23).

A motion was made by Board member Williams, seconded by Board member Infanti that this matter be approved. The motion carried by the following vote:

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

D-8) District Hearing Board Appointment

Consider recommendation for the District Hearing Board Nominating Committee to appoint Mr. Jonathan Cook as a public member in the engineer position on the District Hearing Board.

A motion was made by Board member Williams, seconded by Board member Infanti that this matter be approved. The motion carried by the following vote:

Ayes: 9 - Williams, Hartmann, Lavagnino, Perotte, Julian, Cordova, Rowse, Patino, Infanti.
Noes: 0 - None.
Abstain: 0 - None.
Absent: 4 - Capps, Nelson, King, Clark.

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) Landscape Equipment Electrification Fund (LEEF) Program

Receive and file an update on the District's Landscape Equipment Electrification Fund (LEEF) Program.

Item Received.

G-2) Status Update on Oil and Gas Operations

Receive and file a presentation on the status of oil and gas operations in Santa Barbara County.

Item Received.

H. ANNOUNCEMENTS


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

I. ADJOURN

This meeting was adjourned at 1:59 p.m. to 1:00 p.m. on October 19, 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

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 August 17.

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 August 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:
 - Air Quality Alert: *Noozhawk, KSBY, KEYT, Lompoc Record, and Santa Maria Times*
 - Prescribed Burns: *Santa Barbara Independent, KEYT, and Edhat*
 - October Hearing Board meeting regarding Central Coast Agriculture (same journalist): *Santa Barbara Independent, Edhat, Noozhawk, and Santa Maria Times*
 - Cruise ships: *Santa Barbara Independent*
 - Landscape Equipment Electrification Fund (LEEF) program: *KEYT*
 - Marine shipping program: *KEYT and KCLU*

Community Programs

- **LEEF Program Demo Day:** In June, the District launched the third year of our LEEF 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 will accept applications until November 3. Earlier this month, the District co-hosted an electric landscaping equipment demonstration day at the Orcutt Babe Ruth Fields with Oak Knolls Hardware. Eight equipment vendors were on hand to share information about their devices, and approximately 50 interested applicants attended. More information is available on our website: www.OurAir.org/LEEFProgram.
- **Santa Maria Downtown Fridays:** On September 22, the District participated in an electric vehicle showcase at the Santa Maria Downtown Fridays event to celebrate National Drive Electric Week and promote California Clean Air Day. The EV Showcase was co-hosted by the District, Central Coast Clean Cities Coalition, Sierra Club – Santa Barbara Chapter, and the Community Environmental Council and included a display of four plug-in electric vehicles (2015 Chevy Volt, 2023 Toyota RAV4 Prime, 2012 Tesla Model S, and 2022 Hyundai Ioniq 5). At the event, attendees engaged with staff and local partners about the vehicles on display, available incentive and purchase guidance programs, and the benefits of driving electric. With bilingual staff members at our booth, the District was able to engage with hundreds of people about the air quality benefits of electric vehicles and encourage attendees to sign-up for air quality alerts to track local conditions.

Interagency and Regulatory Support Efforts

- **Cannabis Advisory Updates:** Since July, the District has been conducting outreach regarding updates to its Cannabis Advisory. Updates to the Advisory include: clarification that post-harvest cannabis processing operations are subject to odor nuisance enforcement and permit requirements; new guidance on the use of Transport Refrigeration Units powered by diesel engines; updated guidance regarding odor abatement and prime electrical generators; and examples of post-harvest cannabis operations and equipment that

require a District permit. Outreach has included putting these updates on our website, (<https://www.ourair.org/cannabis/>); providing email notification to lead agencies; **notifying** permitting contacts, consultants, and facility contacts; and creating a postcard for lead agencies' inspectors and planning staff to share with project proponents. Existing post-harvest cannabis processing operations with land use approval will be given a grace period and must submit a permit application to the District on or before December 1, 2023.

- **Smoke Awareness:** This period was a busy time for outreach related to wildfire smoke and prescribed burns. Here are the items covered during this time:
 - **Community Alert Radio Show:** On September 5, the District's Public Information Officer appeared on Community Alert, a live show on KZSB-AM 1290, to talk about wildfire smoke preparedness. The District appreciated working with the Santa Barbara County Fire Safe Council to appear on the program and share information. You can find the interview here: <https://www.wildlandresidents.org/2023-shows>.
 - **Air Quality Alert:** On September 20, the District issued a countywide Air Quality Alert with Santa Barbara County Public Health. The Alert was issued due to unhealthy levels of particulate matter due to transported smoke from wildfires burning in Northern California and Oregon. The Alert was in effect for several days until conditions improved. People can sign up to receive future Alerts on the District's website: www.OurAir.org/subscribe.
 - **Fire Safe Council Lompoc event:** The Fire Safe Council hosted a wildfire preparedness event in Lompoc earlier this month. Although the District was unable to attend the event, staff provided the Fire Safe Council with an informational handout about air quality and wildfire smoke to share with event attendees.
 - **Prescribed Burns:** During this period, District staff worked with partner agencies in planning for and implementing several prescribed burns. The District worked with the Santa Barbara County Fire Department, UCSB, and tribal members to carry out a cultural prescribed burn on campus. The District also worked with County Fire on the Spaulding/Midland prescribed burn. Staff worked with the Vandenberg Space Force Base Fire Department on prescribed pile burns on base. People can sign up to receive future prescribed burn notifications on the District's website: www.OurAir.org/subscribe.

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: October 19, 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

RECOMMENDATION:

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 July 1, 2023 through September 30, 2023; and
2. An update on the Landscape Equipment Electrification Fund (LEEF) Program Year 3 for zero-emission landscape equipment vouchers during the period of June 5, 2023 through September 30, 2023.

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 LEEF Program update includes applications received, vouchers issued, funds expended, and emission reductions achieved.

The District’s 2022 Clean Air Grants Program awarded approximately \$4 million in California Air Resources Board (CARB) grant funds, (i.e., Carl Moyer Program, Community Air Protection Program, FARMER Program), and local \$2 DMV surcharge revenue, to 57 projects, which are all currently in the implementation phase.

The District is currently performing completeness review of about 80 applications for our 2023 Clean Air Grants Program. We plan to issue approximately \$3 million in both CARB grant funds and \$2 DMV surcharge revenue for at least 50 clean air projects located throughout Santa Barbara County. These will include off-road equipment replacements, marine engine repowers, school bus

fleet expansion, and alternative vehicle fueling infrastructure purchase and installation. Project applications will be primarily ranked based on being located within a disadvantaged or low-income community as defined by the CalEnviroScreen map: <https://webmaps.arb.ca.gov/PriorityPopulations/> and their CalEnviroScreen score <https://experience.arcgis.com/experience/6b863505f9454cea802f4be0b4b49d62/>

ATTACHMENTS:

- A. Old Car Buy Back Program Update
- B. Landscape Equipment Electrification Fund (LEEF) Update

ATTACHMENT A

Old Car Buy Back Program Update

October 19, 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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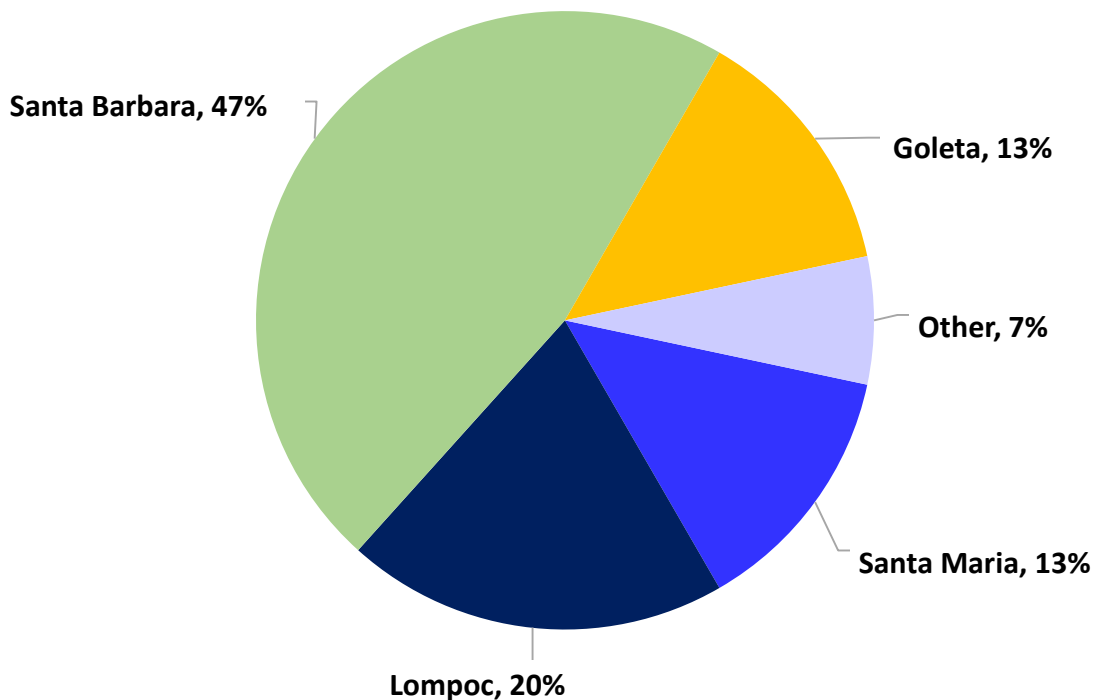
Old Car Buy Back Program Update

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		
	7/1/2023 - 9/30/2023	FY 2023-2024
Vehicles retired	15	15
Funds committed @ \$1,250/vehicle	\$18,750	\$18,750
Total tons reduced [NOx+ ROC + PM]	1.17	1.17
Average project cost-effectiveness	\$22,609/ton	\$22,609/ton

Vehicle Owner Location (FY 2023-2024)



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ATTACHMENT B

Landscape Equipment Electrification Fund (LEEF) Update

October 19, 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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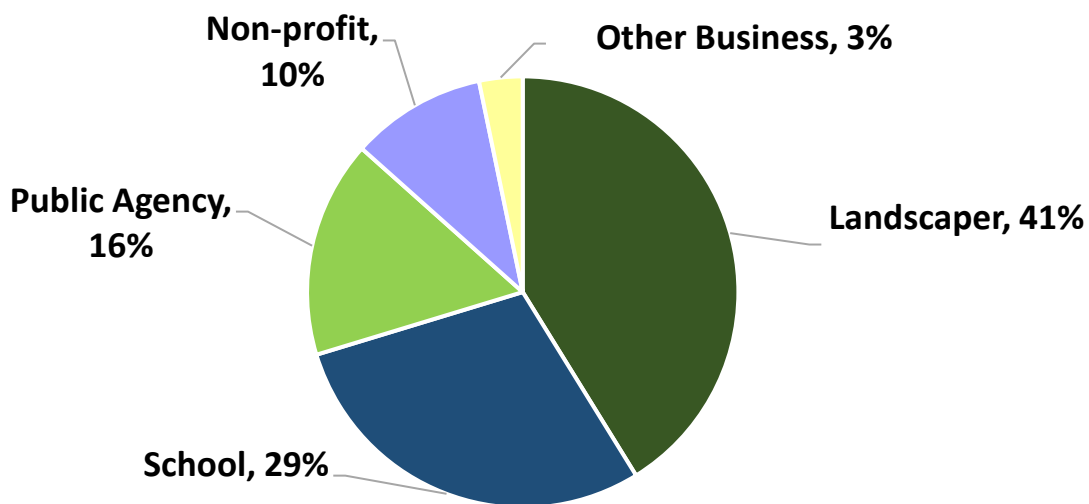
Landscape Equipment Electrification Fund (LEEF) Program Year 3 Update

The LEEF Program offers vouchers for the trade-in of gasoline landscape equipment for zero-emission electric landscape equipment. Businesses, nonprofit organizations, public agencies, and schools that perform their own landscape maintenance services, and that are located in or conduct business within Santa Barbara County, are eligible to participate in the LEEF Program. Year 3 of the LEEF Program is funded with \$850,000 from the California Air Resources Board. Of the \$850,000, \$743,750 is allocated for projects and \$106,250 to be used for program administration. The voucher covers a large portion of the purchase price for new equipment, including mowers, leaf blowers and vacuums, edgers, trimmers, chainsaws, pole saws, batteries, and chargers. Vouchers are issued on a first-come, first-served basis.

The program helps to reduce gasoline landscape equipment emissions, including nitrogen oxides, particulate matter, carbon dioxide, and other pollutants. The program also helps community members, businesses, and employees experience the health and environmental benefits of cleaner technology.

LEEF Program Year 3 Voucher Incentives (June 5, 2023 - September 30, 2023)				
Organization Type	Applications Received	Vouchers Issued		\$ Expended
	Number	Number	\$ Allocated	
Business	18	18	\$247,715	\$173,285
Public Agency	1	1	\$30,785	\$30,487
School	7	7	\$142,242	\$10,000
Non-profit	5	5	\$24,282	\$24,105
Total	31	31	\$445,024	\$237,876
Project Implementation Budget				\$743,750
Emission Reductions (ROC, NOx, PM10)				4,300 lbs/year

VOUCHERS ISSUED BY ORGANIZATION TYPE




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Agenda Item: D-3
Agenda Date: October 19, 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

RECOMMENDATION:

Receive and file the attached summary of notices of violation issued and penalty revenue received during the months of August and September 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 months indicated.

ATTACHMENTS:

- A. NOV Report, August 2023
- B. NOV Report, September 2023

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ATTACHMENT A

Notice of Violations
August, 2023

October 19, 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 August 2023

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13469	MNUS	Microdyn-Nadir US	Goleta	Failed to submit source test results for 2 pieces of equipment by the due date		08/04/2023	206
13470	Skyway Dr, 2560 (MVFF)	Santa Maria Joint Union High School District	Santa Maria	Failed an initial Vapor Recovery System test		08/10/2023	206, 316
13473	Carlotti Dr, 1710 N. (MVFF)	California Highway Patrol	Santa Maria	Failed an initial Vapor Recovery System test		08/11/2023	206, 316
13474	Carlotti Dr, 1710 N. (MVFF)	California Highway Patrol	Santa Maria	Continued operating without making necessary repairs after a failed initial Vapor Recovery System test		08/11/2023	206, 316
13475	Highway 154, 2275 (MVFF)	County of Santa Barbara	Santa Barbara	Failed an initial Vapor Recovery System test		08/11/2023	206, 316
13476	Broadway, 1606 N. (MVFF)	Sofijon, LLC.	Santa Maria	Failed an initial Vapor Recovery System test		08/15/2023	206, 316
13484	Santa Maria Asphalt Refinery	California Asphalt Production, Inc.	Santa Maria	Failed to install and operate a Fenceline Air Monitoring System by due date		08/23/2023	364
13485	Platform Holly	California State Lands Commission	Santa Barbara County	Failed to continue operating the Coal Oil Point ambient air monitoring station		08/23/2023	206
13489	GWP Fee	Cat Canyon Resources, LLC.	Santa Maria	Stored crude oil in a tank battery without a leak-free, properly installed, maintained and operated vapor recovery system and exceeded the number of allowable leaks		08/29/2023	325, 331

Penalty Settlement Payments Received August 2023

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule	Date Paid	Total Penalty Received
13343	Toyon Research Corp.	Toyon Research	Goleta	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/02/2023	\$250
12464	Jonata Park Road, 721 (MVFF)	California Department of Transportation	Buellton	Exceeded the annual gasoline throughput limit in 2019		07/20/2020	206	08/07/2023	\$1,000
13013	Steadfast Carpinteria Senior, LLC.	Steadfast Carpinteria Senior, LLC.	Carpinteria	Failed to submit 2021 Annual Report by due date		07/27/2022	206	08/07/2023	\$250
13344	Steadfast Carpinteria Senior, LLC.	RBP Carpinteria RE, LLC.	Carpinteria	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/07/2023	\$250
13225	South Cuyama Unit (SCU)	E&B Natural Resources Management Corporation	New Cuyama	Failed to seal an open-ended line and exceeded the number of allowable leaks		12/14/2022	331	08/08/2023	\$500
13271	Gold Coast Packing	Gold Coast Packing	Santa Maria	Failed to conduct source testing by due date		03/14/2023	206	08/08/2023	\$500
13272	Gold Coast Packing	Gold Coast Packing	Santa Maria	Failed to obtain District approval prior to cancelling a scheduled source test		03/14/2023	206	08/08/2023	\$500
13286	Gold Coast Packing	Gold Coast Packing	Santa Maria	Failed to conduct weekly monitoring using a District-approved portable analyzer		04/05/2023	206	08/08/2023	\$500
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	08/08/2023	\$250
13341	Montecito Sanitary - LS #5	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/10/2023	\$250
13352	Montecito Sanitary - LS #2	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/10/2023	\$250
13357	Montecito Sanitary - LS #4	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/10/2023	\$250
13358	Montecito Sanitary - LS #1	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/10/2023	\$250
13371	Montecito Sanitary District WWTP	Montecito Sanitary District	Montecito	Failed to submit 2022 Annual Report by due date		05/26/2023	206	08/10/2023	\$250
12738	Edison St, 990 (MVFF)	Chumash CA Gas Station, LLC.	Santa Ynez	Failed to submit 2020 Annual Report by due date		06/16/2021	206	08/21/2023	\$250
13017	Edison St, 990 (MVFF)	Chumash CA Gas Station, LLC.	Santa Ynez	Failed to submit 2021 Annual Report by due date		07/27/2022	206	08/21/2023	\$500
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	08/21/2023	\$1,000
13052	Betteravia Rd, 1155 E. (MVFF)	Valley Pacific Petroleum Services, Inc.	Santa Maria	Failed to submit 2021 Annual Report by due date		7/27/2022	206	08/31/2023	\$250
13337	Betteravia Rd, 1155 E. (MVFF)	Valley Pacific Petroleum Services, Inc.	Santa Maria	Failed an initial Vapor Recovery System test on two underground storage tanks		05/24/2023	206, 316	08/31/2023	\$500

\$7,750

ATTACHMENT B

Notice of Violations
September, 2023

October 19, 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 September 2023

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13491	Park Lane (985) ES Engine	Bill Wesemann	Montecito	Failed to submit transfer application by due date		09/05/2023	203
13492	Cantin Lease	Cat Canyon Resources, LLC.	Santa Maria	Stored crude oil in a tank battery without a leak-free, properly installed, maintained and operated vapor recovery system		09/06/2023	325
13493	Arellanes Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Failed to control emissions of produced gas at all times		09/08/2023	325
13494	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 5/20/2022 including fuel use, operational hours, and maximum speed		09/13/2023	206
13495	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 5/26/2022 including fuel use, operational hours, and maximum speed		09/13/2023	206
13496	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 9/18/2022 including permitted emissions limits, fuel use limits, operational hours, and maximum speed		09/13/2023	206
13497	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 10/27/2022 including fuel use, operational hours, and maximum speed		09/13/2023	206
13477	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 1/31/2023 including fuel use, operational hours, and maximum speed		09/13/2023	206
13478	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 2/16/2023 including fuel use, operational hours, and maximum speed		09/13/2023	206
13479	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 3/6/2023 including fuel use, operational hours, and maximum speed		09/13/2023	206
13480	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 3/16/2023 including permitted emissions limits, fuel use limits, and maximum speed		09/13/2023	206
13481	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 3/30/2023 including permitted emissions limits, fuel use limits, and maximum speed		09/13/2023	206
13482	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 5/4/2023 including permitted emissions limits, fuel use limits, and maximum speed		09/13/2023	206
13483	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 5/23/2023 including fuel use and operational hours		09/13/2023	206
13486	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 6/2/2023 including fuel use and operational hours		09/13/2023	206
13487	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 6/14/2023 including permitted emissions limits, fuel use limits, and maximum speed		09/13/2023	206
13490	Space Exploration Technologies	Space Exploration Technologies	VSFB	Exceeded boat trip requirements on 7/3/2023 including permitted emissions limits, fuel use limits, and maximum speed		09/13/2023	206
13498	Jonata Park Road, 721 (MVFF)	California Department of Transportation	Buellton	Failed an initial Vapor Recovery System test		09/14/2023	316

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule
13499	Bradley Rd, 1710 S. (Costco Gas)	Costco Wholesale Corp.	Santa Maria	Failed initial Vapor Recovery System tests for three nozzles		09/15/2023	316
13500	Atomica Corp.	Atomica Corp.	Goleta	Installed and operated equipment without a District permit		09/18/2023	201
13501	Dyer St, 500 (MVFF)	Orcutt Union School District	Orcutt	Failed to maintain a defect-free gasoline product hose (there were three tears exceeding 1 inch)		09/19/2023	206
13502	H St, 1001 N. (MVFF)	Pommerville's Automotive & Gas	Lompoc	Failed to perform daily nozzle inspections		09/19/2023	206
13504	Carpinteria Ave, 5085 (MVFF)	Carpinteria 76	Carpinteria	Operated equipment beyond the Source Compliance Demonstration Period without a Permit to Operate		09/20/2023	206
13505	County of Santa Barbara - North Jail	County of Santa Barbara - General Services	Santa Maria	Failed to perform annual tune-ups on six boilers		09/29/2023	206
13507	Davis Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Failed to store crude oil in a tank battery with a leak-free, properly installed, maintained and operated vapor recovery system		09/29/2023	325
13508	Jim Hopkins Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Exceeded the number of allowable leaks and failed to store crude oil in a tank battery with a leak-free, properly installed, maintained and operated vapor recovery system		09/29/2023	325, 331
13509	Security Fee/Thomas Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Exceeded the number of allowable leaks and failed to store crude oil in a tank battery with a leak-free, properly installed, maintained and operated vapor recovery system		09/29/2023	325, 331
13510	Union Sugar Lease	Pacific Coast Energy Acquisitions, LLC.	Santa Maria	Exceeded the number of allowable leaks, and failed to properly maintain a crude oil tank in good condition at all times		09/29/2023	206, 331

Penalty Settlement Payments Received September 2023

Nov #	Facility	Company	Location	Violation Description	Self Reported	Violation Issued	Rule	Date Paid	Total Penalty Received
12968	Bell Lease (Cat Canyon)	Pacific Coast Energy Acquisitions. LLC. (NOV issued to Team Operating, LLC.)	Santa Maria	Installed a boiler not certified to comply with the required emission limits		05/23/2022	360	09/05/2023	\$250
12981	Jim Hopkins Lease	Pacific Coast Energy Acquisitions. LLC. (NOV issued to Team Operating, LLC.)	Santa Maria	Operated equipment beyond the Source Compliance Demonstration Period without a Permit to Operate		06/15/2022	201	09/05/2023	\$1,000
12982	Jim Hopkins Lease	Pacific Coast Energy Acquisitions. LLC. (NOV issued to Team Operating, LLC.)	Santa Maria	Installed and operated a boiler not certified to comply with the required emission limits		06/15/2022	360	09/05/2023	\$38,750
13265	Bell Lease (Cat Canyon)	Pacific Coast Energy Acquisitions. LLC. (NOV issued to Team Operating, LLC.)	Santa Maria	Failed to seal an open-ended line		03/03/2023	331	09/05/2023	\$1,000
13322	Jim Hopkins Lease	Pacific Coast Energy Acquisitions. LLC. (NOV issued to 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	09/05/2023	\$5,000
13323	Bradley Lands/Bradley Consolidated Lease	Pacific Coast Energy Acquisitions. LLC. (NOV issued to Team Operating, LLC.)	Santa Maria	Failed to properly maintain equipment (a crude oil tank was found with multiple holes)		05/12/2023	206	09/05/2023	\$5,000
13324	Bradley Lands/Bradley Consolidated Lease	Pacific Coast Energy Acquisitions. LLC. (NOV issued to 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	09/05/2023	\$1,000
13051	Calient Technologies, Inc.	Calient Technologies, Inc	Goleta	Failed to submit 2021 Annual Report by due date		07/27/2022	206	09/11/2023	\$500
12780	Highway 166, 5007 (MVFF)	New Cuyama Gas Station	New Cuyama	Failed to submit 2020 Annual Report by due date		06/16/2021	206	09/13/2023	\$250
13099	Highway 166, 5007 (MVFF)	New Cuyama Gas Station	New Cuyama	Failed to submit 2021 Annual Report by due date		07/27/2022	206	09/13/2023	\$500
13296	Highway 166, 5007 (MVFF)	New Cuyama Gas Station	New Cuyama	Failed to conduct Vapor Recovery System testing by the due date		04/19/2023	206, 316	09/13/2023	\$250
13429	Highway 166, 5007 (MVFF)	New Cuyama Gas Station	New Cuyama	Failed to submit 2022 Annual Report by due date		05/26/2023	206	09/13/2023	\$1,000


\$54,500

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Agenda Item: D-4
Agenda Date: October 19, 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: Minutes of the February 22, 2023 Regular Meeting of the Community Advisory Council

RECOMMENDATION:

Receive and file minutes of the February 22, 2023 regular meeting of the Community Advisory Council.

DISCUSSION:

The District Community Advisory Council (CAC) was formed by Resolution No. 94-281 adopted by the Board of Supervisors on May 24, 1994. The CAC is governed by a Charter and By-Laws and its membership consists of members of the community, appointed by individual District Board members. The CAC provides advice to the Air Pollution Control Officer (APCO) and the District Board of Directors in matters related to attainment and maintenance planning, development and promulgation of air pollution control rules and related policy issues. The recommendations of the CAC are advisory in nature and neither the APCO nor the Board is bound by CAC recommendations.

The CAC is scheduled to meet the fourth Wednesday of each month, on an as-needed basis when there are matters to be reviewed. Per the CAC By-Laws, if there are no planning or rulemaking matters to discuss, District staff provides quarterly updates to the CAC. The quarterly status updates are available on the [APCD website](#).

Attached is the minute summary of the February 22, 2023 meeting. The CAC approved the meeting minutes at their August 23, 2023 regular meeting. The meeting minutes are provided to your Board after the approval by the CAC members.

ATTACHMENT:

- A. February 22, 2023 CAC Meeting Minutes.

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ATTACHMENT A

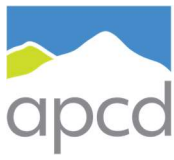
February 22, 2023 CAC Meeting Minutes

October 19, 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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**Meeting Minutes
(Unofficial)**

February 22, 2023

**Community Advisory
Council**

REMOTE VIRTUAL PUBLIC PARTICIPATION ONLY

APCD CAC Members

- Dennis Beebe
- Janet Blevins
- Dave Davis
- Katie Davis
- Cliff Dugger
- Matt Dunn
- Jennifer Fullerton
- Lee Heller
- Dillon Kass
- Michael Lopez
- Laura Nuzzo
- Ben Oakley
- John Reaves
- Dave Savinsky
- Patrice Surmeier,
Vice-Chair
- Jim Taylor
- Randy Westhaus
- Murry Wilson

The California State Legislature recently passed, and the Governor signed, Assembly Bill 361 (Rivas, 2021), which amends the Government Code to allow Brown Act bodies to continue to meet remotely if certain elements are met. The Santa Barbara County Air Pollution Control District's Community Advisory Council meeting will temporarily be conducted via video conferencing and telephone.

A. Convene

The special meeting was called to order at 4:00 p.m

B. Roll Call

Present: 14 - Beebe (arrived at approx. 4:05 pm), D. Davis (left at approx. 4:28 pm), Dugger, Dunn, Heller, Kass, Lopez, Nuzzo (left at approx. 4:30 pm), Oakley, Savinsky, Surmeier, Taylor, Westhaus, Wilson.

Absent: 4 - Blevins, K. Davis, Fullerton, Reaves.

Staff: 7 - Aeron Arlin Genet, Brian Pettit, Dave Harris, Alex Economou, Jim Fredrickson, Tim Mitro, and Lorena Saldana.

C. Public Comment Period – Persons desiring to address the CAC on any subject within the jurisdiction of the CAC not included as part of the agenda may do so at this time.

There were no public comments.

D. Approval of Minutes of the October 13, 2022, November 10, 2022, December 8, 2022, January 6, 2023, and February 2, 2023 special meetings.

A motion was made by Lee Heller, seconded by Dave Davis to approve all the minutes as submitted. The motion carried by the following vote:

Ayes: 14 - Beebe, D. Davis, Dugger, Dunn, Heller, Kass, Lopez, Nuzzo, Oakley, Savinsky, Surmeier, Taylor, Westhaus, Wilson.

Noes: 0 - None.

Abstain: 0 - None.

Absent: 4 - Blevins, K. Davis, Fullerton, Reaves.

E. Organization of Agenda

There was no change to the organization of the agenda.

APCD CAC Chair:
Aeron Arlin Genet

F. APCO Report

Received report.

G. NEW BUSINESS – Declaration of Interest to be conducted prior to each item.

G-1) *Discuss Brown Act Updates Regarding Teleconferencing.*

Received item.

Interest: None.

G-2) *Receive and File an update on the Assembly Bill 617 BARCT Analysis for Reciprocating Internal Combustion Engines.*

Received item.

Interest: Surmeier.

H. Adjourn

The meeting was adjourned at 5:04 p.m.

COMMUNITY ADVISORY COUNCIL

ATTENDANCE – 2023

A Quorum of the CAC shall be a majority of the appointed members minus one. Vacant positions shall not count toward a quorum.

NAME	Appointing Board Member	JAN+ 6	FEB+ 2	FEB 22	MAR 22	APR 26	MAY 24	JUN 28	JUL 26	AUG 23	SEP 27	OCT 25	NOV 22	DEC 27
Dennis Beebe	Infanti	Yes	Yes	Yes										
Janet Blevins	Hartmann	No	No	No										
Dave Davis	Capps	Yes	Yes	Yes										
Katie Davis	Rowse	Yes	Yes	No										
Cliff Dugger	Nelson	Yes	No	Yes										
Matt Dunn	Perotte	Yes	Yes	Yes										
Jennifer Fullerton	Perotte	Yes	No	No										
Lee Heller	Capps	Yes	Yes	Yes										
Dillon Kass	Patino	No	Yes	Yes										
Michael Lopez	Clark	No	Yes	Yes										
Laura Nuzzo	Nelson	No	Yes	Yes										
Ben Oakley	Lavagnino	Yes	Yes	Yes										
John Reaves	Hartmann	No	No	No										
David Savinsky	King	*	Yes	Yes										
Patrice Surmeier	Julian	Yes	Yes	Yes										
Jim Taylor	Clark	Yes	Yes	Yes										
Randy Westhaus	Patino	Yes	Yes	Yes										
Murry Wilson	Julian	No	Yes	Yes										

Members Present	11	14	14
Members Absent	6	4	4

1 There was no CAC meeting.

** Not yet appointed/resigned/inactive/term ended*


◆ Special Meeting

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Agenda Item: D-5
Agenda Date: October 19, 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: Jim Fredrickson, Planning Division Supervisor, (805) 979-8328

SUBJECT: Carl Moyer Program Participation until 2034

RECOMMENDATION:

Adopt the attached Resolution to authorize the District's continued participation in the California Air Resources Board's Carl Moyer Program until January 1, 2034.

BACKGROUND:

The District has received Board approval to participate in the California Air Resources Board's (CARB) Carl Moyer Program since its inception in 1999 and has implemented clean air grant programs that have funded over 250 projects throughout Santa Barbara County. The District has expended over \$13,000,000 of pass-through grant funds for projects that include diesel engine repowers for agricultural operations, marine vessels, and off-road equipment; on-road vehicle replacement; off-road equipment replacement; light-duty vehicle scrappage; and the purchase and installation of alternative fuel vehicle infrastructure. The total lifetime emission reductions from these projects exceed 1,400 tons of nitrogen oxides (NO_x), reactive organic gases (ROG), and Particulate Matter (PM₁₀).

The Carl Moyer Program provides grant funds to applicants that voluntarily participate to upgrade their operation with low, near-zero, and zero-emission technology equipment, engines, or vehicles. Emission reductions from Carl Moyer Program projects must be surplus to any state regulation and comply with CARB's Carl Moyer Program Guidelines, including project cost-effectiveness limits.

DISCUSSION:

Assembly Bill 8 (Perea, 2013) extended the authorization of the Carl Moyer Memorial Air Quality Standards Attainment Program from the sunset date of January 1, 2016, established by AB 118 (Nunez, 2007), until January 1, 2024. Senate Bill 513 (Beall, 2015) resulted in a wide variety of enhancements to the Carl Moyer Program. Assembly Bill 2836 (Garcia), approved and signed by the Governor of California on September 16, 2022, extended the current authorization of the Carl Moyer Program, from January 1, 2024, to January 1, 2034.

District Board Resolution 17-05, approved on May 18, 2017, currently authorizes the District's participation in the Carl Moyer Program until January 1, 2024.

CARB annually issues a solicitation to air districts for both regular Carl Moyer Program grant funds, as well as Carl Moyer Program State Reserve grant funds, which are generally grant funds provided to air districts that participate in specific annual project solicitations, such as landscape equipment incentives. All Carl Moyer Program grant funds require the District to provide a 15% match from our local grant funds. We annually meet this match requirement with grant projects funded with our \$2 DMV surcharge revenues. The District ensures compliance with CARB's Carl Moyer Program Guidelines to implement the District's clean air grant programs.

FISCAL IMPACT:

CARB's Fiscal Year 2022-23 Carl Moyer Program Year 25 Regular grant fund allocation for the District is \$946,566 and these pass-through grant funds are accounted for in the District's Fiscal Year 2023-24 Adopted Budget.

ATTACHMENT:

- A. Board Resolution in the matter of District Participation in CARB's Carl Moyer Program until 2034.

ATTACHMENT A

Board Resolution in the matter of District Participation in CARB's Carl Moyer Program until 2034

October 19, 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 DISTRICT
PARTICIPATION IN THE CALIFORNIA
AIR RESOURCES BOARD’S CARL
MOYER PROGRAM UNTIL 2034

APCD RESOLUTION NO. _____

RECITALS

WHEREAS, on August 20, 2016, the Santa Barbara County Air Pollution Control District (District) Board of Directors (District Board) approved Resolution 15-22 which continued the District’s participation in the California Air Resources Board’s (CARB) Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) pursuant to Health and Safety Code §44275-44299.2; and

WHEREAS, in Resolution 15-22, the District Board authorized the acceptance of CARB Carl Moyer Program funds in an amount not to exceed \$1,000,000 each year for eligible projects and program administration until January 1, 2024, in accordance with the terms and conditions of Carl Moyer Program grant agreements; and

WHEREAS, on December 16, 2021, the District Board approved Resolution 21-07 which continued the District’s participation in CARB’s Carl Moyer Program pursuant to Health and Safety Code §44275-44299.2; and

WHEREAS, in Resolution 21-07, the District Board authorized the acceptance of CARB Carl Moyer Program funds in an amount not to exceed \$2,500,000 each year for eligible projects and program administration until January 1, 2024, in accordance with the terms and conditions of Carl Moyer Program grant agreements; and

WHEREAS, the Governor of California approved Assembly Bill 2836 (Garcia) on September 16, 2022, which extends the current authorization for the Carl Moyer Program, until January 1, 2034; and

WHEREAS, the California Fiscal Year (FY) 2022-23 budget allocated approximately \$123,000,000 to the Carl Moyer Program (Regular funds and State Reserve funds), with a portion passed through to air districts; and

WHEREAS, CARB's FY 2022-23 Carl Moyer Program (Year 25 Regular funds) funding allocation for the District is \$946,566. The District received the executed grant on February 28, 2023, to implement projects pursuant to the Carl Moyer Program Guidelines; and

WHEREAS, the District may use up to 12.5% of Carl Moyer Program funds to administer and implement the Carl Moyer Program and is required to provide 15.0% in local match funds as part of Carl Moyer Program grant agreements; and

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

1. The District Board hereby delegates authority to the Air Pollution Control Officer to enter into grant agreements with the California Air Resources Board for the Carl Moyer Memorial Air Quality Standards Attainment Program until January 1, 2034, for an amount not to exceed \$5,000,000 each fiscal year for eligible projects and program administration, in accordance with the terms and conditions of Carl Moyer Program grant agreements, subject to review and approval by District Counsel, Risk Management, and the Auditor-Controller, and all other necessary documents to implement and carry out the purposes of this resolution; and
2. The Santa Barbara County Air Pollution Control District will comply with the Carl Moyer Program requirements as specified in sections §44275-44299.2 of the Health and Safety Code, the applicable Carl Moyer Program Guidelines, and the Santa Barbara County Air Pollution Control District Carl Moyer Program Policies and Procedures; and
3. The Santa Barbara County Air Pollution Control District commits to provide sufficient funds to meet the match requirements specified in the Carl Moyer Program Guidelines, as applicable, each fiscal year until January 1, 2034.
4. This Board resolution hereby supersedes District Board Resolution 15-22 and Resolution 21-07, in their entirety.

APCD RESOLUTION IN THE MATTER OF DISTRICT PARTICIPATION IN
THE CALIFORNIA AIR RESOURCES BOARD'S CARL MOYER PROGRAM
UNTIL 2034

PASSED, APPROVED AND ADOPTED by the Air Pollution Control District Board of
the Santa Barbara County, State of California, this 19th day of October 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
COUNTY COUNSEL

By:  _____
Deputy


APPROVED AS TO FORM:

GREG MILLIGAN, ARM
RISK MANAGER

By:  _____
Risk Manager

APPROVED AS TO FORM:


BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By:  _____
Deputy

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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 Board Meeting Schedule for Year 2024

RECOMMENDATION:

Approve the District Board of Director's regular meeting schedule for 2024.

DISCUSSION:

District Board Resolution 12-11 specifies that the Board will meet at 1:00 p.m. on the third Thursday of the months of January, March, May, June, August, October, and December. The Board's practice has been to alternate the meeting locations between the Santa Barbara (first half of the year) and Santa Maria (second half of the year) Board of Supervisor's hearing rooms. This schedule also allows us to coordinate closely with that of the Santa Barbara County Association of Governments (SBCAG) Board, who shares many of the same members and are tentatively scheduled to meet on the same days.

Due to renovations scheduled to take place at the Board of Supervisor's hearing room in Santa Maria, through February 2024, the remote location participation for the regular Air Pollution Control District Board of Directors of January 18, 2024 has been relocated to the City of Santa Maria's City Hall Council Chambers.

All hearing rooms are equipped to allow remote testimony. District Board meetings are broadcast live on County of Santa Barbara Television (CSBTV channel 20) and on the web (http://sbcounty.granicus.com/player/camera/4?publish_id=35&redirect=true). Attached for your consideration is the proposed 2024 District Board meeting schedule.

ATTACHMENT:

A. Proposed 2024 District Board Meeting Schedule

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ATTACHMENT A

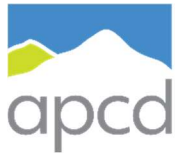
Proposed 2024 District Board Meeting Schedule

October 19, 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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Board of Directors 2024 Meeting Schedule

- Meetings are held on the 3rd Thursday of the months indicated below.
- Meetings convene at 1:00 p.m. and generally conclude by 3:30 p.m.
- Agendas will be posted a minimum of 72 hours prior to each meeting on the District’s website at <https://www.ourair.org/apcd-board-of-directors-agenda/>
- Live countywide television coverage available on County of Santa Barbara TV Channel 20 and online at: http://sbcounty.granicus.com/player/camera/4?publish_id=35&redirect=true

Meeting Date	Meeting Location	Remote Testimony
January 18	Board of Supervisors’ Hearing Room 105 East Anapamu Street Santa Barbara , California 93101	City of Santa Maria’s City Hall Council Chambers Santa Maria
March 21	Board of Supervisors’ Hearing Room 105 East Anapamu Street Santa Barbara , California 93101	Board of Supervisors’ Hearing Room Santa Maria
May 16	Board of Supervisors’ Hearing Room 105 East Anapamu Street Santa Barbara , California 93101	Board of Supervisors’ Hearing Room Santa Maria
June 20	Board of Supervisors’ Hearing Room 511 East Lakeside Parkway Santa Maria , California 93455	Board of Supervisors’ Hearing Room Santa Barbara
August 15	Board of Supervisors’ Hearing Room 511 East Lakeside Parkway Santa Maria , California 93455	Board of Supervisors’ Hearing Room Santa Barbara
October 17	Board of Supervisors’ Hearing Room 511 East Lakeside Parkway Santa Maria , California 93455	Board of Supervisors’ Hearing Room Santa Barbara
December 19	Board of Supervisors’ Hearing Room 511 East Lakeside Parkway Santa Maria , California 93455	Board of Supervisors’ Hearing Room Santa Barbara


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Agenda Item: G-1
Agenda Date: October 19, 2023
Agenda Placement: Regular
Estimated Time: 15 minutes
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Timothy Mitro, Air Quality Engineer, Planning Division (805) 979-8329

SUBJECT: Determine that a New District Rule for Miscellaneous Combustion Units is No Longer Necessary to Satisfy Assembly Bill 617 Requirements

RECOMMENDATION:

Consider recommendations as follows:

1. Receive and file a report regarding Best Available Retrofit Control Technology (BARCT) for Miscellaneous Combustion Units at Assembly Bill 617 Industrial Facilities; and
2. Adopt a resolution determining that adopting a new District Rule is no longer necessary to implement BARCT for Miscellaneous Combustion Units because the affected Assembly Bill 617 Industrial Facility has requested changes to their District Permit to Operate to comply with the BARCT analysis through enforceable permit conditions.

BACKGROUND:

Assembly Bill (AB) 617, enacted in July 2017, has many requirements to address the disproportionate impacts of air pollution in environmental justice communities. One of the key components of AB 617 is to reduce air pollutant emissions from facilities that participate in the California Greenhouse Gas (GHG) Cap-and-Trade system. Emissions of criteria pollutants and toxic air contaminants are often associated with GHG-emitting sources, and these pollutants may impact local communities that are already experiencing a disproportionate burden from air pollution.

In December 2018, as required by AB 617, your Board adopted a Best Available Retrofit Control Technology (BARCT) Rule Development Schedule that included a commitment to evaluate

BARCT for six emission source categories. BARCT is an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts. To meet the BARCT emission limits, a facility may need to install new air pollution controls on their existing unit(s) or replace the unit(s) in part or in whole. The BARCT requirements only affect the following six industrial facilities in Santa Barbara County:

- 1) Exxon Mobil – Las Flores Canyon,
- 2) Exxon Mobil – Pacific Offshore Pipeline Company (POPCO),
- 3) Pacific Coast Energy Company (PCEC) – Orcutt Hill,
- 4) Cat Canyon Resources, LLC – Cat Canyon West¹,
- 5) Imerys Filtrations Minerals, Inc., and
- 6) Windset Farms.

Since Santa Barbara County is nonattainment for the state ozone standard² and nonattainment for the state PM₁₀ standard (particulate matter with a diameter of 10 microns or less), these industrial facilities must implement BARCT by the earliest feasible date, but no later than December 31, 2023. To date, District staff has completed four of the six BARCT assessments, as shown in Table 1 below.

Table 1: Status Update on BARCT Rule Development Schedule

#	Equipment Category	Status	Method
1)	Boilers, Steam Generators, and Process Heaters (5 MMBtu/hr and greater)	<i>Completed June 2019</i>	Amended Rule 342
2)	Boilers, Steam Generators, and Process Heaters (2 - 5 MMBtu/hr)	<i>Completed June 2019</i>	Amended Rule 361
3)	Particulate Matter Control Devices	<i>Completed June 2022</i>	Incorporated into Permit
4)	Reciprocating Internal Combustion Engines	<i>Completed March 2023</i>	Incorporated into Permit
5)	Miscellaneous Combustion Units	<i>Focus of Board Item Discussion</i>	
6)	Stationary Gas Turbines	<i>In Progress</i>	

The next BARCT assessment evaluates Miscellaneous Combustion Units to see if any retrofits or upgrades are required at the AB 617 Industrial Facilities. “Miscellaneous Combustion Units” includes devices such as dryers, kilns, and furnaces. These units are typically used to directly

¹ Facility was previously operated by ERG Operating Company.

² In January 2023, the California Air Resources Board held a [public hearing](#) to change Santa Barbara County’s designation from "nonattainment" to "nonattainment-transitional." The change in designation is effective January 2024.

heat the product material or heat the air that is directed to the product material. Miscellaneous Combustion Units do not include boilers, water heaters, steam generators, or process heaters subject to District prohibitory rules (Rules 342, 361, and 360).

Currently, the District does not have a specific prohibitory rule that focuses on Miscellaneous Combustion Units. However, combustion processes can create a significant amount of oxides of nitrogen (NO_x), which is a precursor pollutant that leads to ground level ozone formation. Out of the six AB 617 industrial facilities in Santa Barbara County, Imerys Filtration Minerals, Inc. (“Imerys”) is the only facility that uses Miscellaneous Combustion Units. Imerys is a diatomaceous earth processing facility located approximately 2 miles south of the City of Lompoc.

DISCUSSION:

District staff completed the BARCT analysis for Miscellaneous Combustion Units, as shown in Attachment A, that demonstrates that it is technologically feasible for the applicable units at Imerys to comply with lower NO_x limits. The lower NO_x limits are based on the rule requirements adopted by other neighboring air districts, and they’re identified as BARCT in the California Air Resources Board’s Technology Clearinghouse.³ However, it is only cost-effective to install low NO_x burners and implement the lower NO_x limits if the devices are used a certain amount. Based on the District’s cost-effectiveness calculations, a low-use threshold was identified for each applicable device, and Imerys’ recent operations have been below these device-specific low-use thresholds.

Although Imerys’ recent operations are below the low-use thresholds, the operating permit for the facility allows the devices to operate at maximum capacity. Hence, Imerys submitted an application to modify the facility’s Permit to Operate (PTO), as shown in Attachment B, to incorporate the low-use thresholds directly into its operating permit. As long as the affected units operate under the low-use thresholds, no equipment changes need to be performed. If the low-use thresholds are exceeded in the future, the facility will be required to comply with the lower NO_x limits, through equipment modifications or replacement, within an 18-month time frame.

The proposed District Board Resolution, included as Attachment C to this letter, concludes that adopting a new District Rule is no longer necessary to implement BARCT for Miscellaneous Combustion Units. This is because the BARCT requirements are incorporated directly into Imerys’ operating permit and no other AB 617 facilities in the County use this type of equipment. This BARCT analysis will continue to apply to Imerys’ existing equipment units as well as any new units installed in the future at the site to guarantee that the NO_x emissions are effectively controlled. In addition, the BARCT analysis will be forwarded to the California Air Resources Board for inclusion into their AB 617 BARCT webpage (ww2.arb.ca.gov/expedited-barct). Staff worked with District Counsel and concluded that this approach effectively satisfies the AB 617 mandate because it accomplishes the emission reduction goals of the legislation.

³ <https://ww2.arb.ca.gov/current-air-district-rules>

IMPACTS TO THE REGULATED COMMUNITY:

The implementation of BARCT affects Imerys' diatomaceous earth processing facility. However, if the affected units continue to operate under the low-use thresholds, no equipment changes need to be performed. If operations increase above the low-use thresholds in the future, the conventional burners will need to be replaced with low NOx burners at that time, with additional costs estimated to be around \$160,000 per burner. By using the new burners, the facility would reduce their NOx emissions by approximately 1.1 tons per year.

The remaining five AB 617 industrial facilities (Exxon Mobil – Las Flores Canyon, Exxon Mobil – POPCO, PCEC – Orcutt Hill, Cat Canyon Resources, LLC – Cat Canyon West, and Windset Farms) do not currently use Miscellaneous Combustion Units, but this BARCT analysis would apply to any new units installed at these facilities. This is because BARCT is an emission standard that is not limited to just “retrofits.” The BARCT analysis will make sure that these industrial facilities install low NOx burners instead of conventional burners for any future projects. However, in most cases, new equipment will be evaluated for Best Available Control Technology (BACT), which is equal to or more stringent than the requirements in this BARCT analysis.

DISTRICT BUDGET IMPACTS:

The costs for the permitting and compliance activities by District staff are included in the budget approved by your Board. There are no additional fiscal impacts.

PUBLIC REVIEW:

A Community Advisory Council (CAC) meeting was held on August 23, 2023, to present, discuss, and receive comments on the draft BARCT analysis. To inform the public about the meeting, District staff e-mailed a notice to everyone who subscribed to the District's electronic noticing subscription list. Staff also directly notified the six AB 617 Industrial Facilities about the meeting.

At the CAC meeting, District staff delivered a 15-minute presentation on the key points of the analysis. Staff then answered the questions from CAC members, covering topics such as the costs and efficiency gains of the new burners, and how some industrial processes can transition away from fossil fuels to electric heating options. However, electric heating options aren't available and cost-effective for all applications, and so industrial low-NOx burners are still needed at this point in time. After all questions were answered, the CAC received and filed the draft BARCT analysis.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The proposed action for the Board of Directors is to determine that a rule development proceeding for Miscellaneous Combustion Units is no longer necessary to satisfy the AB 617 BARCT requirements. Staff has concluded that this action is not a project subject to CEQA because it will not cause either a direct physical change in the environment, or a reasonably

foreseeable indirect physical change in the environment [Public Resources Code §21065 and State CEQA Guidelines §15378(b)(5)].

ATTACHMENTS:

- A. Assembly Bill 617 BARCT Analysis for Miscellaneous Combustion Units
- B. Imerys Permit Modification #5840-13
- C. District Board Resolution for Assembly Bill 617 – Miscellaneous Combustion Units

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ATTACHMENT A

Assembly Bill 617 BARCT Analysis for Miscellaneous
Combustion Units

October 19, 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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**SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT**

**Assembly Bill 617 –
BARCT Analysis for Miscellaneous Combustion Units**

Date: October 19, 2023

Aeron Arlin Genet
Air Pollution Control Officer

Prepared By:
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Our Mission
*Our mission is to protect the people and the environment of
Santa Barbara County from the effects of air pollution.*

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1. BACKGROUND

1.1 Ozone and Health

Ground level ozone is a secondary pollutant formed from photochemical reactions of the precursor pollutants oxides of nitrogen (NOx) and reactive organic compounds (ROC) in the presence of heat and sunlight. Both short-term and long-term exposure to ozone can cause a number of health effects in broad segments of the population. Ozone can damage the respiratory system, causing inflammation and irritation, or symptoms such as coughing and wheezing. High levels of ozone are especially harmful for children, the elderly, and people with asthma or other respiratory problems. Ground-level ozone also impacts the economy by increasing hospital visits and medical expenses, loss of work time due to illness, and by damaging agricultural crops. Santa Barbara County is currently designated as nonattainment¹ for the state ozone standards.

1.2 The AB 617 BARCT Rule Development Schedule

Assembly Bill (AB) 617, enacted in July 2017, has many requirements to address the disproportionate impacts of air pollution in disadvantaged communities. One of the key components of AB 617 is to reduce air pollutant emissions from facilities that participate in the California Greenhouse Gas (GHG) Cap-and-Trade system. Cap-and-Trade is designed to limit GHG emissions and allows facilities to comply by either reducing GHG emissions at the source or by purchasing GHG emission allowances. Emissions of criteria pollutants and toxic air contaminants are often associated with large GHG-emitting sources, and these pollutants may impact local communities that are already experiencing a disproportionate burden from air pollution.

AB 617 helps alleviate the pollution burden near these communities by requiring each air district to adopt an expedited rule development schedule for Best Available Retrofit Control Technology (BARCT) by January 1, 2019. The District's AB 617 BARCT schedule was adopted at the December 2018 Board Hearing, and it included a list of measures that needed to be evaluated for BARCT.² BARCT is an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts. To meet the BARCT emission limits, a facility may need to install new air pollution controls on their existing unit(s) or replace the unit(s) in part or in whole. The BARCT requirements apply to the following six facilities within the District boundaries since they are industrial sources subject to the California Cap-and-Trade requirements:

- 1) Exxon Mobil – Las Flores Canyon,
- 2) Exxon Mobil – Pacific Offshore Pipeline Company (POPCO),
- 3) Pacific Coast Energy Company (PCEC) – Orcutt Hill,
- 4) Cat Canyon Resources, LLC – Cat Canyon West³,
- 5) Imerys Filtrations Minerals, Inc., and
- 6) Windset Farms.

¹ In January 2023, the California Air Resources Board held a [public hearing](#) to change Santa Barbara County's designation from "nonattainment" to "nonattainment-transitional." The change in designation is effective January 2024.

² Additional information on the AB 617 BARCT Rule Development Schedule is available on the District's website at www.ourair.org/community-air.

³ Facility was previously operated by ERG Operating Company.

During the initial BARCT assessment in 2018, the District reviewed the Miscellaneous Combustion Units that were permitted at the AB 617 industrial sources. The initial BARCT assessment showed that it may be feasible and cost-effective to control the existing Miscellaneous Combustion Units rated at 5 million Btu and higher and to establish new BARCT standards for Santa Barbara County. The BARCT assessment would also apply to any new Miscellaneous Combustion Unit that is installed at the six industrial sources within Santa Barbara County.

1.3 Miscellaneous Combustion Units

Most external combustion units that are permitted by the District are boilers, steam generators, and water heaters that are subject to the source-specific prohibitory requirements in District Rules 342, 360, and 361. However, there are a variety of external combustion units that would not be covered by the aforementioned rules. These units are termed “Miscellaneous Combustion Units,” which includes devices such as dryers, dehydrators, ovens, kilns, calciners, furnaces, roasters, crematories, and incinerators. Most of these Miscellaneous Combustion Units are unique or custom-built devices that are designed for specific industries. However, they can be categorized and consolidated into three main types:

- 1) Equipment that heats materials directly, such as kilns and metallurgical furnaces;
- 2) Equipment that heats air that is directed to a process chamber to dry or raise the temperature of process materials. This includes most ovens, dryers, and dehydrators; and
- 3) Equipment that is used as air pollution control devices that capture and incinerate any Reactive Organic Compounds (ROCs) in the process stream.

By combusting fuel in their burners, these devices contribute to the NO_x emissions within Santa Barbara County.

1.4 Imerys Filtration Minerals

Imerys Filtration Minerals, Inc. (“Imerys”) is a diatomaceous earth mining and processing facility that is located approximately two miles south of the City of Lompoc. Mining has occurred at this site for over 100 years, with Imerys being the current owner and operator of the mine since 1991.¹ Diatomaceous earth is a sedimentary deposit composed of fossilized diatoms, a type of algae that contains siliceous skeletons. Imerys mines and processes the diatomite ore into powders of various grades for use by industries, such as for filtration aids or fillers.

Most of the ore is surface mined from lands within the facility boundaries, crushed and screened using mobile equipment, and then stored in stockpiles. The stockpiled material is then transported to the powder mill using covered conveyors. The powder mill production line consists of various equipment combinations to additionally crush, mill, dry, and convey minerals. The natural diatomaceous earth is then transformed into calcinated powders via exposure to high temperatures in the natural gas-fired rotary kiln. Finally, the product is classified into a variety of grades before being bagged for shipment, by truck or by rail, for distribution to customers.

¹ Celite Corporation purchased the facility from Manville in 1991. Celite changed its name to Imerys in 2012.

2. EXTERNAL COMBUSTION CONTROLS

2.1 NO_x Formation

NO_x from combustion sources is formed through three main mechanisms: thermal NO_x, fuel NO_x, and prompt NO_x.

- Thermal NO_x is formed from the high temperature reaction of nitrogen and oxygen contained in the combustion air.
- Fuel NO_x is formed from the direct oxidation of nitrogen compounds contained in the fuel.
- Prompt NO_x is formed from the reaction of nitrogen from the air with the fuel under fuel-rich conditions, then through subsequent oxidation of these nitrogen compounds.

Hence, NO_x formation varies in the combustion process depending on the air-to-fuel ratio, the flame temperature, the residence time, and the nitrogen content of the fuel. For gaseous fuels, thermal NO_x is generally the largest contributor of NO_x emissions, and so lowering the flame temperature can help reduce NO_x emissions.

2.2 Low-NO_x burners And Flue Gas Recirculation (FGR)

To minimize the formation of thermal NO_x, burners can be designed to have a reduced flame temperature and shortened residence time. These burners are typically referred to as low-NO_x burners. Low-NO_x burners pre-mix the fuel and air together prior to combustion, which results in a lower and more uniform flame temperature. Some burners also use a staged combustion process where they have a fuel rich zone to stabilize the flame and a fuel lean zone to complete combustion and reduce the peak flame temperature. Overall, low-NO_x burners require sophisticated controls to optimize burner efficiency while maintaining emission levels and a turndown ratio that meets the demands of the operation.

Flue Gas Recirculation (FGR) can be used in combination with some low-NO_x burners to achieve additional NO_x reductions. FGR recycles a portion of the exhaust stream back into the burner, reducing the flame temperature by diluting the air-fuel mix with relatively inert gases like nitrogen, carbon dioxide, and water vapor (N₂, CO₂, and H₂O). Some newer burners can also be designed to induce an internal FGR within the burner and combustion chamber, thereby negating the need for external piping and additional blowers to bring the flue gases back to the burner. As for disadvantages, FGR can destabilize the flame or slightly reduce the thermal efficiency of the process.

2.3 Selective Catalytic Reduction (SCR) Systems

SCR is a post-combustion control technology that is commercially available and commonly employed to control NO_x on larger emission sources. SCR systems can achieve NO_x control efficiencies of 95% or higher, and they do this by injecting ammonia into the flue gas stream where it reacts with NO_x and oxygen (in the presence of the catalyst) to produce nitrogen gas and water vapor. A typical SCR system consists of an ammonia storage tank, ammonia vaporization and injection equipment, a booster fan for the flue gas exhaust, an SCR reactor with catalyst, and electronic instrumentation to monitor the system parameters.

When in operation, the ammonia injection rate and the combustion parameters need to be constantly monitored to achieve the desired NO_x reductions while preventing ammonia slip, which is the industry term for ammonia passing through the SCR unreacted. Ammonia slip occurs if excess ammonia is injected into the reactor, temperatures are too low for the ammonia to react, or if the catalyst has degraded or is past its useful life. The optimal flue gas temperature of a conventional SCR system will typically range between 550°F and 750°F, but there are both high temperature and low temperature SCR catalysts available that can effectively operate above or below these temperature thresholds.

3. REVIEW OF OTHER CALIFORNIA AIR DISTRICT RULES

In considering what benchmarks to use for BARCT, it is important to evaluate other emission limits that have been imposed on the same categories of equipment. Other California air districts, such as the South Coast Air Quality Management District and the Ventura County Air Pollution Control District, have adopted prohibitory rules that address Miscellaneous Combustion Units. A simplified summary of the rules from other California air districts that addresses these units is presented below.

3.1 South Coast AQMD Rule 1147

Rule 1147 was initially adopted by the South Coast AQMD in December 2008, and it established NO_x limits for a wide variety of Miscellaneous Combustion Sources at non-RECLAIM¹ facilities. Rule 1147 applies to ovens, dryers, dehydrators, heaters, kilns, calciners, furnaces, crematories, incinerators, heated pots, cookers, roasters, fryers, closed and open heated tanks and evaporators, distillation units, afterburners, degassing units, vapor incinerators, catalytic or thermal oxidizers, soil and water remediation units, and other combustion equipment that are not subject to other equipment-specific prohibitory rules.

Under Rule 1147, equipment with a total heat input greater than or equal to 325,000 Btu/hr must meet the NO_x concentration limits depending on the equipment category and process temperature. Rule 1147 has been amended several times to respond to compliance challenges and to incorporate new findings and recommendations from a technology assessment. The most recent amendment occurred in May 2022 where the rule was updated to reflect newer BARCT emission limits and to apply the rule to all facilities within the South Coast AQMD jurisdiction (RECLAIM and non-RECLAIM facilities). Table 3.1 provides a summary of the various equipment categories and the emission limits for those categories in Rule 1147. All emission limits are given in units of parts per million by volume (ppmv) corrected to 3% oxygen content.²

¹ RECLAIM: REgional CLean Air Incentives Market Program

² Throughout this document, all ppmv limits are referenced to 3% oxygen, unless otherwise stated.

Table 3.1 – SCAQMD Rule 1147 NOx Emission Limits

Equipment Category	Process Temperature	NOx Limit
Afterburner, Degassing Unit, Thermal Oxidizer, Catalytic Oxidizer or Vapor Incinerator	All	20 ppmv or 0.024 lb/MMBtu
Tenter Frame or Fabric or Carpet Dryer		
Chiller (Absorption or Adsorption)		
Burn-off Furnace, Burnout Oven, Incinerator or Crematory with or without Integrated Afterburner	All	30 ppmv or 0.036 lb/MMBtu
Make-Up Air Heater or Air Heater located outside with temperature controlled zone inside building		
Autoclave or Rotary Dryer		
Evaporator, Fryer, Heated Process Tank, or Parts Washer	All	60 ppmv or 0.073 lb/MMBtu
Remediation Unit		
Turbine <0.3 MW	All	9 ppmv (corrected to 15% O ₂) or 0.033 lb/MMBtu
Oven, Dehydrator, Dryer, Heater, Kiln, Calciner, Cooker, Roaster, Furnace, or Heated Storage Tank	<1,200°F	20 ppmv or 0.024 lb/MMBtu
	≥1,200°F	30 ppmv or 0.036 lb/MMBtu
Tunnel Kiln, Beehive Kiln, and other remaining units	<1,200°F	30 ppmv or 0.036 lb/MMBtu
	≥1,200°F	60 ppmv or 0.073 lb/MMBtu
All liquid fuel-fired Units	<1,200°F	40 ppmv or 0.053 lb/MMBtu
	≥1,200°F	60 ppmv or 0.073 lb/MMBtu

For the equipment category that includes ovens, dehydrators, dryers, heaters, and kilns, the initial NOx limits were initially established to be 30 or 60 ppmv, depending on the process temperature. However, during the 2022 amendments, the emission limits for this category were reduced to 20 and 30 ppmv, as shown in the table above. These lower limits were deemed feasible for most burner replacements and new installations based on observed source test data and technical information from vendors. Hence, the 2022 amendments require all new units to meet the lower NOx limits upon burner replacement, and existing equipment that already complied with the initial rule limits (30 or 60 ppmv) would be required to meet the lower NOx limits (20 or 30 ppmv) when the burner reaches 32 years of age.

3.2 Ventura County APCD Rule 74.34

Rule 74.34 was initially adopted by the Ventura County APCD in 2016 to reduce NOx emissions from dryers, furnaces, heaters, incinerators, kilns, ovens, and duct burners. The rule applies to units with a total rated heat input of 5 MMBtu/hr or greater, and the NOx emission standards in the rule are shown below in Table 3.2. Most of the emission standards in the rule were based on similar standards being implemented by the South Coast AQMD at the time of rule adoption. However, the NOx emission limit for kilns was raised from 60 ppmv to 80 ppmv to account for process bound nitrogen at one of the aggregate facilities within Ventura County. Since combustion controls do not impact process bound nitrogen, the 80 ppmv emission standard was determined to be the most feasible standard for the specific aggregate facility in Ventura County.

Table 3.2 – Ventura County APCD Rule 74.34 NOx Emission Limits

Equipment Category	Process Temperature	NOx Limit
Asphalt/Sand/Paper Dryer	All	40 ppmv or 0.048 lb/MMBtu
Metal Heat Treating or Metal Melting Furnace	All	60 ppmv or 0.072 lb/MMBtu
Kiln	All	80 ppmv or 0.096 lb/MMBtu
Oven, Heater, Incinerator, Remaining Dryer & Furnace	<1,200°F	30 ppmv or 0.036 lb/MMBtu
	≥1,200°F	60 ppmv or 0.072 lb/MMBtu

3.3 Sacramento Metropolitan AQMD Rule 419

Rule 419 was initially adopted by the Sacramento-Metropolitan Air Quality Management District in 2018 to reduce NOx emissions from the various Miscellaneous Combustion Units within their jurisdiction. The rule applies to units with a maximum rated heat input of 2 MMBtu/hr or greater at major stationary sources of pollution¹ and units with a maximum rated heat input of 5 MMBtu/hr or greater at all sources. The NOx emission standards in the rule are similar to the emission standards being implemented by the South Coast AQMD at the time of rule adoption, but additional evaluations and categories were needed for some of the more unique combustion units, such as cooking units and soybean roasters. The NOx emission standards in Rule 419 are shown below in Table 3.3.

Table 3.3 – Sac-Metro AQMD Rule 419 NOx Emission Limits

Equipment Category	Process Temperature	NOx Limit
Asphalt Manufacturing Operation	All	40 ppmv or 0.049 lb/MMBtu
Incinerator or Crematory, Metal Heat Treating or Metal Melting Furnace	All	60 ppmv or 0.073 lb/MMBtu
Cooking Unit	<500°F	40 ppmv or 0.049 lb/MMBtu
	≥500°F	60 ppmv or 0.073 lb/MMBtu
Soybean Roaster	<1,200°F	45 ppmv or 0.055 lb/MMBtu
	≥1,200°F	60 ppmv or 0.073 lb/MMBtu
Oven, Dehydrator, Dryer, Heater, Kiln, and Remaining Furnaces and Miscellaneous Units	<1,200°F	30 ppmv or 0.036 lb/MMBtu
	≥1,200°F	60 ppmv or 0.073 lb/MMBtu
All liquid fuel-fired Units	<1,200°F	40 ppmv or 0.053 lb/MMBtu
	≥1,200°F	60 ppmv or 0.073 lb/MMBtu

¹ Major stationary source means any source of air pollutants which has the potential to emit 100 tons per year or more of a regulated criteria pollutant, except that lower thresholds may apply based on the federal attainment status.

3.4 San Joaquin Valley Unified APCD Rule 4309

SJVUAPCD Rule 4309 was adopted in December 2005, and it applies to units that have a total rated heat input of 5 MMBtu/hr or greater. The rule sets NO_x emission limits for gaseous and liquid fueled dryers, dehydrators, and ovens. The emission limits in Rule 4309 are referenced at an oxygen content level of 19%, and so Table 3.4 below also shows the equivalent concentration at 3% O₂ so that they can be compared to the other rules in this BARCT analysis.

Table 3.4 – San Joaquin Valley Unified APCD Rule 4309 NO_x Emission Limits

Equipment Category	NO _x Limit ppmv @ 19% O ₂ (ppmv @ 3% O ₂)	
	Gaseous Fueled	Liquid Fueled
Asphalt Manufacturing Operation	4.3 (~ 40)	12.0 (~ 110)
Milk, Cheese, and Dairy Processing < 20 MMBtu/hr	3.5 (~ 32)	3.5 (~ 32)
Milk, Cheese, and Dairy Processing ≥ 20 MMBtu/hr	5.3 (~ 49)	5.3 (~ 49)
Other processes (dryers, dehydrators, or ovens) not described above	4.3 (~ 40)	4.3 (~ 40)

4. PROPOSED BARCT FOR MISCELLANEOUS COMBUSTION UNITS

4.1 Overview of Proposed Analysis

Although there are a multitude of different equipment types that can be considered Miscellaneous Combustion Units, this BARCT analysis addresses dryers, furnaces, kilns, and heaters since these types of equipment units are permitted at the AB 617 Industrial Sources within Santa Barbara County. District Staff reviewed the measures identified as BARCT in the California Air Resources Board's Technology Clearinghouse¹ and the following major requirements are needed to satisfy the BARCT provisions for AB 617:

- All dryers, kilns, furnaces, and heaters with a rated heat input capacity of 5 million Btu or greater need to comply with the BARCT standards;
- Units with a process temperature < 1,200°F shall meet a 30 ppmv NO_x BARCT standard; and
- Units with a process temperature ≥ 1,200°F shall meet a 60 ppmv NO_x BARCT standard.

All of the amendments are described in further detail in their corresponding sections below, and a comparison of the key requirements in the District's BARCT analysis to the rules from other air districts is shown in Table 4.2 at the end of this section. An evaluation of the costs and impacts of the requirements is contained in Section 5 of this report.

4.2 Definitions

For the purpose of this assessment, the following definitions shall apply:

- "Unit" means a dryer, furnace, kiln, heater, or any combination of such devices, with one or more burners and one or more exhaust stacks, that are collectively operated as the source(s) of heat to complete a process, such as drying, curing, or calcining a product. This definition does not include any boiler or process heater subject to District Rule 342.
- "Process Temperature" means the maximum operating temperature of the unit under maximum designed production rate.
- "Therm" means one hundred thousand (100,000) British Thermal Units.

4.3 Requirement – NO_x and CO Emission Limit

Based on our review of the CARB Technology Clearinghouse, the BARCT emission limits for Miscellaneous Combustion Units within Santa Barbara County are proposed to be 30 ppmv for units that have a process temperature of less than 1,200°F and 60 ppmv for units that have a process temperature greater than or equal to 1,200°F. These emission limits, as shown in Table 4.1 below, can typically be met by retrofitting the older, conventional burners with low-NO_x burners. Units may also comply with the applicable lb/MMBtu emission limit in lieu of the associated ppmv limit.

¹ <https://ww2.arb.ca.gov/current-air-district-rules>

Table 4.1 – Santa Barbara County BARCT for Miscellaneous Combustion Units

Equipment Category	Process Temperature	NOx Limit
Dryer, Furnace, Kiln, or Heater	<1,200°F	30 ppmv or 0.036 lb/MMBtu
	≥1,200°F	60 ppmv or 0.073 lb/MMBtu

Low-NOx burners used in miscellaneous applications have been available for over a decade, demonstrating that the use of these burners to meet the 30 and 60 ppmv limits is technologically feasible. Although lower NOx emission limits have recently been established in the South Coast AQMD (20 and 30 ppmv), the emission limits in their rule have not yet been proven to work in all applications. The combustion units subject to this BARCT assessment are older, unique devices that are challenging to retrofit with new burner technology. Hence, using the 30 and 60 ppmv NOx limits, which is representative of BARCT for most other air districts, is the lowest feasible NOx BARCT standard for the equipment in Santa Barbara County.

Based on our review of the CARB Technology Clearinghouse, the CO emission limit is proposed to be 400 ppmv. The 400 ppmv limit is mainly used as a backstop because CO emissions above this threshold are indicative of improper combustion parameters (i.e., low-excess oxygen) for equipment units of this size. Furthermore, no other air district has established lower CO emission limits in their rule.

4.4 Requirement – Testing and Monitoring Conditions

Low-NOx burners can be initially calibrated to attain the emission limits, but they typically need to be cleaned and adjusted over time. Hence, a testing and monitoring program is necessary to ensure that the units are properly tuned, and that the lower NOx limits prescribed in this BARCT assessment are achieved.

This BARCT analysis will require each unit to be source tested every two years at the unit’s actual peak load or under the unit’s typical duty cycle. Acceptable source test methods include CARB Method 100, and EPA Methods 3A (Stack Gas Oxygen), 7E (Oxides of Nitrogen), 10 (Carbon Monoxide), and 19 (NOx Emission Rate). Alternative test methods may be used as long as they have been determined to be equivalent and have been approved for use by the Control Officer, the California Air Resources Board, and the United States Environmental Protection Agency. Each source test shall consist of three separate 40-minute runs, and it shall be conducted in accordance with a source test plan that has been approved by the Control Officer.

4.5 Exemption – Low-use Threshold

One of the requirements for BARCT assessments is to evaluate the cost-effectiveness of the project. For units that aren’t operated very often, installing controls or retrofitting the device may cost a lot of money while not reducing much pollution. Low-use thresholds are typically included in rules and analyses to address these situations.

Based on our review of the CARB Technology Clearinghouse and the District’s cost-effectiveness calculations, a 90,000 therm low-use threshold has been incorporated into this analysis for each burner. For a burner that is rated at 15 MMBtu/hr, the low-use threshold correlates to approximately 600 hours per year at maximum firing capacity, or around a 7%

annual operating capacity. It would not be cost-effective to retrofit a burner that consistently operates below this amount. Please refer to Section 5 of this report for more information on the District's cost-effectiveness calculations.

To qualify for the low-use exemption, a non-resettable totalizing fuel meter shall be installed and maintained on each miscellaneous combustion unit to verify that the threshold is not exceeded. If the low-use threshold is exceeded during a calendar year, the equipment must be retrofitted to comply with the BARCT standards no later than 18 months after the end of the calendar month during which the exemption was exceeded.

Table 4.2 – Comparison to Air District Rules

ANALYSIS DESCRIPTION		Santa Barbara APCD BARCT - Misc. Units (Proposed)	South Coast AQMD Rule 1147 (2022)	Ventura APCD Rule 74.34 (2016)	Sac-Metro AQMD Rule 419 (2018)	San Joaquin Valley APCD Rule 4309 (2005)
Applicability	Equipment Rating & Location	5+ MMBtu/hr (at AB 617 Sources)	0.325+ MMBtu/hr	5+ MMBtu/hr	2+ MMBtu/hr (at Major Sources); 5+ MMBtu/hr (All Sources)	5+ MMBtu/hr
	Equipment Type	Dryers, Furnaces, Kilns, and Heaters	Permitted Miscellaneous Combustion Units not subject to other equipment-specific rules	Dryers, Furnaces, Heaters, Incinerators, Kilns, Ovens, and Duct Burners	Permitted Miscellaneous Combustion Units and Cooking Units	Dryers, Dehydrators, and Ovens
Exemptions	Equipment Type	Air Pollution Control Devices, Flares, Boilers, Duct Burners with SCR	Air Pollution Control Devices & Flares under specific scenarios, Charbroilers, Food Ovens	Air Pollution Control Devices, Flares, Boilers, Duct Burners with SCR	Air Pollution Control Devices, Flares, Boilers, Duct Burners with SCR	Tower/Grain Dryers, Cotton Dryers, Boilers
	Low-use	90,000 therms	---	90,000 therms	30,000 therms	---
NOx Requirements – Gaseous Fueled Equipment		<u>Dryer, Furnace, Kiln, or Heater</u> <1,200°F: 30 ppmv ≥1,200°F: 60 ppmv	<u>Oven, Dehydrator, Dryer, Heater, Kiln, Calciner, Cooker, Roaster, Furnace, or Heated Storage Tank</u> <1,200°F: 20 ppmv ≥1,200°F: 30 ppmv	<u>Oven, Heater, Incinerator, Remaining Dryer & Furnace</u> <1,200°F: 30 ppmv ≥1,200°F: 60 ppmv <u>Kiln</u> 80 ppmv	<u>Oven, Dehydrator, Dryer, Heater, Kiln, Remaining Furnace</u> <1,200°F: 30 ppmv ≥1,200°F: 60 ppmv	<u>Dryers, Dehydrators, and Ovens</u> ~ 40 ppmv
CO Requirements		400 ppmv	1,000 ppmv	400 ppmv	400 ppmv	~ 400 ppmv
Source Testing Frequency		Biennial	<2 MMBtu/hr: Optional Manufacturer certification in lieu of tests <10 MMBtu/hr: 5 years 10 - <40 MMBtu/hr: Biennial 40+ MMBtu/hr: Annual	Every 4 years with Annual NOx screening	Biennial	Biennial

5. IMPACTS OF THE PROPOSED ANALYSIS

5.1 Emission Impacts

The BARCT analysis will affect new and existing Miscellaneous Combustion Units with a maximum heat input of 5 million Btu or greater at the AB 617 industrial sources. The only facility that is expected to be impacted by this analysis is Imerys. Imerys currently uses multiple burners in dryers, furnaces, and kilns to dry or calcinate its products. A listing of these units is shown below in Table 5.1.

Table 5.1 – Miscellaneous Combustion Units at Imerys, 5 MMBtu/hr or greater

#	Device Name	Rated Heat Input Capacity (MMBtu/hr)	Most Recent Burner Modification	Permitted Emission Rate	BARCT Assessment
1	System 7 Kiln	50	1994	5.5 lbs/hr (≈ 48 ppmv NOx)	Exempt
2	System 7 Furnace	45	2007		
3	Silicates Conveyor Dryer	45 total [3 burners]	Pre-1990	Uncontrolled (≈ 82 ppmv NOx)	30 ppmv
4	Silicates Flash Dryer	17.5	Pre-1990	Uncontrolled (≈ 82 ppmv NOx)	30 ppmv

Out of the four units listed above, two of the units are currently exempt from having to comply with the AB 617 BARCT requirements. In the implementing legislation, the AB 617 BARCT requirements were crafted by the state legislature to not apply to devices that have implemented BARCT due to a permit revision or a new permit issuance since 2007. The System 7 kiln and furnace have a combined emission rate since these two units are operated in tandem, and these units were analyzed for Best Available Control Technology (BACT) during an air permit evaluation in 2007. The BACT analysis evaluated NOx control technologies, including other low NOx burners and selective catalytic reduction (SCR), but additional controls were not cost-effective. This is partly because System 7 already uses a wet scrubber to control SOx and PM emissions, which means that additional natural gas combustion would be needed to reheat the exhaust stream to the necessary temperature for SCR to achieve high NOx control efficiencies. Hence, the engineering evaluation showed that the kiln and furnace met BACT in 2007, and so a new BARCT determination for these two units cannot be performed under the AB 617 mandate.

The remaining two devices, the silicates conveyor dryer and the flash dryer, do not have any emission controls, but they could be retrofitted with low-NOx burners to reduce their emissions of criteria pollutants. To evaluate the estimated emission impacts of the silicates conveyor and flash dryer complying with the BARCT requirements, the historical operating records of the units were reviewed and a representative operating capacity was determined based on the last three years of data. The estimated emission reductions of the silicates conveyor dryer complying with the BARCT standard are shown below in Table 5.2.

Table 5.2 – Estimated Emission Reductions using Representative Operating Capacity

<u>Description</u>	Maximum Heat Input (MMBtu/hr)	Initial NOx EF (lbs/MMBtu)	Final NOx EF (lbs/MMBtu)	Representative Operating Capacity	NOx Reductions (tons/yr)
Silicates Conveyor Dryer	45	0.098	0.036	4.3%	0.53
Silicates Flash Dryer	17.5	0.098	0.036	0.9%	0.04

Where:

- Initial NOx Emission Factor (EF) = 82 ppmv NOx [uncontrolled default]
- Final NOx Emission Factor = 30 ppmv NOx [Process Temperature <1,200°F]
- Representative Operating Capacity = (Annual Fuel Use) / (Max Potential Annual Fuel Use)
- NOx Reductions = (Max Heat Input) * (Δ Emission Factor) * (Rep. Op. Capacity) *
(8,760 hours/year) / (2,000 lbs/ton) / (1,050 Btu/scf)

Based on the equation above, the implementation of BARCT may reduce approximately 0.57 tons of NOx per year if the Silicates Conveyor Dryer and Flash Dryer are retrofitted with low-NOx burners. However, these two units qualify for the low-use exemption, which is discussed below in Section 5.2.

5.2 Cost-Effectiveness

Staff evaluated a scenario where the silicates conveyor dryer and flash dryer were retrofitted with low-NOx burners to comply with the BARCT standards. Capital and installation cost estimates were obtained from recent staff reports published by the South Coast AQMD and a confidential quote provided by Imerys. For cost-effectiveness calculations, the District uses the Levelized Cash Flow (LCF) method. In the LCF method, a capital recovery factor (CRF) is used to transform any capital costs into an equivalent annual cost. The CRF is necessary because the one-time capital expenditures reduce emissions over the entire duration of the project life. Hence, the CRF is a function of the real interest rate and equipment life. The estimated cost-effectiveness for the scenario using the representative operating capacity is shown below in Table 5.3.

Table 5.3 – Estimated Cost-Effectiveness using Representative Operating Capacity

<u>Description</u>	Costs		Cost-Effectiveness		
	Capital Costs	Installation Costs	CRF	Annualized Cost	Cost-Effectiveness (\$/ton)
Silicates Conveyor Dryer	\$240,000	\$240,000	0.078	\$37,500	\$71,000
Silicates Flash Dryer	\$80,000	\$80,000	0.078	\$12,500	\$303,000

Where:

- Cost-Effectiveness = (Annualized Cost) / (Emission Reductions)
- Annualized Cost = (Capital Costs * CRF) + (Annual Operational Costs)

- $$CRF = \frac{i * (1 + i)^n}{(1 + i)^n - 1} = \frac{0.06 * (1 + 0.06)^{25}}{(1 + 0.06)^{25} - 1} = 0.078$$

i = Real Interest Rate (6%)

n = Project Life (25 years)

The capital and installation costs shown above represent the costs for new, low-NOx burners that are certified to comply with the 30 ppm NOx standard. It's important to note that the current, conventional burners are over 30 years old and are near the end of their useful life. This evaluation does not exclude the capital costs associated with replacing the existing conventional burners with new conventional burners. However, the evaluation does exclude costs that are unrelated to the control equipment, such as the fuel line and the burner management system. Due to current building and fire codes, these components would eventually need to be replaced with new equipment that complies with current safety standards regardless of this BARCT analysis. Using low-NOx equipment, as compared to a conventional burner, is also not anticipated to result in any additional on-going operational or maintenance costs.

Using the assumptions listed above, the cost-effectiveness values shown in Table 5.3 for retrofitting the silicates conveyor dryer and flash dryer are higher than the normally accepted values for rule development measures. Hence, the BARCT requirement to reach 30 ppmv for these dryers is not considered to be cost-effective based on the last three years of data.

5.3 Low-use Thresholds

Although the actual operating loads for the conveyor dryer and flash dryer have decreased in recent years, the operating permit for the facility allows these devices to operate at maximum capacity. If these units operate at higher loads in future years, it would be cost-effective to meet the BARCT requirements at that time. Low-use thresholds are typically included in rules and analyses to determine the appropriate point in which it is cost-effective to comply with the lower emission standards. Staff reviewed the low-use thresholds established by other districts and a 90,000 therm limit per burner is proposed for this assessment. As shown in Table 5.4 below, this allows the conveyor dryer up to 270,000 therms per year because the conveyor dryer consists of three separate 15 MMBtu/hr burners. At these higher operating capacities, the project is cost-effective.

Table 5.4 – Estimated Emission Reductions and Cost-Effectiveness at Low-use Threshold

<u>Description</u>	Low-Use Threshold (Therms)	Operating Capacity At Threshold	NOx Reductions at Threshold (tons/yr)	Annualized Cost	Cost-Effectiveness (\$/ton)
Silicates Conveyor Dryer	270,000	7%	0.84	\$37,500	\$45,000
Silicates Flash Dryer	90,000	6%	0.28	\$12,500	\$45,000

Hence, the low-use thresholds need to be incorporated into the facility's permit to satisfy BARCT. To verify the operational usage of each dryer, a non-resettable totalizing fuel meter shall be installed and maintained on each unit. If the low-use threshold is exceeded, a new permit application needs to be submitted no later than 30 days after the end of the calendar month during which the threshold was exceeded. The affected equipment must then demonstrate compliance with the BARCT standards no later than 18 months after the end of the calendar month during which the threshold was exceeded. This proposal shall ensure that the BARCT requirements are implemented in a timely and expeditious manner.

5.4 Incremental Cost-Effectiveness

Incremental cost-effectiveness evaluates and compares two or more control options available for emission reductions. For equipment subject to this BARCT analysis, the two identified pollution control technologies are low-NOx burners and selective catalytic reduction (SCR) systems. SCR systems may allow an equipment unit to operate at a NOx level of 5 ppm or less. However, SCR retrofits dramatically increase the capital and operational costs compared to a burner retrofit. Based on the size and operating capacity of the equipment units in this analysis, the alternative control option of installing an SCR system was determined to not be cost-effective.

5.5 Implementation Timeline

Imerys submitted a permit application to comply with the BARCT analysis for Miscellaneous Combustion Units by incorporating the low-use thresholds for the dryers at the Silicates Plant. The enforceable permit conditions have been incorporated no later than December 31, 2023, in accordance with AB 617. By operating under the low-use thresholds, the devices will meet BARCT. Any operation beyond the thresholds will trigger the requirement to reduce the equipment's NOx emissions to the levels prescribed in this analysis.

6. REFERENCES

- 1) South Coast Air Quality Management District – *Rule 1147, NOx Reductions from Miscellaneous Sources*, Adopted December 5, 2008.
- 2) South Coast Air Quality Management District – *Rule 1147, NOx Reductions from Miscellaneous Sources*, Amended May 6, 2022.
- 3) San Joaquin Valley Unified Air Pollution Control District – *Rule 4309, Dryers, Dehydrators, and Ovens*, Adopted December 15, 2005.
- 4) Ventura County Air Pollution Control District – *Rule 74.34, NOx Reductions from Miscellaneous Sources*, Adopted December 13, 2016.
- 5) Sacramento Metropolitan Air Quality Management District – *Rule 419, NOx From Miscellaneous Combustion Units*, Adopted July 26, 2018.
- 6) Santa Barbara County Air Pollution Control District – *Assembly Bill 617 Best Available Retrofit Control Technology Rule Development Schedule*, Adopted December 20, 2018.

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ATTACHMENT B

Imerys Permit Modification #5840-13

October 19, 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

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And Part 70 Minor Modification 5840-13

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EQUIPMENT OWNER:

Imerys Filtration Minerals, Inc.

EQUIPMENT OPERATOR:

Imerys Filtration Minerals, Inc.

EQUIPMENT LOCATION:

2500 Miguelito Road, Lompoc

STATIONARY SOURCE/FACILITY:

Imerys Filtration Minerals, Inc.

SSID: 01735
FID: 00012

EQUIPMENT DESCRIPTION:

The equipment subject to this permit is listed in the table at the end of this permit.

AUTHORIZED MODIFICATION:

This permit implements quarterly and annual low-use heat input operating limits for the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140) as well as associated monitoring, recordkeeping and reporting requirements to ensure compliance with AB617 Best Available Retrofit Control Technology (BARCT) requirements.

PROJECT/PROCESS DESCRIPTION:

Imerys currently mines and processes diatomaceous earth (DE) at its Lompoc Plant. Imerys operates multiple product lines each with “wet end” and “dry end” processing. Wet diatomaceous earth crude is surface mined, crushed, milled and dried and/or calcined at high temperatures. The dried product is classified into a variety of grades and bagged, or bulk loaded for shipment to distributors and customers. Specialized wet and dry processing of diatomite and other materials occurs on a smaller scale at the Synthetic Silicates Plant and the Pellet Plant. The Imerys Facility ID is 0012 and the Stationary Source ID is 1735.

CONDITIONS:

The following conditions amend the Part 70 Operating Permit for this facility. The remaining conditions of the Part 70 Operating Permit remain in full force and effect.

9.A *Standard Administrative Conditions*

A.1 *Compliance with Permit Conditions.*

- (a) The permittee shall comply with all permit conditions in Sections 9.A, 9.B and 9.C.
- (b) This permit does not convey property rights or exclusive privilege of any sort.
- (c) Any permit noncompliance with sections 9.A, 9.B, or 9.C constitutes a violation of the Clean Air Act and is grounds for enforcement action; for permit termination, revocation and re-issuance, or modification; or for denial of a permit renewal application.
- (d) It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- (e) A pending permit action or notification of anticipated noncompliance does not stay any permit condition.
- (f) Within a reasonable time period, the permittee shall furnish any information requested by the Control Officer, in writing, for the purpose of determining:
 - (1) compliance with the permit, or

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- (2) whether or not cause exists to modify, revoke and reissue, or terminate a permit or for an enforcement action.
 - (g) In the event that any condition herein is determined to be in conflict with any other condition contained herein, then, if principles of law do not provide to the contrary, the condition most protective of air quality and public health and safety shall prevail to the extent feasible. [*Re: 40 CFR Part 70.6.(a)(6), District Rules 1303.D.1*]
- A.2 **Emergency Provisions.** The permittee shall comply with the requirements of the District, Rule 505 (Upset/Breakdown rule) and/or District Rule 1303.F, whichever is applicable to the emergency situation. In order to maintain an affirmative defense under Rule 1303.F, the permittee shall provide the District, in writing, a “notice of emergency” within two (2) working days of the emergency. The “notice of emergency” shall contain the information/documentation listed in Sections (1) through (5) of Rule 1303.F. [*Re: 40 CFR 70.6(g), District Rule 1303.F*]
- A.3 **Risk Management Plan.** Should the Imerys facility, as defined in 40 CFR 68.3, become subject to part 68, then the owner or operator shall submit a risk management plan (RMP) by the date specified in 40 CFR 68.10. The facility shall certify compliance as part of the annual certification as required by 40 CFR part 70. [*40 CFR 68.10*]
- A.4 **Right of Entry.** The Regional Administrator of USEPA, the Control Officer, or their authorized representatives, upon the presentation of credentials, shall be permitted to enter upon the premises where a Part 70 Source is located or where records must be kept:
- (a) To inspect the stationary source, including monitoring and control equipment, work practices, operations, and emission-related activity;
 - (b) To inspect and duplicate, at reasonable times, records required by this Permit to Operate;
 - (c) To sample substances or monitor emissions from the source or assess other parameters to assure compliance with the permit or applicable requirements, at reasonable times. Monitoring of emissions can include source testing. [*Re: District Rule 1303.D.2*]

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- A.5 **Permit Life.** The Part 70 permit shall become invalid three years from the date of issuance unless a timely and complete renewal application is submitted to the District. Any operation of the source to which this Part 70 permit is issued beyond the expiration date of this Part 70 permit and without a valid Part 70 operating permit (or a complete Part 70 permit renewal application) shall be a violation of the CAAA, § 502(a) and 503(d) and of the District rules. [Re: District Rule 13012]
- A.6 **Payment of Fees.** The permittee shall reimburse the District for all its Part 70 permit processing and compliance expenses for the stationary source on a timely basis. Failure to reimburse on a timely basis shall be a violation of this permit and of applicable requirements and can result in forfeiture of the Part 70 permit. Operation without a Part 70 permit subjects the source to potential enforcement action by the District and the USEPA pursuant to section 502(a) of the Clean Air Act. [Re: District Rules 1303.D.1 and 1304.D.11, 40 CFR 70.6(a)(7)]
- A.7 **Prompt Reporting of Deviations.** The permittee shall submit a written report to the District documenting each and every deviation from the requirements of this permit or any applicable federal requirements within seven (7) days after discovery of the violation, but not later than 6 months after the date of occurrence. The report shall clearly document 1) the probable cause and extent of the deviation 2) equipment involved, 3) the quantity of excess pollutant emissions, if any, and 4) actions taken to correct the deviation. The requirements of this condition shall not apply to deviations reported to District in accordance with Rule 505. Breakdown Conditions, or Rule 1303.F Emergency Provisions. [District Rule 1303.D.1, 40 CFR 70.6(a)(3)]
- A.8 **Permit Shield.** As indicated by section 1.6.4 of this permit Imerys did not request a permit shield for the Celpure Plant. [District Rule 1303]
- A.9 **Reporting Requirements/Compliance Certification.** The permittee shall submit compliance certification reports to the USEPA and the Control Officer every six months. These reports shall be submitted on District approved forms and shall identify each applicable requirement/condition of the permit, the compliance status with each requirement/condition, the monitoring methods used to determine compliance, whether the compliance was continuous or intermittent, and include detailed information on the occurrence and correction of any deviations from permit requirement. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1st and March 1st, respectively, each year. Supporting monitoring data shall be submitted in accordance with the “Semi-Annual Compliance Verification Report” condition in Section 9.C. The permittee shall include a written statement from the responsible official, which certifies the truth, accuracy, and completeness of the reports. [Re: District Rules 1303.D.1, 1302.D.3, 1303.2.c]

- A.10 **Federally Enforceable Conditions.** Each federally enforceable condition in this permit shall be enforceable by the USEPA and members of the public. None of the conditions in the District-only enforceable section of this permit are federally enforceable or subject to the public/USEPA review. [*Re: CAAA § 502(b)(6), 40 CFR 70.6(b)*]
- A.11 **Recordkeeping Requirements.** The permittee shall maintain records of required monitoring information that include the following:
- (a) The date, place as defined in the permit, and time of sampling or measurements;
 - (b) The date(s) analyses were performed;
 - (c) The company or entity that performed the analyses;
 - (d) The analytical techniques or methods used;
 - (e) The results of such analyses; and
 - (f) The operating conditions as existing at the time of sampling or measurement;
 - (g) The records (electronic or hard copy), as well as all supporting information including calibration and maintenance records, shall be maintained for a minimum of five (5) years from date of initial entry by the permittee and shall be made available to the District upon request. [*Re: District Rule 1303.D.1.f, 40 CFR 70.6(a)(3)*]
- A.12 **Conditions for Permit Reopening.** The permit shall be reopened and revised for cause under any of the following circumstances:
- (a) Additional Requirements: If additional applicable requirements (e.g., NSPS or MACT) become applicable to the source which has an unexpired permit term of three (3) or more years, the permit shall be reopened. Such a reopening shall be completed no later than 18 months after promulgation of the applicable requirement. However, no such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended. All such re-openings shall be initiated only after a 30 day notice of intent to reopen the permit has been provided to the permittee, except that a shorter notice may be given in case of an emergency.
 - (b) Inaccurate Permit Provisions: If the District or the USEPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit, the permit shall be reopened. Such re-openings shall be made as soon as practicable.
 - (c) Applicable Requirement: If the District or the USEPA determines that the permit must be revised or revoked to assure compliance with any applicable requirement including a

federally enforceable requirement, the permit shall be reopened. Such re-openings shall be made as soon as practicable.

- (d) Administrative procedures to reopen a permit shall follow the same procedures as apply to initial permit issuance. Re-openings shall affect only those parts of the permit for which cause to reopen exists.
- (e) If a permit is reopened, the expiration date does not change. Thus, if the permit is reopened, and revised, then it will be reissued with the expiration date applicable to the re-opened permit. [Re: 40 CFR 70.7(f), 40 CFR 70.6(a)]

- A.13 **Severability.** In the event that any condition herein is determined to be invalid, all other conditions shall remain in force. [Ref: Rule 1303]
- A.14 **Consistency with Analysis.** Operation under this permit shall be conducted consistent with all written data, specifications and assumptions included with the application and supplements thereof (as documented in the District's project file), and with the District's analyses contained within this permit (including any documents specifically referenced herein)." [Ref: Rule 206]
- A.15 **Equipment Maintenance.** The equipment listed in this permit shall be properly maintained and kept in good condition at all times. The equipment manufacturer's maintenance manual, maintenance procedures and/or maintenance checklists (if any) shall be kept on site. [Ref: Rule 206]
- A.16 **Compliance.** Nothing contained within this permit shall be construed as allowing the violation of any local, state or federal rules, regulations, air quality standards or increments.
- A.17 **Conflict Between Permits.** The requirements or limits that are more protective of air quality shall apply if any conflict arises between the requirements and limits of this permit and any other permitting actions associated with the equipment permitted herein.
- A.18 **Access to Records and Facilities.** As to any condition that requires for its effective enforcement the inspection of records or facilities by the District or its agents, the permittee shall make such records available or provide access to such facilities upon notice from the District. Access shall mean access consistent with California Health and Safety Code Section 41510 and Clean Air Act Section 114A.

- A.19 **Equipment Identification.** Identifying tag(s) or name plate(s) shall be displayed on the equipment to show manufacturer, model number, and serial number. The tag(s) or plate(s) shall be issued by the manufacturer and shall be affixed to the equipment in a permanent and conspicuous position.
- A.20 **Emission Factor Revisions.** The District may update the emission factors for any calculation based on USEPA AP-42 or District emission factors at the next permit modification or permit reevaluation to account for USEPA and/or District revisions to the underlying emission factors.
- A.21 **Grounds for Revocation.** Failure to abide by and faithfully comply with this permit shall constitute grounds for the APCO to petition for permit revocation pursuant to Health and Safety Code section 42307 *et seq.* [Ref: Rule 1303]
- A.22 **Transfer of Owner/Operator.** This permit is only valid for the owner and operator listed on this permit unless a *Transfer of Owner/Operator* application has been applied for and received by the District. Any transfer of ownership or change in operator shall be done in a manner as specified in District Rule 203. District Form –01T and the appropriate filing fee shall be submitted to the District within 30 days of the transfer.
- A.23 **Reimbursement of Costs.** All reasonable expenses, as defined in District Rule 210, incurred by the District, District contractors, and legal counsel for the activities listed below that follow the issuance of this permit, including but not limited to permit condition implementation, compliance verification and emergency response, directly and necessarily related to enforcement of the permit shall be reimbursed by the permittee as required by Rule 210. Reimbursable activities include work involving: permitting, compliance, CEMS, modeling/AQIA, ambient air monitoring and air toxics.

9.B Generic Conditions

- B.1 **Circumvention (Rule 301).** A person shall not build, erect, install, or use any article, machine, equipment or other contrivance, the use of which, without resulting in a reduction in the total release of air contaminants to the atmosphere, reduces or conceals an emission which would otherwise constitute a violation of Division 26 (Air Resources) of the Health and Safety Code of the State of California or of these Rules and Regulations. This Rule shall not apply to cases in which the only violation involved is of Section 41700 of the Health and Safety Code of the State of California, or of District Rule 303. [Re: District Rule 301]

- B.2 **Visible Emissions (Rule 302).** Imerys shall not discharge into the atmosphere from any single source of emission any air contaminants for a period or periods aggregating more than three minutes in anyone hour which is:
- (a) As dark or darker in shade as that designated as No. I on the Ringelmann Chart, as published by the United States Bureau of Mines, or
 - (b) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subsection B.2.(a) above.

Compliance shall be determined by visible emission evaluations by certified observers. All visible emission observations and inspections sheets and records shall be maintained consistent with the recordkeeping condition of this permit. [Ref: District Rule 302].

- B.3 **Nuisance (Rule 303).** No pollutant emissions from any source at Imerys shall create nuisance conditions. No operations shall endanger health, safety or comfort, nor shall they damage any property or business. [Re: District Rule 303]
- B.4 **PM Concentration - Northern Zone (Rule 304).** Imerys shall not discharge into the atmosphere, from any source, particulate matter in excess of 0.3 grain per cubic foot of gas at standard conditions. [Re: District Rule 304]
- B.5 **Dust and Fumes - North Zone (Rule 306).** Imerys shall not discharge into the atmosphere, from any source, particulate matter in excess of the concentrations listed in Table 306 (a) of Rule 306. [Re: District Rule 306]
- B.6 **Specific Contaminants (Rule 309).** Imerys shall not discharge into the atmosphere from any single source, sulfur compounds or combustion contaminants in excess of the applicable standards listed in Sections A and E of Rule 309. [Re: District Rule 309].
- B.7 **B.7 Sulfur Content of Fuels (Rule 311).** Imerys shall not burn fuels with a sulfur content in excess of 0.5% (by weight) for liquid fuels and 796 ppmvd or 50 gr/100 scf (calculated as H₂S) for gaseous fuel. [Re: District Rule 311] Imerys shall demonstrate compliance and maintain records for the different fuel types as follows:
- (a) Fuel oil #6; The permittee shall comply with (i) or (ii)
 - (i) For each calendar year in which, #6 fuel oil was used, Imerys shall obtain the total sulfur content of the liquid fuel measured in accordance with ASTM D-2622, D-

- 129, D-1552 or an equivalent reference method which has been previously approved, in writing, by the District
- (ii) Imerys shall maintain written documentation of the total sulfur content of the fuel on a per shipment or quarterly basis. Such documentation shall consist of at least one of the following: vendor certification, vendor bill of lading, vendor laboratory analysis, or equivalent reference testing results which have prior written District approval.
- (b) Diesel oil and gasoline; The permittee shall comply with (i) or (ii)
- (i) Annually, Imerys shall obtain measurements of the total sulfur content of the liquid fuel in accordance with ASTM D-2622, D-129, D-1552 or an equivalent reference method which has been previously approved, in writing, by the District.
 - (ii) Imerys shall maintain written documentation of the total sulfur content of the fuel on a per shipment basis or quarterly basis. Such documentation shall consist of at least one of the following: vendor certification, vendor bill of lading, vendor laboratory analysis, or equivalent reference testing results which have prior written District approval.
- (c) Natural gas: Imerys shall maintain billing records or other data showing that the fuel gas is obtained from a natural gas utility. These records shall be obtained at least annually.
[Re: District Rule 311J]
- B.8 **Organic Solvents (Rule 317)**. Imerys shall comply with the emission standards listed in Section B of Rule 317. *[Re: District Rule 317]*
- B.9 **Solvent Cleaning Operations (Rule 321)**. Imerys shall comply with the operating requirements of this rule when performing solvent cleaning operations unless relieved by rule exemption. *[Re: District Rule 321]*
- B.10 **Metal Surface Coating Thinner and Reducer (Rule 322)**. The use of photochemically reactive solvents as thinners or reducers in metal surface coatings is prohibited. *[Re: District Rule 322]*
- B.11 **Architectural Coatings (Rule 323)**. Imerys shall comply with the coating ROC content and handling standards listed in Section D of Rule 323 as well as the Administrative requirements listed in Section F of Rule 323. *[Re: District Rules 323]*
- B.12 **Disposal and Evaporation of Solvents (Rule 324)**. Imerys shall not dispose through atmospheric evaporation of more than one and a half gallons of any photochemically reactive solvent per day. *[Re: District Rule 324]*

- B.13 **Motor Vehicle and Mobile Equipment Coating Operations (Rule 339).** Imerys shall comply with the requirements of this rule when performing coating operations unless relieved by rule exemption. [Re: District Rule 339]
- B.14 **CARB Registered Portable Equipment.** State registered portable equipment shall comply with State registration requirements. A copy of the State registration shall be readily available whenever the equipment is at the facility. [Re: District Rule 202]
- B.15 **Rule 360 Compliance.** Any boiler or hot water heater rated at or less than 2.000 MMBtu/hr and manufactured after October 17, 2003 shall be certified per the provisions of Rule 360. An ATC/PTO permit shall be obtained prior to installation of any grouping of Rule 360 applicable boilers or hot water heaters whose combined system design heat input rating exceeds 2.000 MMBtu/hr [Ref District Rule 360]

9.C Equipment Specific Conditions

The following conditions amend the Part 70 Operating Permit for this facility. The remaining conditions of the Part 70 Operating Permit remain in full force and effect.

- C.3 **Combustion Equipment –Silicates Dryers External Combustion Units.** The following equipment is included in this emissions unit category:

Device Name	Imerys ID	District Device ID
<i>Combustion Equipment</i>		
Silicates Conveyor Dryer	SPCD	143
Silicates Flash Dryer	SPFD	140

- (a) **Emissions Limitations.** The mass emissions from the equipment permitted herein shall not exceed the limits listed in Tables 5.3 and 5.4 of this permit. Compliance shall be based on the operational, monitoring, recordkeeping and reporting conditions of this permit.

- (b) **Operating Restrictions.** The equipment permitted herein is subject to the following operational restrictions.
- (i) **Heat Input Limits – Low Use Limit.** After December 31, 2023, the hourly, daily, and annual heat input limits for the Silicates Conveyor Dryer (DID# 000143) and Silicates Flash Dryer (DID# 000140) shall not exceed the values listed in Table 5.1. Notwithstanding the above, exceeding the quarterly or annual heat input limits shall not be considered a violation of the permit if the requirements of Condition 9.C.3(b)(ii) are implemented following the exceedance. Unless otherwise designated by the District, the following fuel heat content shall be used for determining compliance:
- Natural Gas = 1,050 Btu/scf.
- (ii) **Low-Use Limit Exceedance.** If the quarterly or annual heat input thresholds for the Silicates Conveyor Dryer (DID# 000143) or the Silicates Flash Dryer (DID# 000140) are exceeded in any calendar month, Imerys shall notify the District of the exceedance and submit an ATC application to implement BARCT requirements, as defined in the District’s Board-approved *Assembly Bill 617 BARCT Analysis for Miscellaneous Combustion Units*, for the unit that exceeded the threshold no later than 30 days after the end of the calendar month during which the threshold was exceeded. The affected equipment shall demonstrate compliance with BARCT standards no later than 18 months after the end of the calendar month during which the threshold was exceeded.
- (iii) There shall be no visible emissions when the Silicate Conveyor Dryer exhaust stream is re-routed to atmosphere.
- (c) **Monitoring.** The equipment permitted herein is subject to the following monitoring requirements.
- (i) **Burner Adjustment.** Imerys shall biennially clean and adjust the burners of the Silicates Conveyor Dryer (Device No 143), and the Silicates Flash Dryer (140). [Ref: 40 CFR 70.6]

- (ii) *Source Testing* - Imerys shall perform biennial source testing of air emissions and process parameters listed in Table 9.11 (Source Test Requirements) for the Silicates Conveyor Dryer (Device No 143). This unit shall be the first unit tested in Group 1 of Table 9.9. One zone (stack) must be tested; the zone to be tested and the method used to determine compliance with permitted emission limits shall be included in the source test plan for approval by the District. *[Ref: 40 CFR 70.6]*

- (iii) *Exhaust Stream Re-routing*. Each instance the Silicate Conveyor Dryer exhaust stream is re-routed to atmosphere Imerys shall:
 - (1) Conduct a USEPA Method 22 observation during equipment operations within 24 hours of exhaust re-routing. The Method 22 readings shall be a minimum of six minutes. If visible emissions are detected Imerys shall take corrective action to eliminate the emissions and record the action(s) taken in response to the visible emissions. *[ATC 14488]*

 - (2) Notify the District within three working days of exhaust re-routing and provide the Method 22 results with the notification. *[ATC 14488]*

- (iv) Fuel Gas Usage Metering. After December 31, 2023, the volume of fuel gas used (in units of standard cubic feet) in the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140) shall be measured using separate dedicated District-approved calibrated non-resettable totalizing fuel meters for each unit as described in the District approved *AB617 Fuel Use Monitoring Plan*. The gas meter shall be temperature and pressure corrected. The fuel meters shall be accurate to within five percent (5%) of the full-scale reading. The meter shall be calibrated according to the manufacturer's specifications and the calibration records shall be made available to the District upon request.

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- (d) **Recordkeeping.** Imerys shall maintain the following records for the Silicates Conveyor Dryer (Device No 143), and the Silicates Flash Dryer (Device No 140)
- (i) *Burner Maintenance* - Imerys shall record the dates that burners are cleaned and/or adjusted.
 - (ii) *Fuel Sulfur Content* - Imerys shall maintain the documentation required by Condition 9.B.7 for fuels. [Ref: 40 CFR 70.6].
 - (iii) *Silicate Conveyor Dryer Exhaust Stream Re-Routing* - Imerys shall record the following readings obtained by the USEPA Method 22 inspections: the date and time of reading, name of reader, equipment item and whether fugitive emissions were observed, and if visible emissions were observed the corrective actions taken. [ATC 14488]
 - (iv) Fuel Volumes After December 31, 2023, the volume of fuel gas used each calendar month (in units of standard cubic feet) in the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140) and the number of days in each month that the units operated shall be recorded. The fuel use data shall also be summarized for each calendar year.
 - (v) Monthly Heat Input Records – Low Use Threshold. At the end of each calendar month starting with January 2024, Imerys shall calculate and record the monthly heat input to the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140) using the monthly fuel use records for each unit and the heat content of the gas as specified in Condition 9.C.3(b)(i). Each monthly record shall include the cumulative total heat input to each unit since January 1st of the reporting year to ensure the units did not exceed the quarterly or annual heat input low use limits during the month. The record shall also clearly state whether each unit remains in compliance with the low-use threshold.
- (e) Reporting: On a semi-annual basis, a report detailing the previous six month's activities shall be provided to the District. The report must list all the data required by condition 9.C.15 of this permit (*Semi-Annual Monitoring/Compliance Verification Reports*. [Ref: *District Rules 311.C and 1303, 40 CFR 70.6*]

C.15 **Semi-Annual Monitoring/Compliance Verification Reports.** Imerys shall submit a report to the District every six months to verify compliance with the emission limits and other requirements of section C. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1 and March 1, respectively, each year, and shall be submitted in hard copy and in an electronic (e.g., PDF) and computer searchable format approved by the District. All records and other supporting information not included in the report shall be available to the District upon request. “Supporting information” includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all logs and reports required by the permit. The second report shall include a summary of quarterly values for the half year being reported along with the yearly total for any reporting item below that requires a value or a sum over a year. The report shall include the following information:

- (c) *Combustion Equipment –Silicates Dryer External Combustion Units*
- (i) *Burner Maintenance* - Imerys shall record the dates that burners are cleaned and/or adjusted.
 - (ii) *Fuel Sulfur Content* - Imerys shall maintain the documentation required by 9.B.7 for fuel oil.
 - (iii) *Silicate Conveyor Dryer Exhaust Stream Re-Routing* - Imerys shall record the following readings obtained by the USEPA Method 22 inspections: the date and time of reading, name of reader, equipment item and whether fugitive emissions were observed, and if visible emissions were observed the corrective actions taken.
 - (iv) Fuel Volumes The volume of fuel gas used each calendar month (in units of standard cubic feet) in the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140) and the number of days in each month that the units operated shall be reported. The fuel use data shall also be totaled for the year.
 - (v) Monthly Heat Input Records – Low Use Threshold. Imerys shall submit the monthly heat input records for the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140) required to be maintained by Condition 9.C.3(d)(v).

- C.17 **AB617 - Fuel Use Monitoring Plan.** Within 60 days of issuance of PTO-Mod 5840-13, but no later than December 31, 2023, Imerys shall submit for review and obtain approval of a AB617 Fuel Use Monitoring Plan for the Silicates Conveyor Dryer (DID# 000143) and the Silicates Flash Dryer (DID# 000140). The plan shall detail how fuel metering for each unit will occur, the make/model of the fuel meter and any associated pressure/temperature corrector, calibration requirements and operator recordkeeping/reporting procedures to ensure any exceedance of the low-use limits is identified in accordance with the requirements of Condition 9.C.3(b)(ii).

9.D District-Only Conditions

The following section lists permit conditions that are not enforceable by the USEPA or the public. However, these conditions are enforceable by the District and the State of California. These conditions are issued pursuant to District Rule 206 (*Conditional Approval of Authority to Construct or Permit to Operate*), which states that the Control Officer may issue an operating permit subject to specified conditions. Permit conditions have been determined as being necessary for this permit to ensure that operation of the facility complies with all applicable local and state air quality rules, regulations and laws. Failure to comply with any condition specified pursuant to the provisions of Rule 206 shall be a violation of that rule, this permit, as well as any applicable section of the California Health & Safety Code.

- D.7 **Permit Activation.** All aspects of this permit are enforceable by the District and the State of California upon the issuance date stamped below. The Part 70 aspects of this permit are not final until:
- (a) The USEPA has provided written comments to the District and these comments require no modification to this permit. The District will issue a letter stating that this permit is a final Part 70 permit. The effective date that this permit will be considered a final Part 70 permit will be the date stamped on the District's letter.
 - (b) After the USEPA has provided the District written comments that require a modification to this permit, the District will modify this permit to address the USEPA's comments and issue the Part 70 permit as final. The re-issued permit will supersede this permit in its entirety.

Permit to Operate 05840 - 13

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AIR POLLUTION CONTROL OFFICER

October 5, 2023

DATE

Attachments:

- Table 5.1 – Operating Equipment Description
- Table 5.2 – Equipment Emission Factors
- Table 5.3 – Short Term Emissions
- Table 5.4 – Long Term Emissions
- Permit Equipment List(s)
- Permit Evaluation for Permit to Operate 05840 - 13

Notes:

- Stationary sources are subject to an annual emission fee (see Fee Schedule B-3 of Rule 210).
- Annual reports are due by March 1st of each year.

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TABLE 5.1 - Operating Equipment Description
Part 70/District PTO-Mod 5840-13
Imerys Corporation - Lompoc Plant

Equipment Description			Equipment Specification			Operating Limitations						Fuel Properties			
Equipment Item	Process Line	Fuel	District DeviceNo	Size	Units	On-line			Heat Input Fuel Limits (MMBtu)			HHV ⁹³	Total Sulfur		
						(hr/day)	(hr/qr)	(hr/yr)	(per day)	(per qr)	(per yr)				
Silicates Conveyor Dryer			143	45	MMBtu/hr	24	2190	8760	1,080	27,000	27,000	1,050	Btu/scf	797.00	ppmv S
Silicates Flash Dryer			140	17.5	MMBtu/hr	24	2190	8760	420	9,000	9,000	1,050	Btu/scf	797.00	ppmv S

TABLE 5.2 - Equipment Emission Factors Federally Enforceable
Part 70/District PTO-Mod 5840-13
Imerys Corporation - Lompoc Plant

Equipment Description			Emission Factors									References
Equipment Item	Process Line	District DeviceNo	NOx	ROC	CO	SOx	PM	PM10	PM2.5	GHG	Units	
Silicates Conveyor Dryer		143	140	--	--	0.128	--	--	--	117.00	See Reference	District PGD No 1., NOx (lb/hr) SOx (lb/MMBtu)
Silicates Flash Dryer		140	140	--	--	0.128	--	--	--	117.00	See Reference	District PGD No 1., NOx (lb/hr) SOx (lb/MMBtu)

TABLE 5.3 - Short Term Emissions
Part 70/District PTO-Mod 5840-13
Imerys Corporation - Lompoc Plant

Equipment Description			NOx		ROC		CO		SOx		PM		PM10		PM2.5		GHG		Federal Enforceability
Equipment Item	Process Line	District DeviceNo	lb/hr	lb/day	lb/hr	lb/day	lb/hr	lb/day	lb/hr	lb/day	lb/hr	lb/day	lb/hr	lb/day	lb/hr	lb/day	lb/hr	lb/day	
Silicates Conveyor Dryer		143	140.0	3,360.0	--	--	--	--	5.76	138.24	--	--	--	--	--	--	5,265.00	126,360	FE
Silicates Flash Dryer		140	140.0	3,360.0	--	--	--	--	2.24	53.76	--	--	--	--	--	--	2,047.50	49,140	FE

TABLE 5.4 - Long Term Emissions
Part 70/District PTO-Mod 5840-13
Imerys Corporation - Lompoc Plant

Equipment Description			NOx		ROC		CO		SOx		PM		PM10		PM2.5		GHG		Federal Enforceability
Equipment Item	Process Line	District DeviceNo	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	TPQ	TPY	
Silicates Conveyor Dryer		143	153,300	613,200	--	--	--	--	6,307	25,229	--	--	--	--	--	--	5,765	23,061	FE
Silicates Flash Dryer		140	153,300	613,200	--	--	--	--	2,453	9,811	--	--	--	--	--	--	2,242	8,968	FE

Equipment List for Permit to Operate 05840 - 13

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A PERMITTED EQUIPMENT

1 Silicates Flash Dryer (SPFD)

<i>Device ID #</i>	000140	<i>Device Name</i>	Silicates Flash Dryer (SPFD)
<i>Rated Heat Input</i>	17.500 MMBtu/Hour	<i>Physical Size</i>	
<i>Manufacturer</i>		<i>Operator ID</i>	SPFD
<i>Model</i>		<i>Serial Number</i>	APCD ID 2-4
<i>Location Note</i>			
<i>Device Description</i>	PUC gas fired.		

2 Silicates Conveyor Dryer (SPCD)

<i>Device ID #</i>	000143	<i>Device Name</i>	Silicates Conveyor Dryer (SPCD)
<i>Rated Heat Input</i>	45.000 MMBtu/Hour	<i>Physical Size</i>	
<i>Manufacturer</i>		<i>Operator ID</i>	SPCD
<i>Model</i>		<i>Serial Number</i>	
<i>Location Note</i>			
<i>Device Description</i>	PUC gas fired.		



air pollution control district
SANTA BARBARA COUNTY

PERMIT EVALUATION FOR
PERMIT TO OPERATE 05840 - 13

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1.0 BACKGROUND

- 1.1 General: Imerys mines and processes diatomaceous earth (DE) at its Lompoc Plant. Imerys operates multiple product lines each with “wet end” and “dry end” processing. Wet diatomaceous earth crude is surface mined, crushed, milled, and dried and/or calcined at high temperatures. The dried product is classified into a variety of grades and bagged, or bulk loaded for shipment to distributors and customers. The Imerys Facility ID is 0012 and the Stationary Source ID is 1735.

The application for PTO/PT-70 Minor Mod 5840-13 was submitted by Imerys on August 2, 2023, and deemed complete by the District on August 8, 2023.

- 1.2 Project Description: California Assembly Bill 617 (AB 617), enacted in July 2017, has a multitude of requirements to address the disproportionate impacts of air pollution in environmental justice communities. One of the key components of AB 617 is to reduce air pollutant emissions from large facilities that participate in the California Greenhouse Gas (GHG) Cap-and-Trade system such as Imerys. The miscellaneous combustion units at Imerys, specifically the Silicates Conveyor Dryer and Silicates Flash Dryer, are subject to the Best Available Retrofit Control Technology (BARCT) requirements of AB 617. While the units have historically been permitted to operate at their maximum capacity, actual operating loads of the units have decreased significantly in recent years. As a result, the District determined that based on the actual operating loads of the units, it was not cost effective to meet the BARCT requirements at these operating levels. In order to maintain compliance with AB617, this permit enforces low use operating limits for each unit to ensure they maintain operations below the threshold where retrofitting the units to comply with BARCT was not cost effective as detailed in the District’s Board approved *BARCT Analysis for Miscellaneous Combustion Units*. Specifically, this permit sets the following requirements and restrictions:

- Operate both the Silicates Conveyor Dryer and Silicates Flash Dryer burners below the low use threshold of 90,000 Therms per burner. As the Silicates Conveyor Dryer has three burners and Silicates Flash Dryer only has one burner, this low-use threshold translates to the following quarterly and annual heat input limits for each unit (1 Therm = 0.100 MMBtu):
 - a. Silicates Conveyor Dryer Low Use Limits = 27,000 MMBtu/per quarter or year
 - b. Silicates Flash Dryer Low Use Limit = 9,000 MMBtu/per quarter or year.

PERMIT EVALUATION FOR
PERMIT TO OPERATE 05840 - 13

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- Requirement to install pressure and temperature corrected fuel meters and record the totalized heat input to each unit to ensure their operating loads do not exceed the low use threshold each calendar month.
- Requirement that if the low-use threshold is exceeded, Imerys must submit an ATC application within 30 days of the end of the calendar month where the exceedance occurred and demonstrate compliance with BARCT standards no later than 18 months after the end of the calendar month during which the threshold was exceeded.

2.0 ENGINEERING ANALYSIS

- 2.1 Equipment/Processes: In order to meet the AB 617 BARCT requirements, Imerys submitted the application for PTO-Mod 5840-13 to implement low-use thresholds for the Silicates Conveyor Dryer and the Silicates Flash Dryer. See PT-70 PTO 5840-R6 for a full description of the units and their operations.
- 2.2 Emission Controls: The Silicates Conveyor Dryer and Silicates Flash Dryer are uncontrolled for NO_x.
- 2.3 Emission Factors: This permit does not authorize a change in the emission factors for each unit. The existing emission factors listed in PT-70 PTO 5840-R6 apply.
- 2.4 Reasonable Worst Case Emission Scenario: This permit sets low-use quarterly and annual heat input limits for each unit which are enforceable using pressure and temperature corrected fuel meters.
- 2.5 Emission Calculations: Tables 5.3 and 5.4 define the worst-case short term and long-term emissions from the Silicates Conveyor Dryer and Silicates Flash Dryer at Imerys.
- 2.6 Special Calculations: There are no special calculations.
- 2.7 BACT Analyses: Best Available Control Technology was not required for this project. This project is not subject to NSR.
- 2.8 Enforceable Operational Limits: The permit has enforceable operating conditions that ensure the equipment is operated properly. Specifically, this permit modification sets quarterly and annual low-use operating limits for the Silicates Conveyor Dryer and Silicates Flash Dryer at Imerys. An exceedance of the low-use threshold for either unit will subject the unit to BARCT requirements and a BARCT implementation schedule.

PERMIT EVALUATION FOR
PERMIT TO OPERATE 05840 - 13

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- 2.9 Monitoring Requirements: Monitoring of the equipment's operational limits are required to ensure that these are enforceable. The permit requires that Imerys install pressure and temperature corrected totalizing fuel meters on each unit and monitor each units heat input to ensure they remain below the low-use threshold.
- 2.10 Recordkeeping and Reporting Requirements: The permit requires that the data which is monitored be recorded and reported to the District. Imerys must maintain monthly records of each units heat input using fuel use records since the start of each calendar year to ensure the units do not exceed the low-use threshold.

3.0 REEVALUATION REVIEW (not applicable)

4.0 REGULATORY REVIEW

4.1 Partial List of Applicable Rules:

Rule 201.	Permits Required
Rule 202.	Exemptions to Rule 201
Rule 205.	Standards for Granting Permits
Rule 301.	Circumvention
Rule 302.	Visible Emissions
Rule 303.	Nuisance
Rule 801.	New Source Review- Definitions and General Requirements
Rule 802.	New Source Review
Rule 809.	Federal Minor Source New Source Review
Rule 810.	Federal Prevention of Significant Deterioration

4.2 Rules Requiring Review: None.

5.0 AQIA

The project is not subject to the Air Quality Impact Analysis requirements of Regulation VIII.

6.0 OFFSETS/ERCs

- 6.1 Offsets: The Imerys stationary source potential to emit exceeds the Rule 802 emission offset threshold for ROC, NOx, SOx, PM and PM10. This project does not authorize an increase in permitted emissions, as a result, offset requirements are not triggered.
- 6.2 ERCs: See PT-70 PTO 5840-R6 for a full list of ERCs generated at the Stationary Source.

PERMIT EVALUATION FOR
PERMIT TO OPERATE 05840 - 13

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7.0 AIR TOXICS

An air toxics health risk assessment was not required for this permitting action.

8.0 CEQA / LEAD AGENCY

This project is exempt from CEQA pursuant to the Environmental Review Guidelines for the Santa Barbara County Air Pollution Control District (revised April 30, 2015). Appendix A (District Projects Exempt from CEQA and Equipment or Operations Exempt from CEQA) provides an exemption specifically for projects undertaken for the sole purpose of bringing an existing source into compliance with newly adopted regulatory requirements of the APCD or any other local, state or federal agency. No further action is necessary.

9.0 SCHOOL NOTIFICATION

A school notice pursuant to the requirements of Health and Safety Code Section 42301.6 was not required.

10.0 PUBLIC and AGENCY NOTIFICATION PROCESS/COMMENTS ON DRAFT PERMIT

10.1 This project was not subject to public notice.

10.2 The source had no draft comments.

11.0 FEE DETERMINATION

Fees for this permit are assessed under the cost reimbursement provisions of Rule 210.

12.0 RECOMMENDATION

It is recommended that this permit be granted with the conditions as specified in the permit.

<u>William Sarraf</u>	<u>9/21/2023</u>	<u></u>	<u>10/3/2023</u>
AQ Engineer/Technician	Date	Supervisor	Date

ATTACHMENT C

District Board Resolution for
Assembly Bill 617 – Miscellaneous Combustion Units

October 19, 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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IN THE MATTER OF
ASSEMBLY BILL 617 –
MISCELLANEOUS COMBUSTION UNITS

APCD RESOLUTION NO. _____

RECITALS

WHEREAS, Santa Barbara County is designated nonattainment for the state ozone standard and nonattainment for the state standard for particulate matter less than 10 microns in diameter (PM₁₀).

WHEREAS, California Health and Safety Code Section 40920.6, as amended by California Assembly Bill 617 (2017), requires each California air district that is nonattainment for one or more air pollutants to adopt an expedited schedule for the implementation of Best Available Retrofit Control Technology (BARCT) on or before January 1, 2019, and the schedule must provide for the implementation of BARCT by the earliest feasible date, but in any event, not later than December 31, 2023; and

WHEREAS, the Assembly Bill 617 BARCT Rule Development Schedule, as adopted by the Board on December 20, 2018, included a commitment to conduct rulemaking procedures in order to evaluate and implement BARCT at the six industrial facilities in Santa Barbara County that were subject to the California Greenhouse Gas Cap-and-Trade Regulation as of January 1, 2017.

WHEREAS, a new rule for Miscellaneous Combustion Units was included as a measure to be evaluated on the Assembly Bill 617 BARCT Rule Development Schedule.

WHEREAS, only one facility within the District’s jurisdiction currently has equipment that would be subject to the new rule for Miscellaneous Combustion Units.

WHEREAS, District staff performed a detailed analysis of available control technologies and the expected costs to fully meet all BARCT requirements being evaluated under the new rule for Miscellaneous Combustion Units.

WHEREAS, the affected Assembly Bill 617 Industrial Facility that would be subject to the new rule has voluntarily submitted an application to modify its Permit to Operate to incorporate a low-use threshold for each applicable device subject to the BARCT assessment for

Miscellaneous Combustion Units, resulting in enforceable conditions that ensure cost-effective emission reductions.

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

1. Based on the information recited above, adopting a new rule for Miscellaneous Combustion Units is no longer necessary to satisfy the AB 617 BARCT requirements.
2. This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project pursuant to CEQA Guidelines section 15378(b)(5).

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PASSED, APPROVED AND ADOPTED by the Air Pollution Control District Board of the Santa Barbara County, State of California, this ___ day of _____, _____, 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 Counsel

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Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

CONTACT: Dave Broggie, Air Quality Specialist, Planning Division, (805) 979-8332

SUBJECT: 2022 Annual Air Quality Report

RECOMMENDATION:

Receive and file a presentation and attached 2022 Annual Air Quality Report for Santa Barbara County.

BACKGROUND:

In 2022, the District operated a network of 12 ambient air quality and meteorological monitoring stations throughout Santa Barbara County. These stations are designed to measure concentrations of the following pollutants: ozone, nitrogen dioxide, sulfur dioxide, carbon monoxide, particulate matter less than 10 microns in diameter (PM₁₀) and particulate matter less than 2.5 microns in diameter (PM_{2.5}). Wind speed, wind direction, and ambient temperature are also measured at most stations. Each year, the District prepares an annual air quality report after all of the air quality data has been reviewed and verified.

DISCUSSION:

The United States Environmental Protection Agency (EPA) has established national ambient air quality standards (NAAQS) for certain air pollutants where public health criteria have been established. The EPA currently has NAAQS established for six pollutants: ozone, nitrogen dioxide, carbon monoxide, sulfur dioxide, lead, and particulate matter.

The California Air Resources Board (CARB) has established air quality standards for the same criteria pollutants as the NAAQS. The state standards are either the same or more restrictive than the federal standards. CARB has also adopted standards for four additional pollutants: sulfates, hydrogen sulfide, vinyl chloride, and visibility reducing particles.

In 2022, the state 24-hour PM10 standard of 50 $\mu\text{g}/\text{m}^3$ was exceeded seven times in total, between four different stations: Santa Maria, Lompoc H Street, Santa Barbara, and Goleta. It should be noted that the Santa Maria station was relocated during 2022 and only sampled during the fourth quarter. If this station had been sampling during the rest of the year, there may have been more exceedances of the particulate matter standards. In 2022, there were no exceedances countywide of the state and federal 8-hour ozone standard of 70 ppb; as a result, 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. The state and federal ambient air quality standards were met for all other air pollutants in 2022.

The attached 2022 Annual Air Quality Report provides a brief discussion of our local air quality during 2022. The report summarizes the four highest concentrations for each pollutant at each monitoring station. Included in the report are maps and tables showing the locations of each monitoring station and the pollutants measured. The report also includes a discussion of long-term air quality trends for Santa Barbara County. The presentation to your Board will summarize the 2022 Annual Air Quality Report.

ATTACHMENT:

- A. 2022 Annual Air Quality Report

ATTACHMENT A

2022 Annual Air Quality Report

October 19, 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

Annual Air Quality Report

2022

Aeron Arlin Genet, Air Pollution Control Officer

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 260 N. San Antonio Rd., Ste. A Santa Barbara, CA 93110

 ourair.org

  @OurAirSBC

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SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

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

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Santa Barbara County Board of Supervisors

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Santa Barbara County Board of Supervisors

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Mayor Al Clark

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City of Carpinteria

Mayor Paula Perotte

Alternate – Mayor Pro Tem Kyle Richards

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Mayor Mark Infanti

Alternate – Councilmember Claudio Orona

City of Solvang

1 2022 AIR QUALITY SUMMARY

This annual report provides information on the measured air quality concentrations in Santa Barbara County for 2022, as well as information on air quality trends. The report is available for download on the District’s website at www.ourair.org/air-monitoring.

- Section 1 provides a summary of the air quality in 2022.
- Air quality standards and monitoring station locations are discussed in Section 2.
- Detailed air quality data for 2022 are provided in Section 3 for gaseous pollutants, and Section 4 for particulate matter.
- Section 5 includes a discussion of air quality trends.

In 2022, the state 24-hour PM₁₀ standard of 50 µg/m³ was exceeded seven times in total at four different stations. It should be noted that the Santa Maria station was relocated during 2022 and only sampled during the fourth quarter. If this station had been sampling during the rest of the year, there may have been more exceedances of the particulate matter standards. In 2022, there were no exceedances countywide of the state and federal 8-hour ozone standard of 70 ppb; as a result, 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. The state and federal ambient air quality standards were met for all other measured pollutants.

Table 1-1 presents a summary of the number of exceedances for each monitoring station in Santa Barbara County. A tabular summary of the federal and state ambient air quality standards is included in Appendix A.

TABLE 1-1: SANTA BARBARA COUNTY EXCEEDANCE SUMMARY FOR 2022¹

Station	Number of Days that Exceeded Air Quality Standard								
	O ₃ -1hr (state)	O ₃ -8hr (state)	O ₃ -8hr (federal)	NO ₂	SO ₂	CO	PM ₁₀ (state)	PM ₁₀ (federal)	PM _{2.5} (federal)
Carpinteria	0	0	0	0	-	-	-	-	-
Goleta	0	0	0	-	-	-	1	0	0
Las Flores Canyon	0	0	0	0	0	0	0	0	-
Lompoc H Street	0	0	0	0	0	0	1	0	0
Lompoc North	0	0	0	0	0	-	-	-	-
Paradise	0	0	0	0	-	-	-	-	-
Santa Barbara	0	0	0	-	-	-	4	0	0
Santa Maria ²	0	0	0	-	-	-	3	0	0
Santa Ynez	0	0	0	-	-	-	-	-	-
Countywide Total	0	0	0	0	0	0	7	0	0

¹ A dash indicates that the pollutant is not measured at this location.

² Sampled Q4 only.

2 AMBIENT AIR QUALITY STANDARDS AND AIR MONITORING STATIONS

Ambient Air Quality Standards

The Federal Clean Air Act (CAA) (Title 1, Section 109) requires the Environmental Protection Agency (EPA) to prescribe primary national ambient air quality standards (NAAQS) for certain air pollutants where public health criteria have been established. These pollutant levels were chosen to protect the health of the most susceptible individuals in a population, including children, the elderly, and those with chronic respiratory ailments. A secondary standard is also prescribed to protect human welfare (visibility, crop damage, building damage). These pollutants are known as criteria pollutants.

The EPA currently has NAAQS for six criteria pollutants: ozone (O₃), nitrogen dioxide (NO₂), carbon monoxide (CO), sulfur dioxide (SO₂), lead (Pb), particulate matter less than ten microns in diameter (PM₁₀) and fine particulate matter less than 2.5 microns in diameter (PM_{2.5}).

In addition to the EPA standards, the California Air Resources Board (CARB) has set air quality standards for the same federal criteria pollutants as well as four others: sulfates, hydrogen sulfide (H₂S), vinyl chloride (chloroethene, C₂H₃Cl), and visibility-reducing particles.

A list of the federal and state standards applicable in 2022 can be found in Appendix A. During 2022, there were no changes to federal or state ambient air quality standards.

Air Monitoring Stations

In 2022, there were 12 monitoring stations operating in Santa Barbara County measuring ambient air and meteorological conditions. Two of the twelve stations measured odors from industrial facilities. Eight were operated by the Santa Barbara County Air Pollution Control District (District). The remaining stations were operated by private industry. The monitoring stations are divided into two categories: State and Local Air Monitoring Stations (SLAMS) and Industrial monitoring stations. The SLAMS stations are designed to monitor the air in the urban areas of the county while the Industrial stations are required by facility permits to monitor air quality impacts from the operation of those facilities. While Industrial stations are typically not compared to air quality standards, three in our network have their ozone monitors designated as SLAMS and are compared to the NAAQS. Figure 2-1 shows the locations of all monitoring stations in Santa Barbara County operating in 2022. Table 2-1 lists the monitoring stations operating in Santa Barbara County during 2022, the pollutants and parameters measured at each station, and their designations.

FIGURE 2-1: 2022 SANTA BARBARA COUNTY AIR MONITORING STATIONS



TABLE 2-1: MONITORING STATION PARAMETER LIST FOR 2022

Station	O ₃	NO ₂	SO ₂	CO	THC	H ₂ S	TRS	PM ₁₀	PM _{2.5}	WS	WD	ATM
Carpinteria	X	X								X	X	X
Goleta	X							X	X	X	X	X
Las Flores Canyon	X	X	X	X	X			X		X	X	X
Las Flores Canyon Odor						X				X	X	X
Lompoc H Street	X	X	X	X				X	X	X	X	X
Lompoc North	X	X	X		X					X	X	X
Lompoc Odor						X	X			X	X	X
Paradise Road	X	X								X	X	X
Santa Barbara	X							X	X	X	X	X
Santa Maria*	X							X	X	X	X	X
Santa Ynez	X											
West Campus			X		X	X	X			X	X	
SLAMS Monitors						Non-NAAQS Monitors						

*	Q4 Only	THC	Total Hydrocarbons
WS	Wind Speed	TRS	Total Reduced Sulfur
WD	Wind Direction	ATM	Ambient Temperature

Monitoring Station Changes During 2022

When operated by CARB, the original location of the Santa Maria monitoring station did not meet EPA siting criteria and ceased operation in Q1 2021 while relocation efforts were underway. The District relocated the station and it returned to operation in the fourth quarter (Q4) of 2022.

Ongoing Changes From 2018

The permit holder responsible for the operation of the Las Flores Canyon Odor site have received District approval to temporarily shut down the site while production at the associated processing plant is not in operation. The site was temporarily shut down in July 2018 and will be required to re-start when production at the associated processing plant resumes.

3 GASEOUS POLLUTANT SUMMARY

Gaseous air quality analyzers are operated in climate-controlled monitoring stations located throughout the county. These analyzers measure air quality 24 hours a day, except when they go through a nightly testing routine where they are challenged with known concentrations of calibration gas to ensure data precision and accuracy. They collect real-time measurements that are used to calculate 1-hour and 8-hour concentrations, as applicable, for comparison to federal and state air quality standards. Ozone was measured at nine stations throughout the county during 2022, NO₂ was measured at five stations, SO₂ was measured at four stations, and CO was measured at two stations.

A summary of the highest gaseous pollutant values measured in Santa Barbara County during 2022 is provided in Tables 3-1 through 3-5. The tables show the four highest concentrations for each pollutant in 2022 and the dates they occurred.

TABLE 3-1: FOUR HIGHEST 1-HOUR O₃ CONCENTRATIONS FOR 2022¹

O ₃ 1-hour (ppb)												
Station	1st	Date	Time	2nd	Date	Time	3rd	Date	Time	4th	Date	Time
Paradise	77	6/21/2022	14:00	74	5/25/2022	14:00	71	6/22/2022	14:00	69	9/23/2022	15:00
Santa Ynez	70	6/21/2022	13:00	65	9/23/2022	15:00	63	6/22/2022	14:00	63	9/3/2022	14:00
Goleta	70	10/20/2022	13:00	62	9/23/2022	13:00	61	9/5/2022	12:00	59	10/19/2022	15:00
Lompoc H Street	67	6/21/2022	12:00	61	4/7/2022	17:00	54	10/19/2022	16:00	52	3/9/2022	17:00
Las Flores Canyon	65	3/24/2022	16:00	65	6/28/2022	16:00	65	9/5/2022	12:00	64	3/23/2022	21:00
Santa Barbara	65	10/20/2022	13:00	63	9/5/2022	12:00	62	3/24/2022	15:00	61	3/3/2022	16:00
Lompoc North	62	9/5/2022	22:00	61	10/19/2022	17:00	61	9/6/2022	9:00	57	9/4/2022	12:00
Santa Maria ²	57	10/19/2022	11:00	52	10/20/2022	13:00	50	10/18/2022	16:00	47	11/25/2022	12:00
Carpinteria	48	9/2/2022	14:00	48	9/5/2022	12:00	48	9/23/2022	12:00	46	4/8/2022	13:00

¹ State Standard = 0.09 ppm (95 ppb)

² Sampled Q4 only

TABLE 3-2: FOUR HIGHEST 8-HOUR O₃ CONCENTRATIONS FOR 2022¹

O ₃ 8-hour (ppb)												
Station	1st	Date	Time	2nd	Date	Time	3rd	Date	Time	4th	Date	Time
Paradise	69	6/21/2022	10:00	68	5/25/2022	11:00	63	9/23/2022	10:00	61	6/28/2022	10:00
Santa Ynez	64	6/21/2022	10:00	59	9/23/2022	10:00	58	5/25/2022	11:00	58	9/3/2022	10:00
Las Flores Canyon	60	3/23/2022	14:00	59	3/24/2022	12:00	59	9/2/2022	11:00	58	9/5/2022	8:00
Goleta	59	10/20/2022	10:00	56	9/5/2022	9:00	54	9/23/2022	9:00	54	10/19/2022	9:00
Santa Barbara	58	9/5/2022	10:00	55	10/20/2022	9:00	54	9/4/2022	9:00	52	4/7/2022	10:00
Lompoc North	58	9/5/2022	19:00	56	10/19/2022	15:00	54	9/4/2022	9:00	54	9/6/2022	7:00
Lompoc H Street	55	4/7/2022	11:00	52	6/21/2022	8:00	49	9/4/2022	11:00	48	3/9/2022	15:00
Santa Maria ²	54	10/19/2022	10:00	43	10/20/2022	9:00	43	11/25/2022	10:00	42	10/29/2022	10:00
Carpinteria	43	9/4/2022	10:00	43	9/5/2022	9:00	43	10/20/2022	10:00	41	9/23/2022	9:00

¹ Federal and State Standard = 0.070 ppm (70 ppb)

² Sampled Q4 only

TABLE 3-3: FOUR HIGHEST 1-HOUR NO₂ CONCENTRATIONS FOR 2022¹

NO ₂ (ppb)												
Station	1st	Date	Time	2nd	Date	Time	3rd	Date	Time	4th	Date	Time
Lompoc H Street	24	2/28/2022	6:00	24	11/20/2022	19:00	22	1/2/2022	21:00	22	11/21/2022	19:00
Carpinteria	16	1/13/2022	15:00	14	1/14/2022	0:00	12	1/11/2022	15:00	12	12/22/2022	13:00
Las Flores Canyon	12	9/7/2022	22:00	9	1/15/2022	0:00	9	9/8/2022	0:00	7	1/13/2022	18:00
Paradise	9	10/27/2022	13:00	8	3/17/2022	8:00	5	1/17/2022	14:00	5	3/3/2022	17:00
Lompoc North	6	1/17/2022	12:00	5	12/10/2022	14:00	4	2/17/2022	7:00	4	11/14/2022	7:00

¹ Federal Standard = 0.100 ppm (100 ppb); State Standard = 0.18 ppm (180 ppb)

TABLE 3-4: FOUR HIGHEST 1-HOUR SO₂ CONCENTRATIONS FOR 2022¹

SO ₂ (ppb)												
Station	1st	Date	Time	2nd	Date	Time	3rd	Date	Time	4th	Date	Time
Lompoc North	5	5/30/2022	7:00	4	4/17/2022	12:00	3	4/7/2022	6:00	2	3/18/2022	9:00
Lompoc H Street	2	1/2/2022	3:00	2	1/3/2022	3:00	2	1/4/2022	3:00	2	1/5/2022	3:00
Las Flores Canyon	1	8/16/2022	3:00	1	9/26/2022	3:00	1	11/1/2022	3:00	1	11/5/2022	3:00
West Campus	1	6/2/2022	9:00	1	5/28/2022	8:00	0	5/29/2022	8:00	0	12/22/2022	9:00

¹ Federal Standard = 0.075 ppm (75 ppb); State Standard = 0.25 ppm (250 ppb)

TABLE 3-5: FOUR HIGHEST 1-HOUR CO CONCENTRATIONS FOR 2022¹

CO (ppm)												
Station	1st	Date	Time	2nd	Date	Time	3rd	Date	Time	4th	Date	Time
Lompoc H Street	0.9	1/6/2022	7:00	0.9	2/3/2022	7:00	0.8	1/2/2022	21:00	0.8	1/4/2022	6:00
Las Flores Canyon	0.6	2/1/2022	13:00	0.6	3/3/2022	10:00	0.5	1/31/2022	12:00	0.5	2/6/2022	12:00

¹ Federal Standard = 35 ppm; State Standard = 20 ppm

4 PARTICULATE MATTER SUMMARY

Five stations collected PM₁₀ data in 2022. The five stations used a PM₁₀ Beta Attenuation Monitor (BAM) sampler that operated 24 hours a day and provided real-time hourly values for ambient PM₁₀ concentrations. Four stations collected PM_{2.5} data using a PM_{2.5} BAM, collecting continuous hourly data. The hourly concentrations are used to calculate daily 24-hour concentrations for comparison with the federal and state air quality standards.

A summary of the highest particulate matter values in Santa Barbara County during 2022 is provided in Tables 4-1 through 4-4. The summaries contain the four highest 24-hour PM concentrations, and the annual averages for each station. The state air quality standards are based on data collected at local conditions (i.e., pressure and temperature measured at the time of the sampling), while the federal standards are based on data corrected to standard conditions (i.e., pressure and temperature corrected to standard conditions at sea level).

TABLE 4-1: FOUR HIGHEST 24-HOUR AVERAGE LOCAL PM₁₀ CONCENTRATIONS FOR 2022¹

Particulate Matter Less Than 10 Microns (µg/m ³)								
Station	1st	Date	2nd	Date	3rd	Date	4th	Date
Santa Maria ²	76	10/23/2022	61	10/30/2022	60	10/24/2022	45	10/4/2022
Santa Barbara	60	3/18/2022	55	4/9/2022	51	4/10/2022	51	9/8/2022
Lompoc	54	4/9/2022	49	5/20/2022	47	4/10/2022	46	9/9/2022
Goleta	51	4/9/2022	46	4/10/2022	40	10/24/2022	39	5/31/2022
LFC1	48	4/10/2022	42	4/9/2022	40	10/24/2022	35	5/18/2022

¹ State 24-Hour Standard = 50 µg/m³ at local conditions

² Sampled Q4 only

TABLE 4-2: FOUR HIGHEST 24-HOUR AVERAGE STANDARD PM₁₀ CONCENTRATIONS FOR 2022¹

Particulate Matter Less Than 10 Microns (µg/m ³)								
Station	1st	Date	2nd	Date	3rd	Date	4th	Date
Santa Maria ²	73	10/23/2022	60	10/30/2022	57	10/24/2022	44	10/4/2022
Santa Barbara	58	3/18/2022	53	4/9/2022	51	9/8/2022	49	4/10/2022
Lompoc	50	4/9/2022	46	5/20/2022	45	9/9/2022	44	4/10/2022
Goleta	49	4/9/2022	43	4/10/2022	38	10/24/2022	37	5/31/2022
LFC1	46	4/10/2022	41	4/9/2022	38	10/24/2022	34	6/15/2022

¹ Federal 24-Hour Standard = 150 µg/m³ at standard conditions

² Sampled Q4 only

TABLE 4-3: FOUR HIGHEST 24-HOUR AVERAGE PM_{2.5} CONCENTRATIONS FOR 2022¹

Particulate Matter Less Than 2.5 Microns (µg/m ³)								
Station	1st	Date	2nd	Date	3rd	Date	4th	Date
Lompoc	21	4/9/2022	17	4/10/2022	16	9/9/2022	16	5/18/2022
Santa Barbara	20	9/1/2022	19	9/8/2022	18	9/3/2022	18	4/9/2022
Goleta	15	4/9/2022	15	4/10/2022	15	9/1/2022	14	9/2/2022
Santa Maria ²	14	10/21/2022	13	11/27/2022	13	11/18/2022	11	11/16/2022

¹ Federal 24-Hour Standard = 35 µg/m³ at local conditions

² Sampled Q4 only

**TABLE 4-4: ANNUAL ARITHMETIC MEAN
PM CONCENTRATIONS FOR 2022^{1,2}**

Particulate Matter ($\mu\text{g}/\text{m}^3$)		
Station	PM₁₀	PM_{2.5}
Santa Barbara	21.7	8.0
Santa Maria ³	21.7	6.7
Goleta	19.6	5.2
Lompoc H Street	17.2	5.6
Las Flores Canyon	15.4	-

¹ State PM₁₀ Annual Arithmetic Mean Standard = 20 $\mu\text{g}/\text{m}^3$ at local conditions

² Federal and State PM_{2.5} Annual Arithmetic Mean Standard = 12 $\mu\text{g}/\text{m}^3$ at local conditions

³ Sampled Q4 only

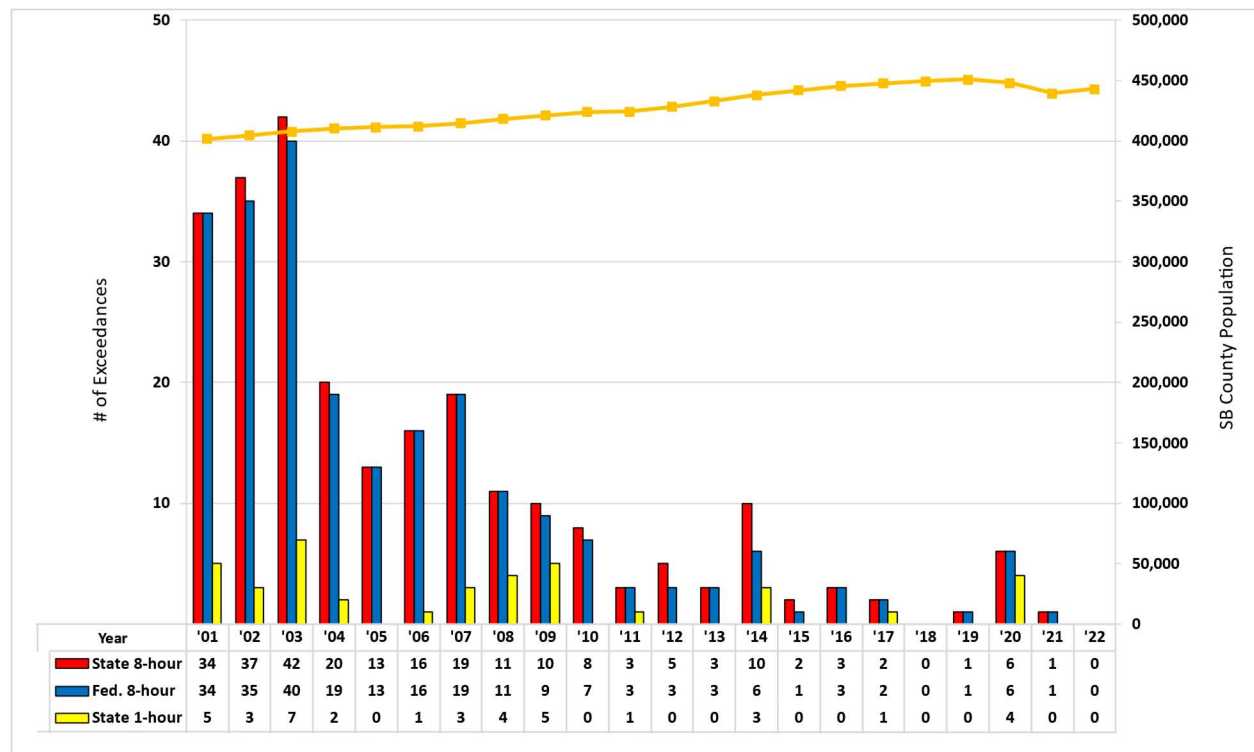
5 AIR QUALITY TRENDS

In 2022, Santa Barbara County generally had good air quality. While the impact of wildfire smoke was still present, historical data shows the progress that has been made. Over time, voluntary and regulatory measures, technology improvements, and better community and transportation planning have led to tremendous improvements in Santa Barbara County’s air quality. This section provides information in several different formats to demonstrate the long-term trends for Santa Barbara County’s air quality.

Number of Days Exceeding Ozone Standards

Figure 5-1 indicates the number of days that the county exceeded the federal and state ozone standard since 2001. The downward trend from 34 days in 2001 to no days in 2022 demonstrates that the combined strategy of stationary and mobile source reductions of ozone precursor pollutants, in the form of both regulatory and voluntary measures, has achieved dramatic improvements in ozone levels. Figure 5-1 also includes information on population growth.

FIGURE 5-1: OZONE STANDARD EXCEEDANCE DAYS

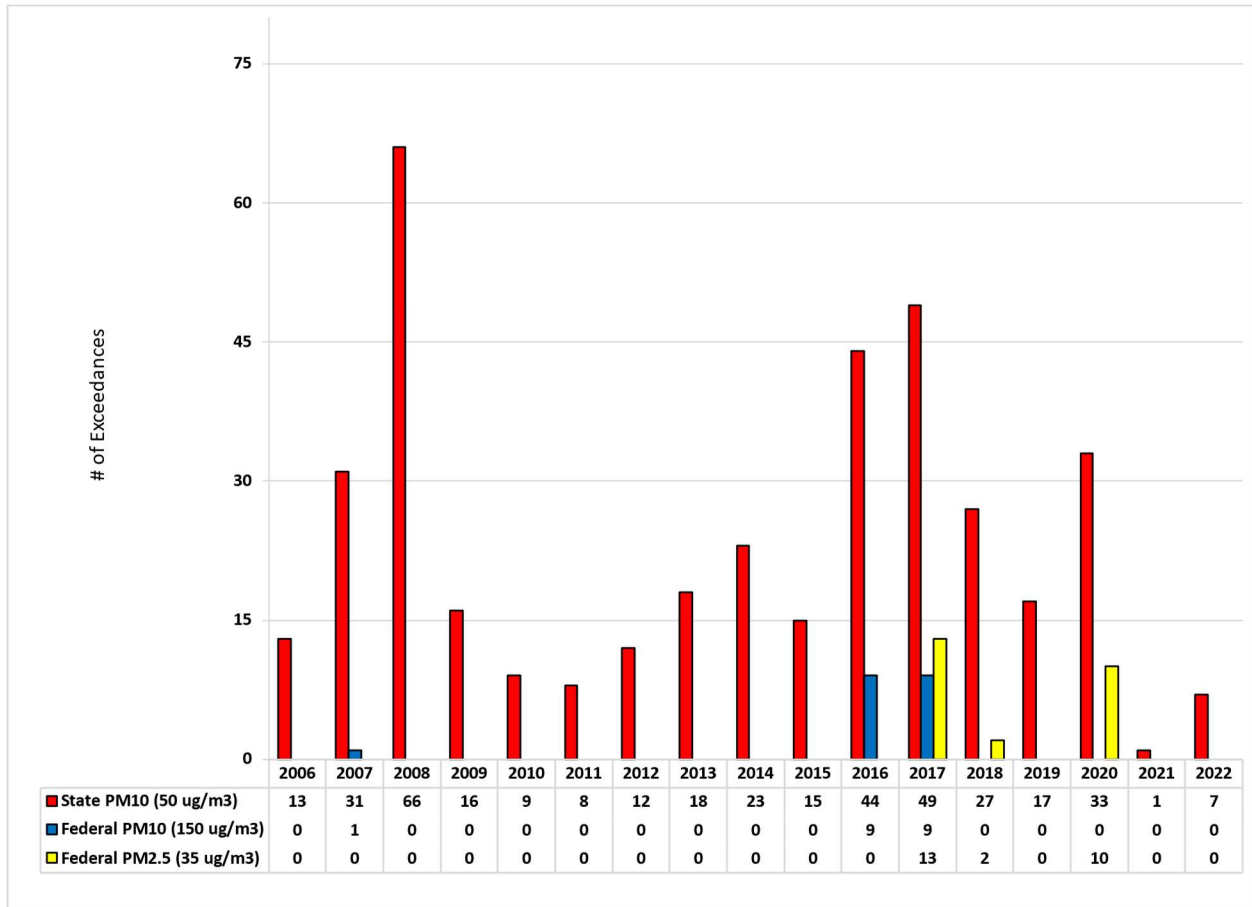


Number of Days Exceeding PM Standards

Prior to 2006, particulate monitoring in Santa Barbara County followed a six-day sampling schedule as set by federal and state agencies. Samples were taken over a 24-hour sampling period and required lab analysis to calculate the pollutant concentration. Our current network monitors PM data every day and every hour. The transition from six-day sampling to continuous sampling was phased in over a four-year period. The Santa Barbara and Santa Maria stations have continuously sampled both PM₁₀ and PM_{2.5} since 2006. The Lompoc station began continuous sampling for PM_{2.5} in 2007, and PM₁₀ was added in 2009. In 2010, continuous sampling for both PM₁₀ and PM_{2.5} were added at the Goleta station.

Figure 5-2 indicates the number of days that the county exceeded the state and federal PM standards since 2006. Data prior to 2006 is not provided because it does not compare well to the post-2006 PM data due to the difference in methods described above. Figure 5-2 shows that the county's particulate levels vary year-to-year, and the number of days that the county exceeds the air quality standards is influenced by natural events such as wildfires and droughts. Specifically, the Zaca Fire in 2007 burned for most of July and August and greatly affected particulate levels both locally and throughout the state. In 2008 and 2009, the Tea, Gap and Jesusita Fires caused high particulate levels while burning. More recently, the Thomas Fire and several other California wildfires caused high particulate levels. While fires are burning and smoke is present, PM_{2.5} levels are generally high and may cause health concerns. After fires are extinguished, residual ash can be re-entrained by wind and cause high PM₁₀ levels. During California's prolonged droughts that occurred over the last fifteen years, dry conditions likely contributed to many of these PM exceedances.

FIGURE 5-2: PARTICULATE MATTER EXCEEDANCES

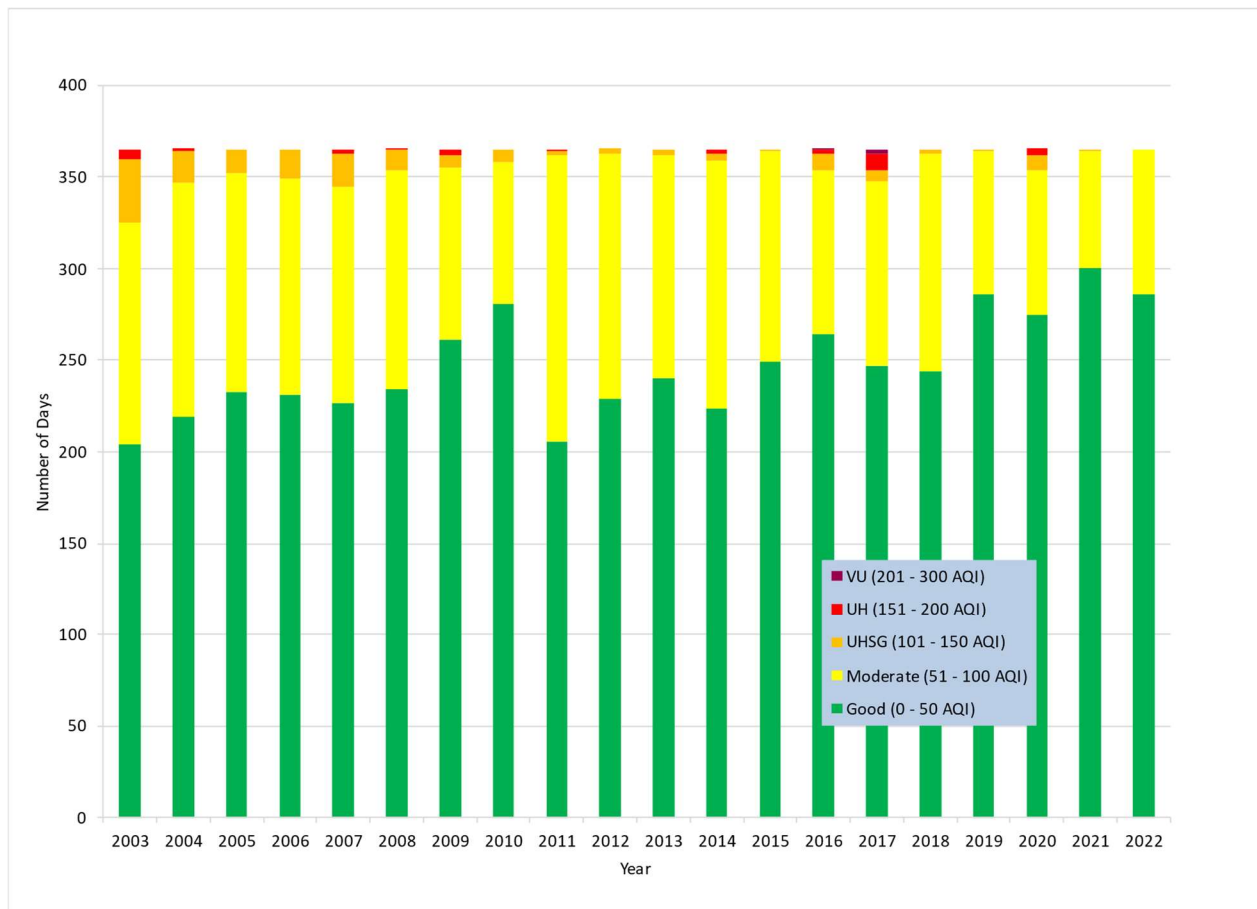


Air Quality Index Trends

The Air Quality Index, or AQI, is a standardized value that was developed by the EPA to communicate to the public on whether air pollution levels are healthy or unhealthy. Ground-level ozone and particulate matter are the two pollutants that pose the greatest threat to public health; the AQI value is based on the pollutant with the highest measured levels at that time. The AQI levels range from “good,” represented by a green color, to “hazardous,” represented by a maroon color. More information on the AQI can be found on the District’s website at www.ourair.org/todays-air-quality.

Figure 5-3 shows the numbers of days each year that Santa Barbara County air quality was at each of the different AQI levels. As demonstrated in this figure, the majority of days (286 days, or 78.4%) in Santa Barbara County were green, or good air quality, during 2022. The remainder of the days were moderate (79 days, 21.6%), with no days in unhealthy for sensitive groups or higher. A moderate AQI means that there is a moderate health concern for individuals that are unusually sensitive to air pollution. The AQI trends in Figure 5-3 represent the highest AQI readings from all monitoring stations in the county each day.

FIGURE 5-3: AIR QUALITY INDEX TRENDS



Detailed Trends for Individual Pollutants

Figures 5-4 through 5-9 provide a more detailed picture of trends for each pollutant over time, and how the measured values for each pollutant have changed. These charts show trends for the highest measured values, using data from all monitoring stations in the county. Different types of values are referenced for each of the pollutants (e.g., 2nd and 4th maximum values for ozone), because each of the air quality standards define which values are relevant for that pollutant standard.

FIGURE 5-4: MEASURED OZONE LEVELS (PARTS PER BILLION)

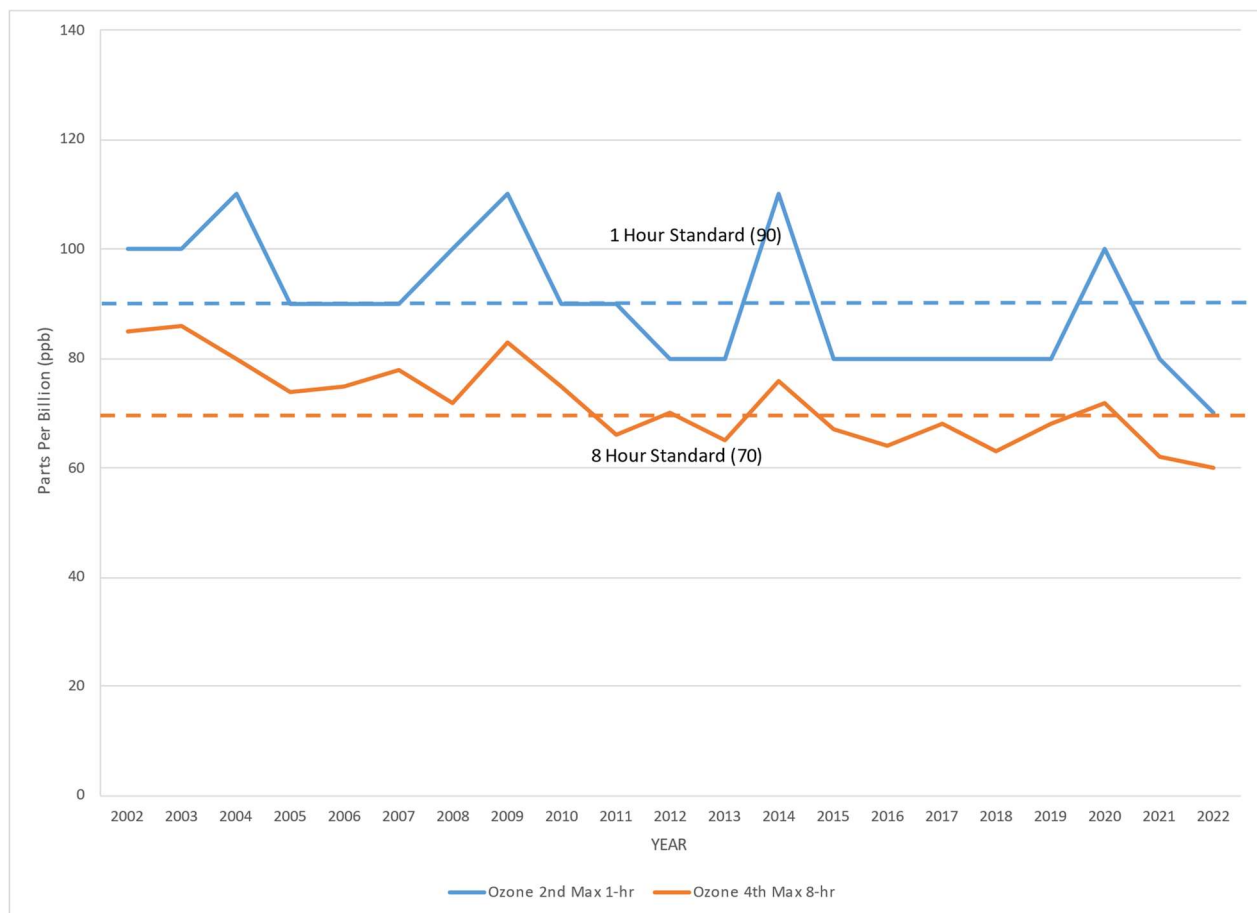


FIGURE 5-5: MEASURED NITROGEN DIOXIDE LEVELS (PARTS PER BILLION)

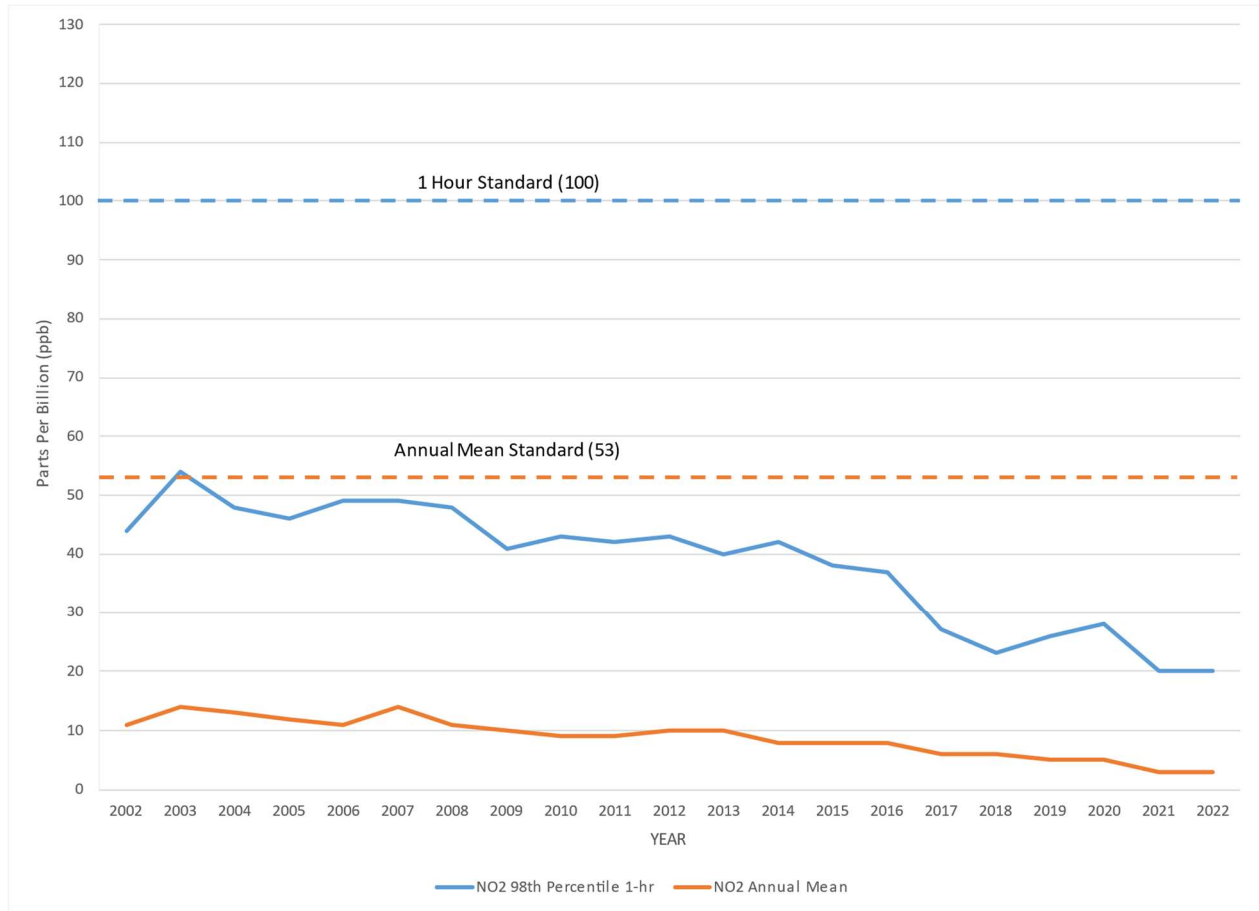
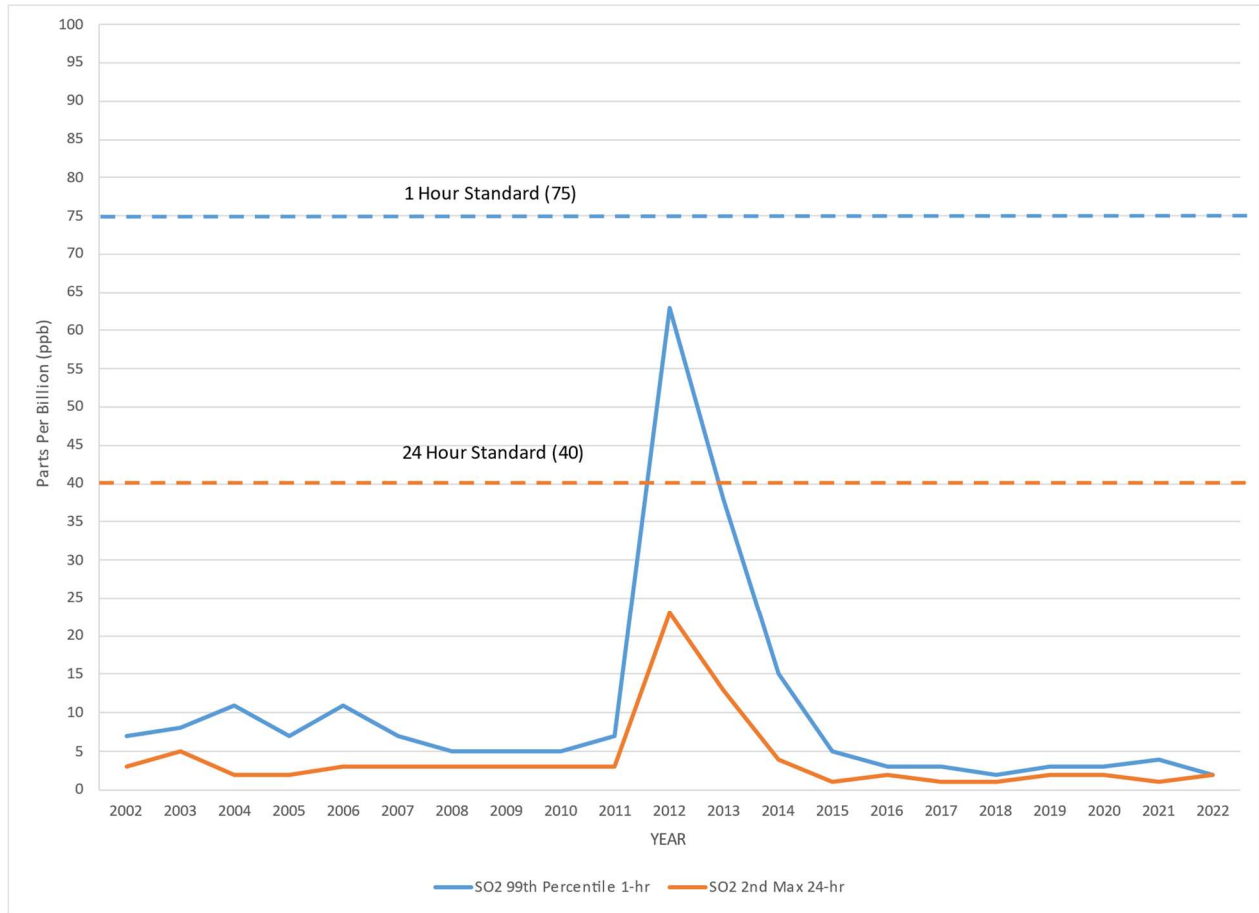
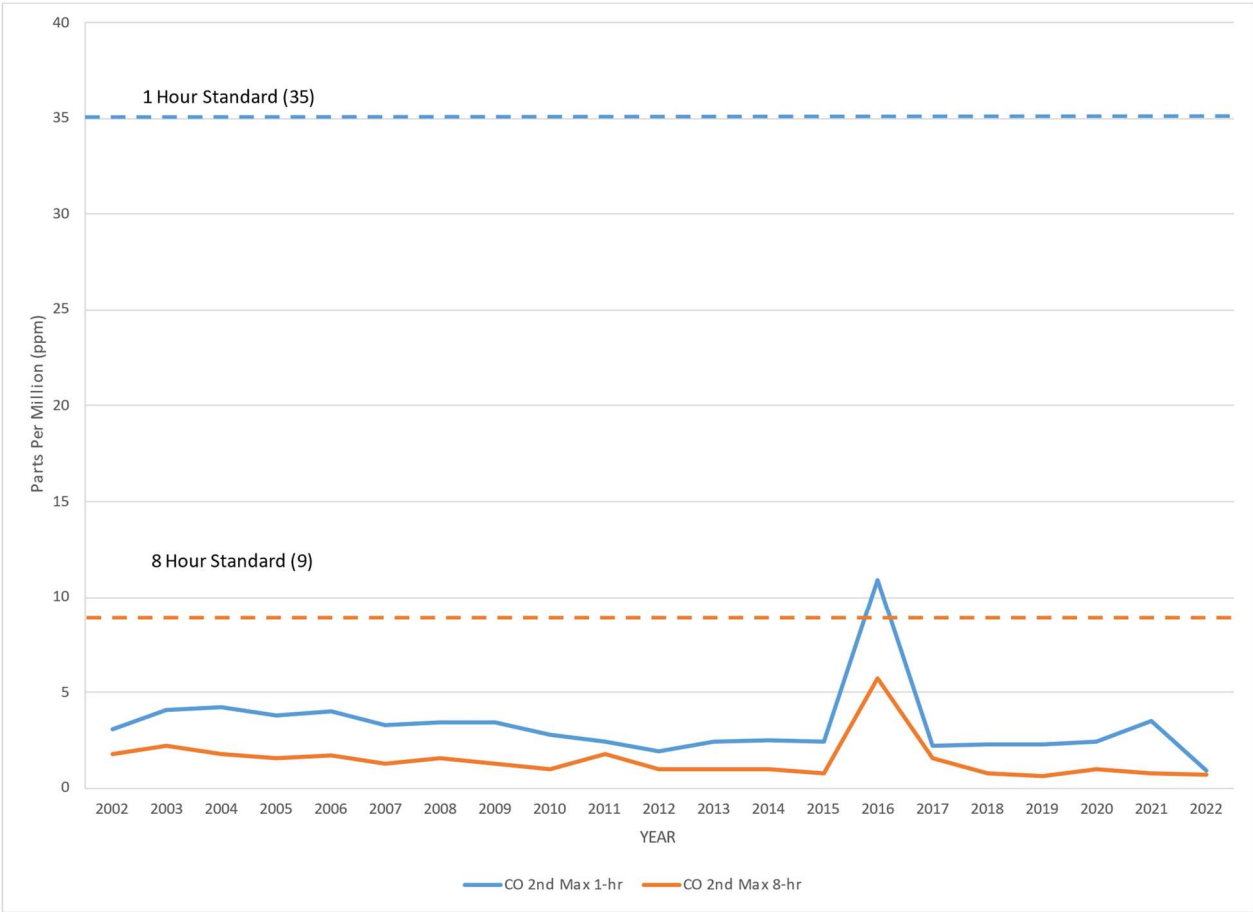


FIGURE 5-6: MEASURED SULFUR DIOXIDE LEVELS (PARTS PER BILLION)¹



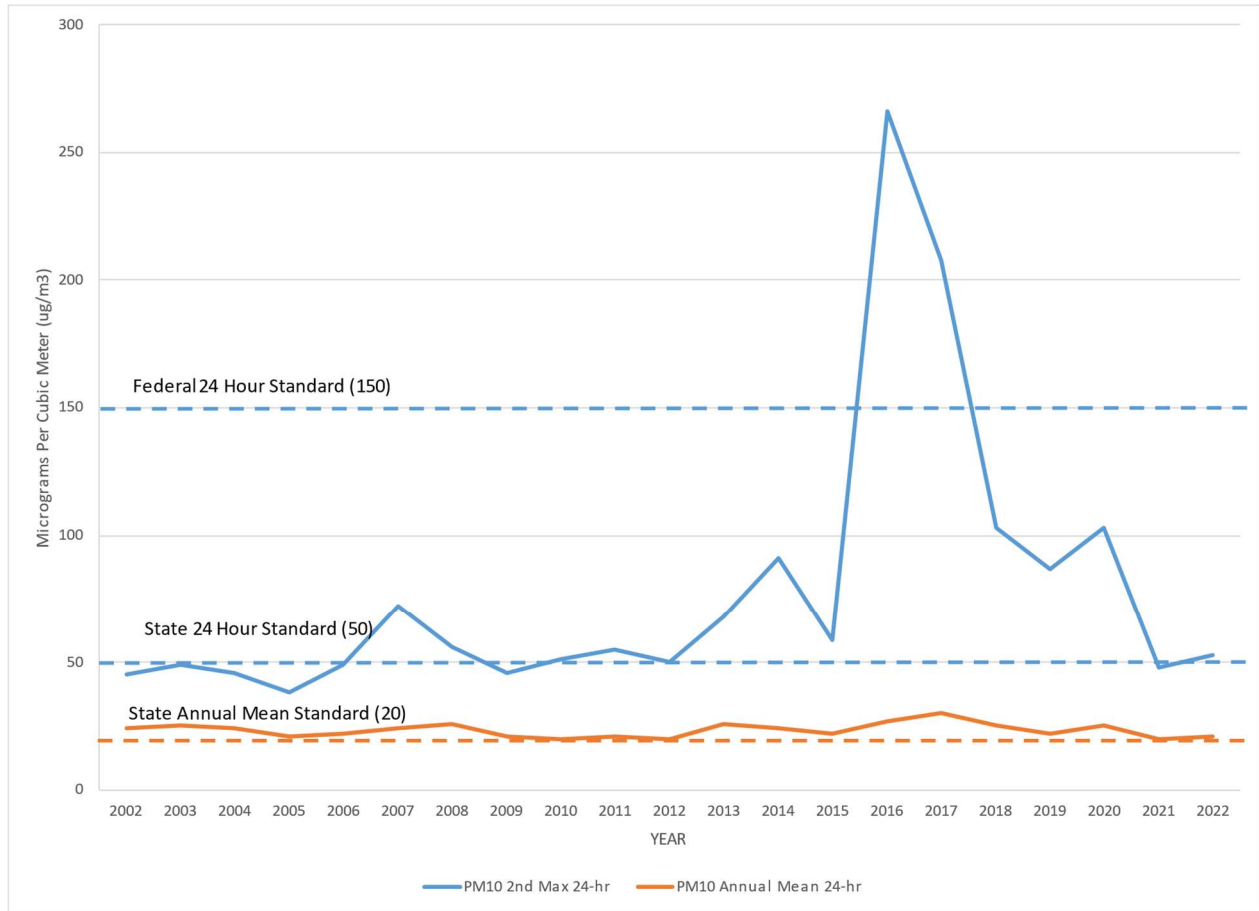
¹ High SO₂ levels recorded in 2012 were related to a release at the stationary source facility at Las Flores Canyon.

FIGURE 5-7: MEASURED CARBON MONOXIDE LEVELS (PARTS PER MILLION)¹



¹ High CO values recorded in 2016 were the result of the Sherpa wildfire burning near the Las Flores Canyon monitoring station.

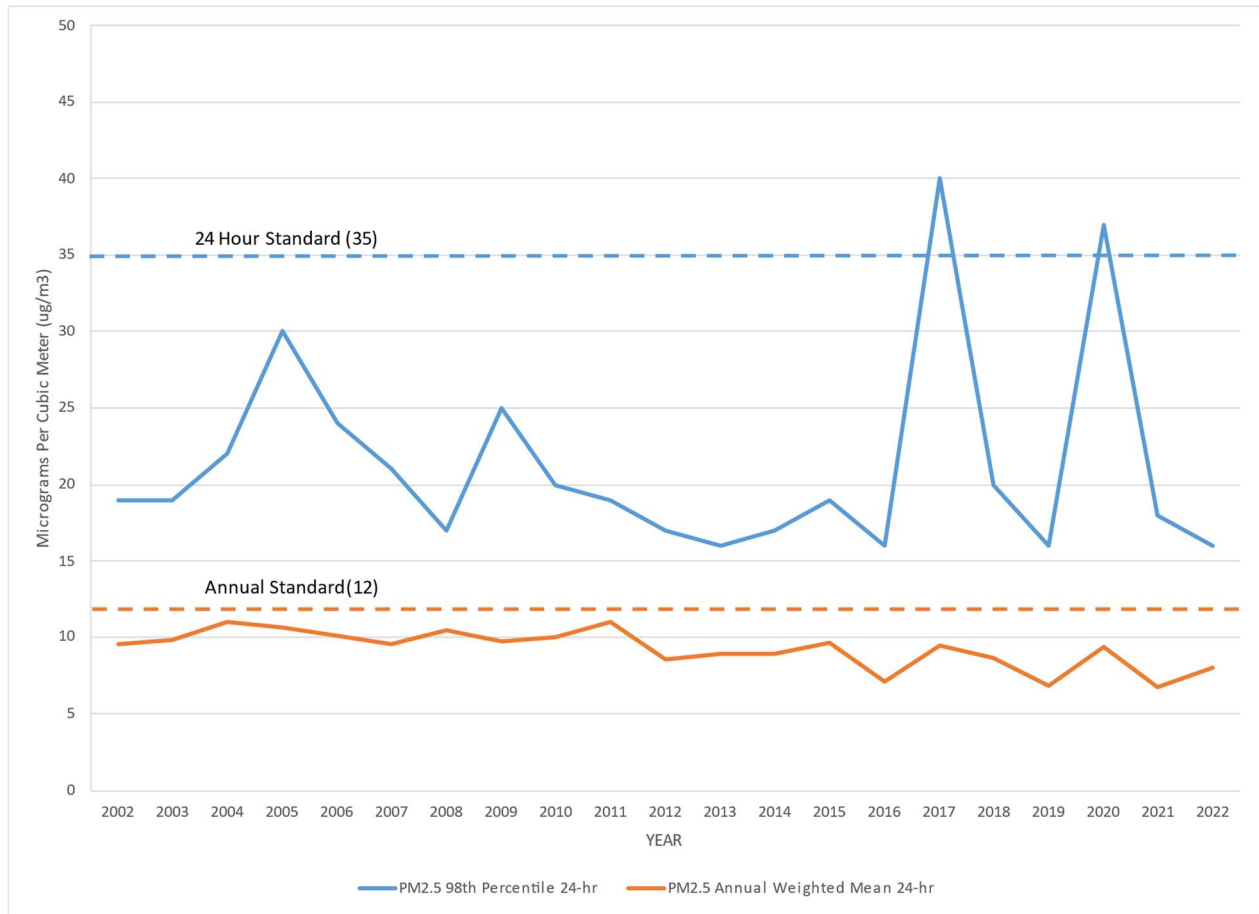
FIGURE 5-8: MEASURED PM₁₀ LEVELS ($\mu\text{g}/\text{m}^3$)^{1,2}



¹ Prior to 2006, samples were collected every 6 days. By 2010 all samples were continuous.

² High PM₁₀ values recorded in 2016 and 2017 were the result of wildfires.

FIGURE 5-9: MEASURED PM_{2.5} LEVELS (µg/m³)^{1,2}



¹ Prior to 2006, samples were collected every 6 days. By 2010 all samples were continuous.

² High PM_{2.5} values recorded in 2017 and 2020 were the result of wildfires.

APPENDIX A

Ambient Air Quality Standards						
Pollutant	Averaging Time	California Standards		National Standards		
		Concentration ³	Method ⁴	Primary ^{3,5}	Secondary ^{3,6}	Method ⁷
Ozone (O ₃) ⁸	1 Hour	0.09 ppm (180 µg/m ³)	Ultraviolet Photometry	—	Same as Primary Standard	Ultraviolet Photometry
	8 Hour	0.070 ppm (137 µg/m ³)		0.070 ppm (137 µg/m ³)		
Respirable Particulate Matter (PM ₁₀)	24 Hour	50 µg/m ³	Gravimetric or Beta Attenuation	150 µg/m ³	Same as Primary Standard	Inertial Separation and Gravimetric Analysis
	Annual Arithmetic Mean	20 µg/m ³		—		
Fine Particulate Matter (PM _{2.5}) ⁹	24 Hour	—	—	35 µg/m ³	Same as Primary Standard	Inertial Separation and Gravimetric Analysis
	Annual Arithmetic Mean	12 µg/m ³	Gravimetric or Beta Attenuation	12.0 µg/m ³	15 µg/m ³	
Carbon Monoxide (CO)	1 Hour	20 ppm (23 mg/m ³)	Non-Dispersive Infrared Photometry (NDIR)	35 ppm (40 mg/m ³)	—	Non-Dispersive Infrared Photometry (NDIR)
	8 Hour	9.0 ppm (10 mg/m ³)		9 ppm (10 mg/m ³)	—	
	8 Hour (Lake Tahoe)	6 ppm (7 mg/m ³)		—	—	
Nitrogen Dioxide (NO ₂) ¹⁰	1 Hour	0.18 ppm (339 µg/m ³)	Gas Phase Chemiluminescence	100 ppb (188 µg/m ³)	—	Gas Phase Chemiluminescence
	Annual Arithmetic Mean	0.030 ppm (57 µg/m ³)		0.053 ppm (100 µg/m ³)	Same as Primary Standard	
Sulfur Dioxide (SO ₂)	1 Hour	0.25 ppm (655 µg/m ³)	Ultraviolet Fluorescence	75 ppb (196 µg/m ³)	—	Ultraviolet Fluorescence; Spectrophotometry (Pararosaniline Method)
	3 Hour	—		—	0.5 ppm (1300 µg/m ³)	
	24 Hour	0.04 ppm (105 µg/m ³)		0.14 ppm (for certain areas)	—	
	Annual Arithmetic Mean	—		0.030 ppm (for certain areas)	—	
Lead ^{12,13}	30 Day Average	1.5 µg/m ³	Atomic Absorption	—	—	High Volume Sampler and Atomic Absorption
	Calendar Quarter	—		1.5 µg/m ³ (for certain areas) ¹²	Same as Primary Standard	
	Rolling 3-Month Average	—		0.15 µg/m ³		
Visibility Reducing Particles	8 Hour		Beta Attenuation and Transmittance through Filter Tape	No National Standards		
Sulfates	24 Hour	25 µg/m ³	Ion Chromatography			
Hydrogen Sulfide	1 Hour	0.03 ppm (42 µg/m ³)	Ultraviolet Fluorescence			
Vinyl Chloride ¹²	24 Hour	0.01 ppm (26 µg/m ³)	Gas Chromatography			

For more information please call ARB-PIO at (916) 322-2990

California Air Resources Board (5/4/16)

1. California standards for ozone, carbon monoxide (except 8-hour Lake Tahoe), sulfur dioxide (1 and 24 hour), nitrogen dioxide, and particulate matter (PM10, PM2.5, and visibility reducing particles), are values that are not to be exceeded. All others are not to be equaled or exceeded. California ambient air quality standards are listed in the Table of Standards in Section 70200 of Title 17 of the California Code of Regulations.
2. National standards (other than ozone, particulate matter, and those based on annual arithmetic mean) are not to be exceeded more than once a year. The ozone standard is attained when the fourth highest 8-hour concentration measured at each site in a year, averaged over three years, is equal to or less than the standard. For PM10, the 24 hour standard is attained when the expected number of days per calendar year with a 24-hour average concentration above $150 \mu\text{g}/\text{m}^3$ is equal to or less than one. For PM2.5, the 24 hour standard is attained when 98 percent of the daily concentrations, averaged over three years, are equal to or less than the standard. Contact the U.S. EPA for further clarification and current national policies.
3. Concentration expressed first in units in which it was promulgated. Equivalent units given in parentheses are based upon a reference temperature of 25°C and a reference pressure of 760 torr. Most measurements of air quality are to be corrected to a reference temperature of 25°C and a reference pressure of 760 torr; ppm in this table refers to ppm by volume, or micromoles of pollutant per mole of gas.
4. Any equivalent measurement method which can be shown to the satisfaction of the ARB to give equivalent results at or near the level of the air quality standard may be used.
5. National Primary Standards: The levels of air quality necessary, with an adequate margin of safety to protect the public health.
6. National Secondary Standards: The levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant.
7. Reference method as described by the U.S. EPA. An "equivalent method" of measurement may be used but must have a "consistent relationship to the reference method" and must be approved by the U.S. EPA.
8. On October 1, 2015, the national 8-hour ozone primary and secondary standards were lowered from 0.075 to 0.070 ppm.
9. On December 14, 2012, the national annual PM2.5 primary standard was lowered from $15 \mu\text{g}/\text{m}^3$ to $12.0 \mu\text{g}/\text{m}^3$. The existing national 24-hour PM2.5 standards (primary and secondary) were retained at $35 \mu\text{g}/\text{m}^3$, as was the annual secondary standard of $15 \mu\text{g}/\text{m}^3$. The existing 24-hour PM10 standards (primary and secondary) of $150 \mu\text{g}/\text{m}^3$ also were retained. The form of the annual primary and secondary standards is the annual mean, averaged over 3 years.
10. To attain the 1-hour national standard, the 3-year average of the annual 98th percentile of the 1-hour daily maximum concentrations at each site must not exceed 100 ppb. Note that the national 1-hour standard is in units of parts per billion (ppb). California standards are in units of parts per million (ppm). To directly compare the national 1-hour standard to the California standards the units can be converted from ppb to ppm. In this case, the national standard of 100 ppb is identical to 0.100 ppm.
11. On June 2, 2010, a new 1-hour SO_2 standard was established and the existing 24-hour and annual primary standards were revoked. To attain the 1-hour national standard, the 3-year average of the annual 99th percentile of the 1-hour daily maximum concentrations at each site must not exceed 75 ppb. The 1971 SO_2 national standards (24-hour and annual) remain in effect until one year after an area is designated for the 2010 standard, except that in areas designated nonattainment for the 1971 standards, the 1971 standards remain in effect until implementation plans to attain or maintain the 2010 standards are approved.
Note that the 1-hour national standard is in units of parts per billion (ppb). California standards are in units of parts per million (ppm). To directly compare the 1-hour national standard to the California standard the units can be converted to ppm. In this case, the national standard of 75 ppb is identical to 0.075 ppm.
12. The ARB has identified lead and vinyl chloride as 'toxic air contaminants' with no threshold level of exposure for adverse health effects determined. These actions allow for the implementation of control measures at levels below the ambient concentrations specified for these pollutants.
13. The national standard for lead was revised on October 15, 2008 to a rolling 3-month average. The 1978 lead standard ($1.5 \mu\text{g}/\text{m}^3$ as a quarterly average) remains in effect until one year after an area is designated for the 2008 standard, except that in areas designated nonattainment for the 1978 standard, the 1978 standard remains in effect until implementation plans to attain or maintain the 2008 standard are approved.
14. In 1989, the ARB converted both the general statewide 10-mile visibility standard and the Lake Tahoe 30-mile visibility standard to instrumental equivalents, which are "extinction of 0.23 per kilometer" and "extinction of 0.07 per kilometer" for the statewide and Lake Tahoe Air Basin standards, respectively.

For more information please call ARB-PIO at (916) 322-2990


California Air Resources Board (5/4/16)

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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: Long-Range Fiscal Strategy (Fiscal Years 2023-28)

RECOMMENDATION:

Receive and file the District's Long-Range Fiscal Strategy (Strategy) Fiscal Years (FY) 2023-28 and provide feedback and direction to staff.

BACKGROUND:

Five years ago, in preparing the FY 2018-19 budget, the District conducted its first long-range fiscal outlook in response to significant upheaval in the oil and gas industry. The District, anticipating that continued decreased oil and gas activity would have ongoing revenue implications, assumed a fiscally conservative position and received Board support for organizational changes, known as the FY 2018-19 reorganization. The District's successful implementation of the FY 2018-19 reorganization resulted in long-term savings with expenditure levels kept relatively flat, while managing continued workload increases.

Through that FY 2018-19 reorganization, the District committed to evaluating its fiscal stability every five years. The goal of the Strategy is to ensure the District has sufficient resources to accomplish its mission and mandates into the foreseeable future. In preparing this Strategy, the District carefully evaluated changes to revenue, impacts to workload, current cost-recovery mechanisms for fee-based programs, existing and projected staffing, and potential cost reductions and/or revenue enhancements.

DISCUSSION:

In preparing the Strategy, the District conducted a thorough analysis of historical revenue and expenditures, as well as detailed projections over the next five years. This analysis was performed in the context of keeping in place core programs with existing staffing levels and factoring in reduced

revenue due to changes in oil and gas activity. These assumptions forecast a budget deficit of approximately \$400,000 in FY 2024-25, increasing to a deficit of approximately \$1.2 million in FY 2027-28.

Developing this Strategy also involved conducting a Cost Recovery and Fee Analysis Study (Fee Study). The Fee Study analyzed the cost-of-service relationships that exist between the District and the regulated community in relation to facility/equipment fees for the permitting and compliance programs, air quality planning, air toxics programs, and source tests. The Fee Study shows that the District is not fully recovering costs for implementing the various fee-based programs and is under-recovering costs for these programs by approximately \$2.3 million per year — a cost-recovery percentage of only 47%.

These fiscal stability challenges, combined with workload management and staff retention needs, require additional measures to safeguard the District's financial health and long-term ability to continue fulfilling its mission. Historically, the District has deferred significant fee increases by adhering to prudent budgeting and efficiency measures. The District has annually adjusted fees only by applying the Consumer Price Index (CPI) and has not required across-the-board fee increases since 1991 — more than 32 years ago.

The recommendations in the Strategy are designed to provide the District with a long-term mechanism to stay fiscally sound. Included in this Strategy are measures listed below to be brought back before your Board at upcoming meetings:

- **Adopt Cost-Recovery Policy for Fee-Based Programs:** By January 2024, bring a policy back to the Board for consideration that would be phased in over a number of years. If approved, Rule 210 fee increases would occur over 10 years and be included in the annual budget process.
- **Consider Potential Changes to Rule 210:** A public workshop and Community Advisory Council meeting would occur before changes are brought to your Board. Two Board meetings will be required and are expected to occur within Fiscal Year 2023-24.
- **Adopt Fund Balance Policy at 15-20% Operating Budget:** Within Fiscal Year 2023-24, a policy will be brought back to your Board with the proposed budget for FY 2024-25.
- **Approve Staff Retention Measure(s):** To be determined; measure(s) will need to be negotiated with the District's represented employee bargaining units during the normal collective bargaining process, which is scheduled for early 2025.

FISCAL IMPACT:

There are no fiscal impacts regarding this specific Board item. All items that will be brought back to your Board at future meetings will have detailed information on the fiscal impacts for Board consideration.

ATTACHMENTS:

- A. Long-Range Fiscal Strategy
- B. Cost Recovery and Fee Analysis Study

ATTACHMENT A

Long-Range Fiscal Strategy

October 19, 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

Long-Range Fiscal Strategy

Fiscal Years 2023-28

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Executive Summary

The goal of the Long-Range Fiscal Strategy (Strategy) Fiscal Year (FY) 2023-28 is to ensure the Santa Barbara County Air Pollution Control District (District) has sufficient resources to accomplish its mission and mandates into the foreseeable future. In preparing this Strategy, the District carefully evaluated changes to revenue, impacts to workload, current cost-recovery mechanisms for fee-based programs, existing and projected staffing, and potential cost reductions and/or revenue enhancements.

Five years ago, the District brought before the Board of Directors its FY 2018-19 budget. In preparing that budget, the District conducted its first long-range fiscal outlook. That additional step was spurred by the 2015 Plains All American 901 pipeline rupture, which shut down oil and gas facilities dependent on the pipeline for distribution; as a result, the District's revenue from fees associated with annual emission, source testing, monitoring, and reimbursable labor collected from affected oil industry were reduced. Compounding matters, in 2016, Venoco quitclaimed two state land leases and filed for bankruptcy.

The District, anticipating that continued decreased oil and gas activity would have ongoing revenue implications, assumed a fiscally conservative position and received Board support for organizational changes. Those changes — referred to throughout this document as the FY 2018-19 reorganization — included the following measures: 1) implementing streamlining and efficiency measures, 2) reducing the number of full-time positions from 43 to 34, through a mix of retirements and permanently not filling select vacant positions, 3) restructuring agency leadership and Air Quality Specialist positions to serve multiple functions across divisions, and 4) administering equity pay adjustments to ensure staff are compensated at a competitive rate in the employee marketplace. The District's successful implementation of the FY 2018-19 reorganization resulted in long-term savings with expenditure levels kept relatively flat, while managing continued workload increases.

Through that FY 2018-19 reorganization process, the District committed to evaluating its fiscal stability every five years. This Strategy is the next phase of that commitment. In preparing the Strategy, the District conducted a thorough analysis of historical revenue and expenditures, as well as detailed projections over the next five years. This analysis was performed in the context of keeping in place core programs with existing staffing levels and factoring in reduced revenue due to changes in oil and gas activity. These assumptions forecast a budget deficit of approximately \$400,000 (i.e., 4% of the District's annual operating budget) in FY 2024-2025, increasing to a deficit of approximately \$1.2 million in FY 2027-2028. Developing this Strategy also involved conducting a Cost Recovery and Fee Analysis Study (Fee Study), to analyze the District's cost-recovery metric for fee-based work. That Fee Study found that the District's fees only cover 47% of the time and materials associated with fee-based work, leaving approximately \$2.3 million annually unrecovered by fee-paying sources.

Despite prudent budgeting and prior efficiency efforts, today's challenges require additional measures to safeguard the District's financial health and long-term ability to continue fulfilling its mission. Historically, the District has deferred significant fee increases by adhering to fiscal principles that maximize efficiency and minimize costs. The District has annually adjusted fees only by applying the Consumer Price Index (CPI) and has not required across-the-board fee increases since 1991 — more than 32 years ago.

After careful evaluation of all aspects mentioned above, recommendations in this Strategy will provide the District with a long-term mechanism to stay fiscally sound. The District's recommendations for the next five years include: 1) develop a cost-recovery policy for fee-based programs; 2) implement multi-year, phased-in fee increases; 3) adopt fund balance policy; and 4) implement staff retention measure(s).

Today's Challenges

With the FY 2018-19 reorganization, the District was able to stave off raising fees on regulated industry beyond the annual CPI. Today, the District faces new challenges related to its fiscal stability, with revenues projected to decrease due to changes in the oil and gas sector — in addition to rising costs related to pension contributions and health benefits for staff. Simultaneously, workload and unfunded mandates continue to grow, and the staffing crunch being felt by other agencies is similarly affecting the District. These three overarching challenges are explained in detail below.

Fiscal Stability

The oil and gas industry has historically experienced cycles of growth and contraction due to price volatility, market demands, product transportation methods, and technological innovations. However, in recent years, other factors have contributed to accelerated declines in the District's revenues from local oil and gas activity. The 2015 Plains All American 901 pipeline rupture, coupled with the Phillips 66 Santa Maria Refinery closure in early 2023, has continued to have far-reaching effects on oil and gas production in Santa Barbara County. In the last five years, revenue from fees paid by the oil and gas industry has declined, and the District anticipates a loss of approximately \$785,000 in revenue over the next five years.

In addition, on the expenditure side, salary and benefits have increased over the past five years, even with the decrease in the number of full-time employees. From modest cost-of-living adjustments, retirement contributions, and District-paid health benefits, the District has experienced a total increase of \$972,500, or 18%, in salary and benefits, and anticipates these trends will continue to increase an average of 4% each year.

In response, the District hired Matrix Consulting Group to conduct the Fee Study to determine the cost-recovery percentage achieved by the District using existing fees for the following programs: permitting, compliance, air quality planning, air toxics, source testing, agricultural diesel engine registration, and the hearing board. The current fee structure was established when the District was created, based upon other similar Air Pollution Control Districts. The purpose of this study was to review the existing fee schedule and ensure that it appropriately captures the variety of services provided by the District.

The results of the Fee Study show that, overall, the District is only recovering 47% of its costs to implement those mandated programs. This is due, in part, to the historical reliance on large sources — such as oil and gas facilities — to shoulder the bulk of the fees, a common practice historically used by other air districts as well. More detailed information on the Fee Study is found in the *Results of the Fee Study* section.

Workload Management

Despite changing and threatened revenue streams, the District's workload continues to grow. When the District was formed in 1970, the primary pollutant of concern was ozone. In the five decades since, Santa Barbara County has seen great improvements in ozone levels. However, the last 50 years have also brought forth new air pollution challenges, with an increasing focus on particulate matter and air toxics, as well as greenhouse gases, which contribute to climate change. Climate change is expected to lead to more wildfires — resulting in more particulate matter — and higher temperatures, resulting in elevated ozone levels. Underpinning many ongoing and new mandated programs, too, is the growing emphasis on environmental justice. Once the District attains the ozone standard, it must juggle the hard work of maintaining air quality standards while addressing these other challenges.

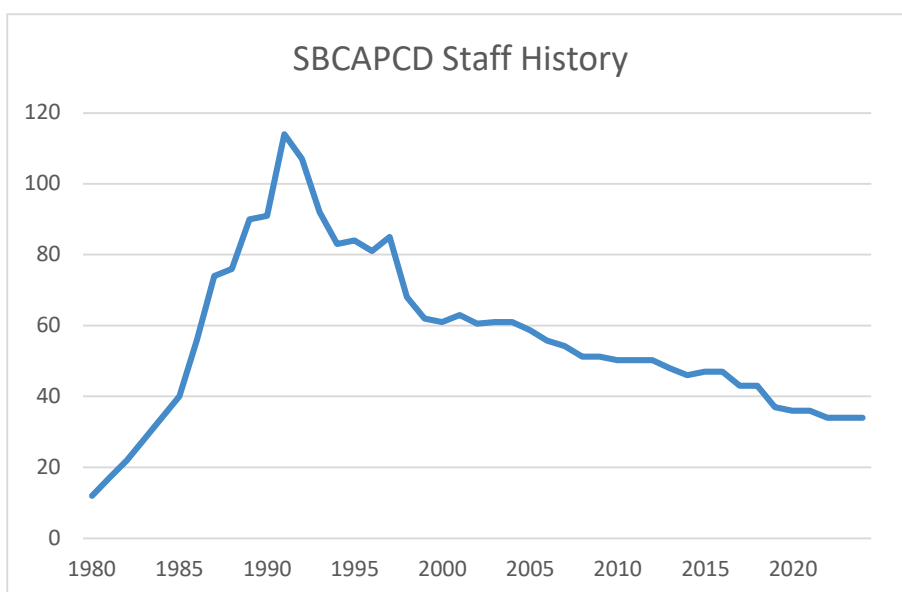
With only 34 staff, each staff member has a full workload with many and varied assignments. While the District has seen decreases in workload for some mandated programs — such as permitting and related ozone planning and rulemaking efforts related to offshore oil platforms — it has not been proportional to revenue decreases. At the same time, there has been a dramatic increase in workload related to, but not limited to, the following mandated State programs: AB 2588 Air Toxics Hot Spots, AB 32 greenhouse gas regulations, and AB 617 Community Air Protection. In addition to increasing mandates, the District’s administrative overhead role with grant and incentive programs continues to grow; these programs provide a great benefit to businesses and communities and serve a critical role in reducing emissions from sources outside of the agency’s regulatory authority. However, all these workload increases have insufficient funding to cover the associated costs.

At current staffing levels, growing mandates have prevented completion of lower-priority work that could provide important local air quality benefits. For example, the District’s surveillance inspection program — an important tool to ensure a level playing field for compliance — is not mandated, requires a lot of staff time to equitably apply, and is easy to be pushed aside when staff resources are tight. The District prides itself on providing excellent customer service to the public and regulated businesses, but current staffing levels sometimes mean unavoidable delays. For example, over the last five years, while the District has remained within its performance parameters for completing permit actions, the overall time it takes for these actions has increased.

The District has undertaken extensive efficiency measures over the past several years to increase productivity with reduced staff, such as in-house database automation and paperless systems. The District will need to expand additional streamlining and automation tools to keep up with anticipated workload increases. However, implementing additional efficiency measures also requires substantial staff time and investment before the benefits are realized.

Staff Retention

The District is currently operating with its leanest workforce since the 1980s. In the last five years, the District has also been challenged with a high rate of staff turnover: each year, almost four full-time employees — approximately 11% of its workforce — leave the District.



This turnover consumes the agency’s time and resources for recruitment and training, and due to the small size of the District, detracts from the entire agency’s ability to accomplish the workload. It takes a year to evaluate whether a new employee will pass probation. Over the last five years, the average tenure of staff who pass probation but leave the District for other opportunities has been two years.

The District’s current workforce also has a lower average tenure than what the District has historically experienced, due to retirements of long-serving staff and those positions being filled by individuals starting their careers. Since the FY 2018-19 reorganization, the District has seen eight retirements totaling more than 200 years of service, with an average District tenure of 25 years. Looking forward, 15% of District staff — who each have more than 30 years of experience — are of retirement age. The average number of years of service is currently nine, with 41% of staff having less than five years of service.

In the wake of the COVID-19 pandemic, the cost of living in Santa Barbara County has skyrocketed above what were already-high levels compared to other areas of California. U.S. News & World Report recently named Santa Barbara the fifth-most expensive place to live in the nation¹. Average home prices have increased by 26% in Santa Maria and 16% in Santa Barbara in the last two years². As of April 2023, the median home price was \$597,500 in Santa Maria, and \$1,785,500 in Santa Barbara. The rental market is seeing even more drastic increases; in the last two years, the average rent for a two-bedroom apartment has increased by 45% in Santa Maria and 40% in Santa Barbara³.

Those economic realities present another complication for staff recruitment and retention. Together, all issues mentioned above emphasize the importance of both succession planning and maintaining and enhancing retention measures so that the District can remain a competitive employer, minimize turnover and the associated workload disruption, and encourage continued service by staff as their institutional knowledge and experience grows.

Despite numerous cost-cutting measures implemented by the District in the past five years, further strategies are now needed to address the expected impacts from decreasing revenues, increasing mandates, and ongoing staffing challenges.

Revenue Overview

The purpose of this FY 2023-28 Long-Range Fiscal Strategy is to evaluate the existing and projected future staffing and financial resources of the District, and to identify potential revenue enhancements and/or cost reductions to ensure fiscal stability and continued capacity to accomplish the agency’s mission and mandates.

Long-Term Revenue Trends

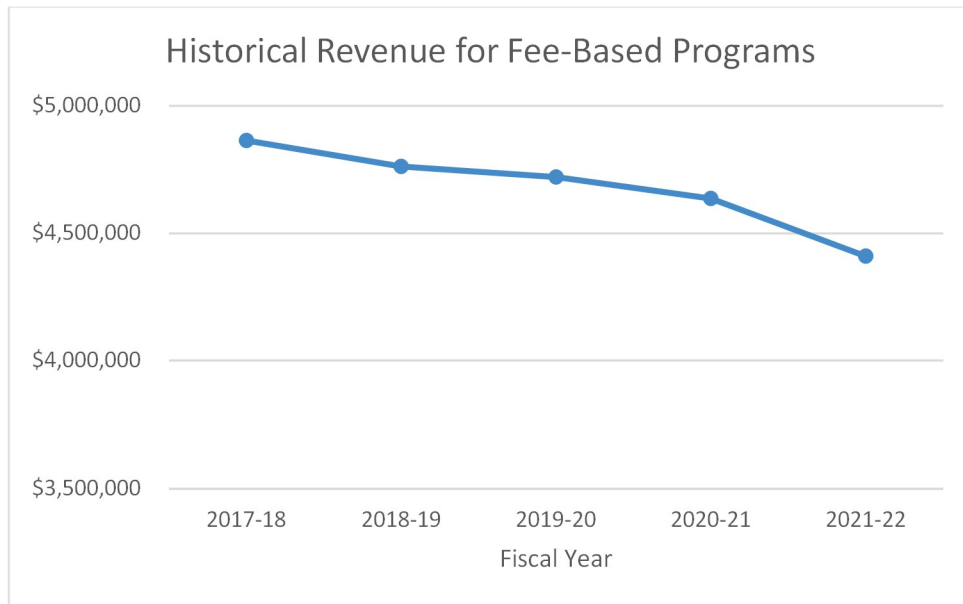
California law and the Health and Safety Code provide the District with the ability to fund its activities through a combination of Permit Fees, which are the scope of the Fee Study; Grants; Subventions; Penalties; and Vehicle Registration surcharges. All revenue streams cover mandated programs and non-mandated programs that provide public health benefits and contribute to local communities.

¹ [25 Most Expensive Places to Live in the U.S. in 2023-2024 | U.S. News \(usnews.com\)](#)

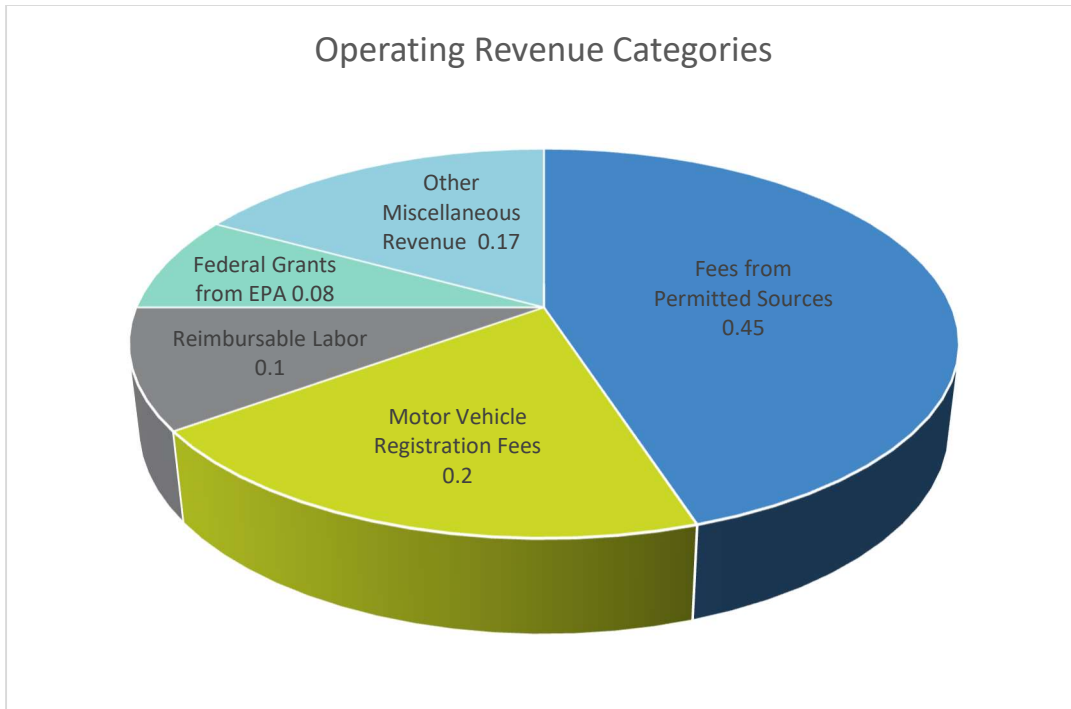
² [Santa Maria Housing Market: House Prices & Trends | Redfin](#) and [Santa Barbara Housing Market: House Prices & Trends | Redfin](#)

³ [Average Rent in Santa Barbara, CA and Cost Information - Zumper](#) and [Average Rent in Santa Maria, CA and Cost Information - Zumper](#)

Below is a graph that shows the revenue trend over the last five years for many of the District’s fee-based programs, including permitting and compliance, air quality planning, air toxics, source testing, and hearing board fees — all of which were analyzed in the Fee Study. The chart shows that, over the last five years, the District has experienced an overall reduction in fee revenue of approximately 10%. This is mainly due to the decrease in oil and gas activities. Due to this decrease, over the next five years, the District’s conservative projection is a continued revenue reduction of approximately \$785,000.



This expected revenue reduction is two-pronged: 1) reduced oil and gas activity, and 2) as further explained in the *Results of the Fee Study* section, the District is under-recovering fee-based revenue. Looking at the District’s operating revenue, fees from permitted sources typically provide approximately 45% of the District’s total operating revenue. Motor vehicle registration fees comprise another 20% of the operating revenue, reimbursable labor work account for 10%, and various other revenue streams account for the remaining 25%.



The various other revenue streams used for operations, captured under “Other Miscellaneous Revenue” and “Federal Grants from EPA” in this chart, include:

- Federal EPA Section 103 and 105 grants;
- Portable Equipment Registration Program (PERP) monies from the State;
- Subvention grant funds from CARB; and
- Smaller grants that help fund specific programs. (Examples include Prescribed Burns, Oil & Gas regulation, E-BAM cache, and the AB 617 program implementation.)

These other revenue streams are only received when funds are available through the state or federal governments. Over the last five years, these revenue streams have contributed approximately \$3 million annually to the District.

Despite the cost-recovery shortfall in fees, the District has operated with a balanced budget because other revenue sources have filled the gaps in our various fee-funded programs. Ultimately, this practice is not sustainable, and the District should not be relying on these other revenue sources to subsidize permitting and compliance work. Of note, the California State Auditor has stated that while Air Districts have the discretion to utilize vehicle registration revenues for fee-related services, they should utilize those funds to help offset mobile emissions and improve air quality through those programs rather than subsidize permit holders.

The last noteworthy revenue category is pass-through grant funds, which are received by the District to distribute to third parties for voluntary emission-reduction projects. The grant funds help local businesses and organizations replace old diesel engines with cleaner technologies. Grant funds are also used to expand electric vehicle (EV) infrastructure and technologies, and for incentive programs to replace gas-powered landscaping equipment with electric options. These funds have specified uses and are not eligible to cover District operations. These pass-through grants come with administrative funds to help with the District’s implementation, yet these funds are often not enough to fully cover implementation

costs. On average, over the last five years, the District has received approximately \$275,000 annually for grant administration; however, it costs the District approximately \$520,000 annually to administer the programs.

Results of the Fee Study

The District issues permits for stationary sources of air pollution, and charges fees for those permits. For long-term fiscal stability, these permit fees should cover the costs related to staff’s work in the permitting program and not be subsidized by other revenue sources. This Fee Study, finalized in May 2023, was conducted to determine the cost-recovery percentage of the District’s existing fee schedule. The Fee Study did not evaluate all sources of District revenue for cost recovery. Specifically, the Fee Study excluded annual emissions fees, DAS and monitoring fees, reimbursable labor charges, the asbestos program, and revenue from various grant sources.

The Fee Study analyzed the cost-of-service relationships that exist between the District and the regulated community in relation to facility/equipment fees for the permitting and compliance programs, air quality planning, air toxics programs, and source tests. The results of the study provide a tool for understanding current service levels, the cost recovery for those services, and what fees for service can be legally charged.

The Fee Study shows that the District is not fully recovering costs for implementing the various fee-based programs and is under-recovering costs for these programs by approximately \$2.3 million per year — a cost-recovery percentage of only 47%. The largest contribution to the deficit is fees related to permitting and compliance programs. Detailed Fee Study results by fee schedule are shown below.

Annual Cost Recovery Analysis Provided by Matrix Consulting

Fee Schedule	Revenue at Current Fee ⁴	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
A – Equipment / Facility	\$1,157,439	\$1,923,856	(\$766,417)	60%
B-1 Air Quality Planning	\$344,135	\$428,347	(\$84,212)	80%
B-2 Air Toxics	\$113,970	\$259,352	(\$145,382)	44%
C – Source Testing	\$105,321	\$178,882	(\$73,561)	59%
F - Miscellaneous	\$327,537	\$1,525,322	(\$1,197,785)	21%
Agricultural Diesel Engines	\$24,360	\$70,701	(\$46,341)	34%
TOTAL	\$2,072,763	\$4,386,460	(\$2,313,697)	47%

Other notable findings from the Fee Study include:

- \$628,000 annual shortfall from Fuel-Burning Equipment fees,
- \$468,000 annual shortfall from Minimum Permit Reevaluation Fees, and
- \$485,000 annual shortfall from Gasoline-Dispensing Facility fees.

Many air districts’ fee schedules work, by design, in a progressive fashion. Larger sources of air pollution — such as oil and gas industry sources — pay higher fees than smaller sources, based on the size and quantity of equipment they install and the mass of pollutants they emit. In some cases, the fees collected

⁴ The Revenue at Current Fee is calculated by taking the 3-year average of workload information (FY19, FY20, and FY21) and multiplying it by the FY22 fee rate.

from larger sources may have historically offset some cost-recovery shortfalls from the fees collected from most smaller sources. Therefore, the recent and projected loss of several larger sources is anticipated to create a disproportionate loss of revenue due to the progressive nature of the District's fee structure; other air districts have experienced similar disruption in recent years. If the agency's fee schedules are maintained at current levels, the District will continue to experience even larger fee revenue shortfalls and more difficulty balancing budgets in the future.

For the District to ensure ongoing fiscal equity and sustainability, it is important that the fees charged cover — but not exceed — the costs for implementing the services provided. The results of the Fee Study show the District is not adequately recovering fees for the cost of its work across the majority of its fee-funded programs, and changes to both fee schedules and operating practices are necessary.

Expenditure Overview

District Workforce and Workload

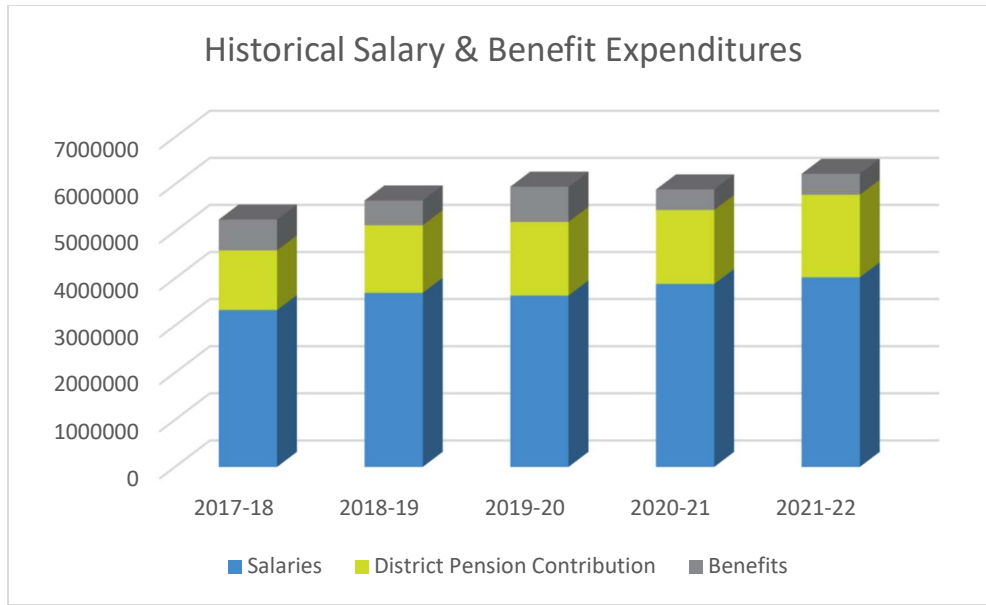
District operating expenditures pay for goods and services needed to run the District efficiently. Examples of these expenditures are employee salaries, retirement contributions, medical benefits, and worker's compensation insurance. Services and Supplies is another expenditure group and includes things such as utilities, rent, legal fees, training, travel, office expenditures, and repairs and maintenance to equipment. Lastly, there are "other expenditures," covering the District's fleet costs, liability insurance premiums, and any other miscellaneous expenditures that might not be captured in the categories above.

The District currently employs 34 permanent, full-time staff, plus temporary part-time college interns and extra-help employees who work on specific projects. In implementing the FY 2018-19 reorganization, the District streamlined all program areas to accommodate the rising workload amid ongoing budget constraints. These efforts have significantly improved efficiency, but staff workload remains high. Further staff reductions would mean significant impacts to the execution of core programs and customer service and place the District in a precarious position during unexpected air pollution challenges.

Long-Term Expenditure Trends

Each year, District expenditures are programmed to match revenues, 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.

Salary and benefit expenditures have increased over the past five years, even with the decrease in staff. Salaries have increased by approximately 11% due to modest cost-of-living adjustments, and the District's retirement contribution has increased almost 40%. District-paid health benefits are also on the rise — a 17% increase over the last five years. The District anticipates these trends to continue, where salary and benefit expenditures continue to increase, on average, 4% each year.

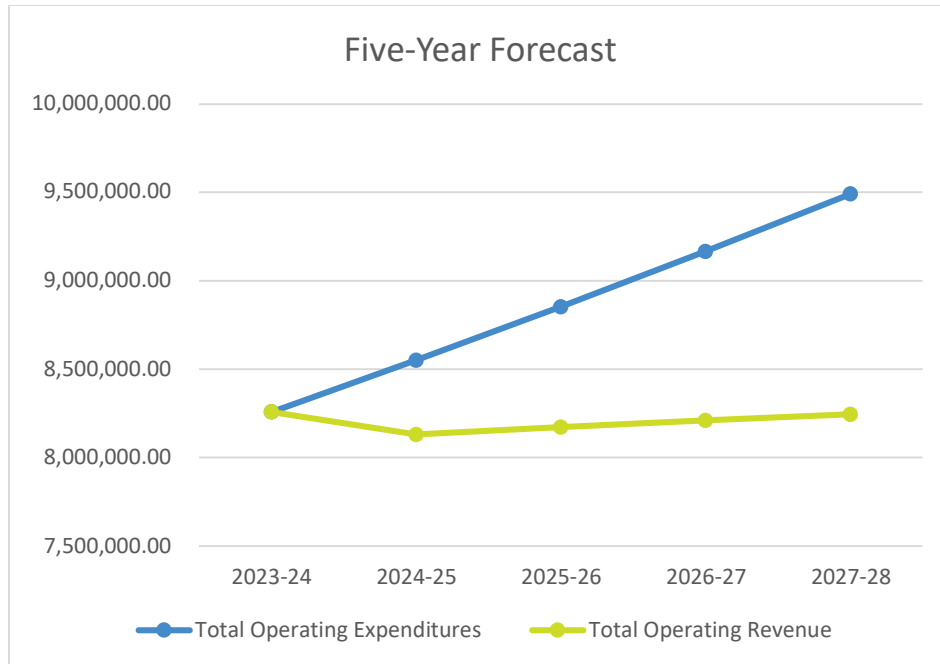


The Services and Supplies (S&S) category has remained steady over the last five years, with a minor increase of less than 1% and an average total of \$3.8 million per year, which includes pass-through grant funds. When looking solely at operating expenditures over the last five years, the District has decreased S&S expenditures by almost 15%. The District anticipates ongoing expenditures to remain steady over the next five years with minor fluctuations (including a 2% increase factor to capture any utility increases). For the implementation of future efficiency measures, additional S&S funds will be needed.

However, even with ongoing streamlining and cost-cutting over the past several years, the District finds itself reaching the point of diminishing returns where further significant cuts would seriously impede the agency’s ability to accomplish its mission, comply with mandates, and meet its customer service goals. While the District is committed to continuing to explore additional efficiency measures, embarking on such measures requires significant up-front staff time and resources, and efficiency measures alone would not be sufficient to prevent future budget shortfalls. Moving forward, consideration of any further significant expenditure reductions should take the following into account: 1) Air quality and public health protection must be maintained consistent with state and federal mandates and in alignment with the District’s Strategic Plan, and 2) Essential facilities, infrastructure, and equipment must be maintained at reasonable levels.

Strategies to Ensure Financial & Operational Stability

As summarized in the two sections above, it is anticipated that the District will face a shortfall in operational revenue in the near future. The chart below represents the forecasted revenue and expenditures over the next five years. This is considered a base case scenario that incorporates projected reductions in oil and gas activity associated with the known decommissioning of some of the oil and gas platforms off the coast of Santa Barbara County.



Expenditures were calculated using the following assumptions:

- Maintaining the existing 34 full-time staff,
- 4% increase annually for salaries, pension costs, benefits,
- 2% increase for Services and Supplies, and
- 3% increase in all other expenditures, which covers insurance premiums and fleet costs.

Assumptions for revenue were based on historical values related to general revenue increases (1.24%) as well as annual CPI increases (2.92%). Illustrated in the chart above, if the District continues to operate without any fee increases, operating expenditures will surpass operating revenue by approximately \$400,000 in FY 2024-25 (i.e., a deficit of 4% of total operating budget) and will grow to a shortfall of more than \$1.2 million by FY 2027-28.

As the District moves forward, the District will continue to place high reliance on expanded use of efficiency strategies, such as electronic permit application submittals and annual emissions inventory data. The District also plans to expand cross-training of staff to better address workload demands within and among divisions. In addition to continued efficiency efforts, the proposed strategies outlined below will be integral to the District’s financial and operational stability.

Adopt and Implement Cost-Recovery Policy for Fee-Based Programs

To ensure the District’s time and materials are accounted for when processing permits and working with sources, the implementation of a cost-recovery policy will ensure that the District has a long-term mechanism to stay fiscally sound. The District’s historical approach for only implementing the CPI has not provided the necessary cost-recovery mechanism. Prior to conducting the Fee Study, the District’s intent was to secure cost-recovery close to 100% for the services and time required to manage the permit and compliance programs. The Fee Study showed that the District’s operations currently fall well below the target of 100% cost-recovery. For many air districts, a standard policy is to reach 85% cost-recovery. While 100% cost recovery would be ideal, it could be difficult and burdensome to achieve.

The California Health & Safety Code provides air districts with the authority to adopt fee schedules to cover the costs to implement a stationary source permitting program. Increases in fees are required to be capped at 15% per year. With that Health & Safety Code restriction, continued application of CPI adjustments, and the significant gap between the current cost-recovery of 47% to the recommended metric of 85%, it will take a multi-year, phased-in approach for the agency to reach its cost-recovery goal. This phased-in approach would also ease the transition for regulated industry.

The goal of reaching an 85% cost-recovery could be accomplished by applying a certain percent increase over multiple years. The higher the percentage, the sooner the target of 85% could be achieved (e.g., 15% increase per year would reach 85% over 5 years, 10% increase per year over 10 years, and 5% increase per year over 15 years).

District staff are recommending a phased-in fee increase of 10% per year over the next 10 years. Over the five-year outlook of this Long-Range Fiscal Strategy, the cost recovery would increase from the current 47% level to 66% cost recovery in FY 27-28.

Consider Potential Changes to Rule 210

In analyzing the District's Fee Rule (Rule 210), it became clear that there are several areas where the current fee schedule does not provide a mechanism for the District to recover costs for associated work. To address these shortfalls, the following new fees are currently being evaluated and will be presented during a public workshop prior to adoption: Part 70 application filing fee, minimum permit evaluation fee, partial permit transfer fee, confidential information handling fee, Interim Permit Approval Program (IPAP) fee, annual emergency standby diesel-engine fee, annual gas station fee, cannabis facility/equipment fees, Health Risk Assessment (HRA) screening fee, school notice fee, ERC processing fee, and CEQA fees. In addition, expansion of applicability to the existing Air Toxics fees and Air Quality Planning fees is also being evaluated to ensure these fees allow the District to recover its costs for implementing the associated programs. By modifying Rule 210 to include new fee categories, and expanding the applicability for two existing fee categories, the District would be able to secure fees from sources whose work is currently subsidized by other non-permit revenue sources. The estimated increase in revenue from these potential changes to Rule 210 is approximately \$700,000 in FY 24-25, increasing to approximately \$770,000 in FY 27-28 due to the application of CPI adjustments.

Adopt Fund Balance Policy at 15% - 20% of Operating Budget

The District proposes to create and adopt a fund balance policy. A fund balance policy establishes minimum reserve levels to ensure stable services, meet future needs, and protect against financial instability. According to the Government Finance Officers Association (GFOA), the recommended best practice is the general fund reserve account should be no less than what will meet the average cash flow needs of the District for no less than 60 days. Based on this best practice, a policy set at 15 - 20% of the District's operating budget, approximately \$1,500,000 - \$2,000,000, will establish an appropriate level to meet the demands of the District during periods when revenues are not available. This policy is important to continue the fiscal health of the District.

Approve Staff Retention Measure

Due to the District's size and structure, there are limited promotional opportunities after a certain point of employment. The District proposes to evaluate longevity strategies for employees who reach milestone years of service with the goal of retaining staff who have grown in their position and become efficient at carrying out essential workload. The implementation of the staff retention measure could add additional expenditures in FY 2025-26, increasing the overall deficit.

Staff Recommendations

These above-mentioned strategies will be brought before the District Board of Directors for consideration according to the following timelines:

- **Adopt Cost-Recovery Policy for Fee-Based Programs:** By January 2024, bring a policy back to your Board for consideration that would be phased in over a number of years. If approved, Rule 210 fee increases would occur over 10 years and be included in the annual budget process.
- **Consider Potential Changes to Rule 210:** A public workshop and Community Advisory Council meeting would occur before changes are brought to your Board. Two Board meetings will be required and are expected to occur within Fiscal Year 2023-24.
- **Adopt Fund Balance Policy at 15-20% Operating Budget:** Within Fiscal Year 2023-24, a policy will be brought back to your Board with the proposed budget for FY 2024-25.
- **Approve Staff Retention Measure(s):** To be determined; measure(s) will need to be negotiated with the District's represented employee bargaining units during the normal collective bargaining process, which is scheduled for early 2025.

ATTACHMENT B

Cost Recovery and Fee Analysis Study

October 19, 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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Cost Recovery and Fee Analysis

AIR POLLUTION CONTROL DISTRICT OF SANTA
BARBARA COUNTY

FINAL REPORT

May 2023



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1. Introduction and Executive Summary

The Matrix Consulting Group was retained by the Air Pollution Control District of Santa Barbara County (District) to conduct a cost recovery and fee analysis of the District's existing fees for service. The following report summarizes the findings and conclusions associated with the District's current cost recovery and full cost recovery.

Project Background and Overview

The District has never conducted a formal cost of services study. Its current fee structure was established when the District was created, based upon other similar Air Pollution Control Districts. The District does annually increase (as appropriate) its fees based upon an established Consumer Price Index (CPI) factor. The District has undergone significant operational, organizational, and staffing changes. As such the purpose of this study was to review the existing fee schedule and ensure that it appropriately captures the variety of services provided by the District.

The Matrix Consulting Group analyzed the cost-of-service relationships that exist between the District and its customers in relation to Facility / Equipment fees for the Permitting and Compliance programs, Air Quality Planning, Air Toxics Programs, Source Tests, and Registration and Renewal of Agricultural Diesel Engines. The results of this study provide the District with a tool for understanding current service levels, the cost and demand for those services, and what fees for service can be legally charged.

State law and the Health and Safety Code provides the District with the ability to fund its activities through a combination of Grants, Subventions, Permit Fees (scope of this analysis), penalties, and Vehicle Registration surcharges.

The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among Board members and District staff, and do not represent a recommendation for where or how the Board should act. The setting of the "rate" or "price" for services, whether at 100 percent full cost recovery or lower, is a policy decision to be made only by the Board, with input from District staff and the regulated community.

Project Methodology

The methodology employed by the Matrix Consulting group is a widely accepted "bottom up" approach to cost analysis, where time spent per unit of fee activity is determined for

each position within a Division or Program. Once time spent for a fee activity is determined, all applicable District costs are then considered in the calculation of the “full” cost of fee-related services provided by the District:

Table 1: Cost Components Overview

Cost Component	Description
Direct	Fiscal Year 2022/23 Budgeted salaries, benefits, and allowable expenditures.
Indirect	Departmental and districtwide administration and clerical support.

Together the cost components in the table above comprise the calculation of the total “full” cost of providing a particular fee-related activity. For example, the full cost to permit and inspect an air pollution emitting device (e.g., baghouse) powered by an electric motor using the Schedule A.2. per electric horsepower fee consists of a review of 0.10 hours (6 minutes) by Air Quality Engineer, 0.03 hours (2 minutes) by Eng. Mgr. / Supervisor, 0.10 hours (6 minutes) by Compliance Air Quality Specialist, and 0.03 hours (2 minutes) by Compliance Mgr. / Supervisor. The time estimates for each position are multiplied by their respective fully burdened hourly rates (\$161.50 for Air Quality Eng., \$201.63 for Eng. Mgr. / Supv., \$178.32 for Compliance Air Quality Spec., and \$224.52 for Compliance Supv. / Mgr.) to arrive at the full cost of \$45.28. This is the level of detail that was collected for every single fee included in this study.

The work accomplished by the Matrix Consulting Group in the analysis of the fees for service involved the following steps:

- **Conducted Interviews with Staff:** The project team interviewed District staff across all programs and activities regarding the services that they provide, the level of service associated with fees, and ensuring that time estimates are appropriate.
- **Collected Data:** Data was collected for each permit / service, including internal time tracking information and workload information associated with the different activities. In addition, budgeted costs and staffing levels for FY22/23 were entered into the Matrix Consulting Group’s analytical software model.
- **Calculated the Full Cost of Services:** Utilizing the data collected, fully burdened hourly rates were calculated and multiplied by the time estimates to determine the full cost associated with each fee-related service.

- **Reviewed Results with Staff:** The project team reviewed the results of the analysis with supervisory and managerial staff to ensure that there was review and approval of these documented results.

A more detailed description of user fee methodology and legal regulations are provided in subsequent chapters of this report.

Summary of Findings

When comparing the prior 3 years of workload information against the FY23 budgeted full cost of District fee-related activities, the District is under-recovering by approximately \$2.3 million per year. The following table shows by Fee Schedule, the revenue at current fee, the total annual cost, the resulting difference, and the cost recovery percentage.

Table 2: Annual Cost Recovery Analysis

Fee Schedule	Revenue at Current Fee ¹	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
A – Equipment / Facility	\$1,157,439	\$1,923,856	(\$766,417)	60%
B-1 Air Quality Planning	\$344,135	\$428,347	(\$84,212)	80%
B-2 Air Toxics	\$113,970	\$259,352	(\$145,382)	44%
C – Source Testing	\$105,321	\$178,882	(\$73,561)	59%
F - Miscellaneous	\$327,537	\$1,525,322	(\$1,197,785)	21%
Agricultural Diesel Engines	\$24,360	\$70,701	(\$46,341)	34%
TOTAL	\$2,072,763	\$4,386,460	(\$2,313,697)	47%

The \$2.3 million reflects a cost recovery level of 47% for the programs funded by the fee schedules. The largest sources of this shortfall are Schedules F (\$1.2 million) and Schedule A (\$766,000). This under-recovery is primarily associated with three fee categories:

- Schedule A.3 - Fuel Burning Equipment – per 1 million BTU / hr. – annual shortfall of \$628,000 and a per unit shortfall of \$700.
- Schedule F.2 - Minimum PTO / Reevaluation Fee – annual shortfall of \$468,000 and a per unit shortfall of \$2,646.
- Schedule F.3 – Yearly PTO Reevaluation Fee – Motor Vehicle Fueling Facilities Equipped with Phase II Vapor Recovery Systems per nozzle – annual shortfall of \$485,000 and a per unit shortfall of \$540.

¹ The Revenue at Current Fee is calculated by taking the 3 year average of workload information (FY19, FY20, and FY21) and multiplying it by the FY22 fee rate.

The shortfalls noted are being funded through other revenue sources available at the District. The results of this study show on a fee-by-fee or line-by-line basis the current fee and the full cost calculated through this study. The results of this analysis provide the District with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service and which does not rely on revenue subsidies.

Future Considerations for Cost Recovery Policy and Updates

The Matrix Consulting Group recommends that the District use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, and a mechanism for the annual update of fees for service.

1 Adopt a Formal Cost Recovery Policy

The Matrix Consulting Group strongly recommends that the Board adopt a formalized, individual cost recovery policy for each service area included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

For most Air Control Districts, a standard target cost recovery policy is to achieve and maintain 85% cost recovery. While it is ideal to target 100% cost recovery, due to changing regulations, permitting environments, and costs, it is difficult to achieve that. Therefore, it is being recommended that through this analysis, the District adopt a formal target policy identifying its Board agreed upon cost recovery target.

2 Adopt an Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions applied in the previous study, and to account for any major shifts in cost components or organizational structures. The Matrix Consulting Group believes it is a best management practice to perform a focused programmatic update of the fees every 3 to 5 years by utilizing current revenue and expenditure data coupled with up-to-date programmatic goals and objectives.

In between focused programmatic updates, the District should continue its practice of utilizing published industry economic factors such as the California Consumer Price Index (CPI) as noted by the California Health and Safety Code Section 42311, which enables the District to update the cost calculations established in the Study on an annual basis. Utilizing an annual increase mechanism would ensure that the District receives

appropriate fee and revenue increases that reflect growth in costs and minimize major cost increases from year to year.

3 Other Fees

There are certain fees that have not been evaluated in this cost of services study as those fees are not service or time-based, or the programs are evolving. For those programs and fees, the District should consider evaluating them at a later date. For example, the District plans to undergo changes for the Asbestos program in the near future, as such those fees should be evaluated, once all changes have been implemented.

4 Cost Increases

The cost of services study is a snapshot in time. Future cost recovery considerations must take into account potential cost increases not due to annual cost increases, but rather items such as staffing changes or process changes that may impact the time it takes to conduct activities.

2. Legal Framework

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. In California, several constitutional laws such as Propositions 13, 4, and 218, State Government Codes 66014 and 66016, and more recently Prop 26 and the Attorney General’s Opinion 92-506 set the parameters under which the user fees typically administered by local government are established and administered. Specifically, California State Law, Government Code 66014(a), stipulates that user fees charged by local agencies “...may not exceed the estimated reasonable cost of providing the service for which the fee is charged”.

In addition to these propositions and legal government codes, the District’s fees are specifically subject to the California Health and Safety Code. The following table summarizes the key Health and Safety Codes and their fee and revenue related regulations:

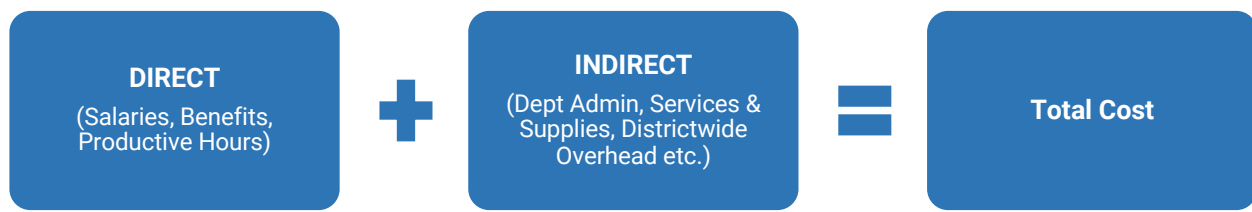
Table 3: California Health and Safety Code Regulations

CA H&SC	Description
40701.5	Provides the District with the ability to fund its activities through a combination of Grants, Subventions, Permit Fees (scope of this analysis), penalties, and Vehicle Registration surcharges.
41512	Provides the District with the ability to set fees (after a public hearing) to recover the costs associated with evaluation, sampling, calculations, and report preparation for sources that have emissions provided fees do not exceed the cost of providing those services.
41512.7(b)	Provides language that enables the District to increase individual fees for service for permit to operate and authority to construct permits by no more than 15% per year.
42311	This section enables the District to establish fees for renewal, evaluation, and issuance of permits for stationary sources, nonvehicular sources emitting toxic air contaminants, and hearing board fees, provided they do not exceed the cost of providing those services. Additionally, the District can increase these fees every year based upon the California CPI.

As the table demonstrates, there are several codes that are applicable to Air Pollution District fees. Ultimately, these codes reiterate the regulations from Proposition 26 and 218, in that the District is limited to the cost associated with providing these services as it is setting its fees. Therefore, it is critical to ensure that as the costs are being calculated for this analysis, they incorporate all costs (direct and indirect) associated with providing the fee-related services. The regulations do also potentially limit the increase of fees to no more than 15% per year, which doesn’t affect cost calculation but affects fee setting.

3. Cost Recovery Methodology

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the components of a full cost calculation:



The general steps utilized by the project team to determine allocations of cost components to a particular fee or service are:

- Calculate fully burdened hourly rates by position, including direct & indirect costs.
- Develop time estimates for each service included in the study.
- Distribute the appropriate amount of the other cost components to each fee or service based on the staff time allocation basis, or another reasonable basis.

The results of these allocations provide detailed documentation for the reasonable estimate of the actual cost of providing each service. The following subsections discuss the fully burdened hourly rates calculated and the time estimates utilized.

Fully Burdened Hourly Rates

Fully burdened hourly rates are one of the two key factors of the full cost calculated, and are comprised of the following key components:

- **Direct Cost:** This consists of the salaries, benefits, and productive hours associated with each position. The salaries and benefits are the actual salaries and benefits budgeted for each position at the District. The productive hours are a calculation to reduce the billable hours from 2,080 (standard full-time hours) to the hours which are available to be billed for. This includes reduction for items such as sick leave, vacation, holidays, and trainings. Based upon review of District staff

labor agreements, the total productive hours calculated for the District are 1,646 hours. The 1,646 hours represents a billable percentage of 79%, which is within the range typically seen for local government at 72-82%.

- **Supplies and Services Overhead:** This overhead refers to the non-personnel budgeted items for each program or division that are necessary for the employees to be productive. This includes costs such as internal service charges for vehicles, technology costs, minor equipment, training expenses, and general office equipment. There is a unique overhead associated with each program, as each program has their own services and supplies costs. The costs for each program are divided by the total billable hours in each program to calculate the supplies and services overhead per hour.
- **Departmental Overhead:** This consists of the costs associated with all other activities associated with fee-related programs that are not considered billable. This includes the costs associated with managerial and clerical staff, as well as the non-billable time associated with fee-related staff. The goal of the program is to be recovered through fees, as such the costs should be considered as overhead to fees. The departmental overhead, like the supplies and services overhead is unique to each program, as there are different staffing allocations to each program and activity.
- **Districtwide Overhead:** This cost component reflects the costs associated with Fiscal and Executive, Human Resources, Public Information, and Information Technology. These are all programs and activities that provide support to the District's fee and non-fee related programs. The costs associated with these programs are allocated to the different District programs based upon the FTE and budgeted expenditures associated with each program. The total overhead costs for each program are unique and divided by the total available hours for each program to calculate the districtwide overhead per hour for each staff position.

Together these cost components result in fully burdened hourly rates, which are reflective of the total cost to the District for each position. It is important to note that this rate is *NOT* meant to be reflective of actual pay to District staff, but rather reflects the cost associated with that employee, which includes salaries, benefits, supervisory support, services and supplies, and overall districtwide support. The fully burdened hourly rate is utilized in conjunction with time estimates to calculate the full cost of service.

Time Studies

One of the key study components utilized in the “bottom up” approach is the use of timecard data along with supplemental time estimates, as needed, for the provision of each fee related service. Timecard data, where available, reflects actual staff time spent in the various programs funded by the fee schedule. Where timecard data was unavailable or incomplete, utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the District developed these estimates.

The project team worked closely with District staff in developing time assumptions with the following criteria:

- Estimates were based on actual timecard data where available.
- Estimates are representative of average times for providing services for those fee schedules for which timecard data was unavailable or incomplete. Estimates for extremely difficult or abnormally simple projects are not factored into this analysis.
- Estimates reflect the time associated with the position or positions that typically perform a service.
- Estimates provided by staff are reviewed and approved by the division / department and involve multiple iterations before the Study is finalized.
- Estimates are reviewed by the project team for “reasonableness” against their experience with other agencies.
- Estimates were not based on time in motion studies¹, as they are not practical for the scope of services and time frame for this project.

The Matrix Consulting Group notes that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service for which to base a jurisdiction’s fees for service and meets the requirements of California law.

¹ Time in Motion studies refers to a type of process in which staff time is measured utilizing a stopwatch and each task is timed separately through the course of the project. This is not typically feasible for most services as due to the time span over which the services are provided.

4. Detailed Results

The motivation behind a cost of services (User Fee) analysis is for the District Board and Program staff to maintain services at a level that is both accepted and effective for the community, and to maintain control over the policy and management of these services.

The results presented in this report are not a precise measurement. In general, a cost-of-service analysis takes a “snapshot in time”, where a fiscal year of adopted budgeted cost information is compared to the same fiscal year of revenue, and workload data available. Changes to the structure of fee names, along with the use of time estimates allow only for a reasonable projection of shortfalls and revenue. Consequently, the Board and Program staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following sections is intended as a summary of extensive and voluminous fee study documentation produced during the Study. Each chapter includes detailed cost calculation results for each major permit category including the following:

- **“Per Unit” Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).
- **Annualized Results:** utilizing the volume of activity, estimates of annual shortfalls and revenue impacts were projected.

The full analytical results were provided to District staff under separate cover from this summary report.

5. A – Facility / Equipment Description

Fees for the issuance of Authority to Construct (ATC) and Permit to Operate (PTO) permits are based on the number and size of the equipment included in each project. These permit issuance fees are primarily covered by Fee Schedule A. These fees are intended to cover the cost of staff time associated with reviewing and issuing new permits, conducting reevaluations of existing permits, and conducting initial and ongoing compliance inspections. The following subsections discuss per unit and annual results.

Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead. The following table details the name, current fee, full cost calculated, and the difference associated with Facility / Equipment Fee Schedule.

Table 4: Cost Per Unit Results – Facility / Equipment Description / Fee Schedule

Fee Name	Unit	Current Fee	Total Cost Per Unit	Difference
1.a. Miscellaneous per equipment	Each	\$79.76	\$109.01	(\$29.25)
1.b. Minimum Permit fee if only miscellaneous equipment	Each	\$496.00	\$1,079.21	(\$583.21)
2. Electric Motor				
Per total rated horsepower	Each	\$41.35	\$45.28	(\$3.93)
Minimum Fee	Each	\$79.24	\$87.35	(\$8.11)
Maximum Fee	Each	\$8,006.06	\$8,767.72	(\$761.66)
3. Fuel Burning Equipment				
Per 1 million Btu/hour input (max design fuel consumption)	Each	\$598.34	\$1,298.62	(\$700.28)
Minimum Fee	Each	\$79.24	\$173.10	(\$93.86)
Maximum Fee	Each	\$8,006.06	\$17,375.87	(\$9,369.81)
4. Electrical Energy				
Per KVA rating in 10's	Each	\$8.04	\$21.38	(\$13.34)
Minimum Fee	Each	\$79.24	\$210.68	(\$131.44)
Maximum Fee	Each	\$8,006.06	\$21,286.65	(\$13,280.59)
5. Incinerator				
Per square feet of inside cross-sectional area	Each	\$99.70	\$130.06	(\$30.36)
Minimum Fee	Each	\$79.24	\$104.04	(\$24.80)
Maximum Fee	Each	\$4,002.08	\$5,220.53	(\$1,218.45)
6. Stationary Container				
Per 1,000 gallons	Each	\$4.57	\$5.00	(\$0.43)
Minimum Fee	Each	\$79.24	\$87.26	(\$8.02)
Maximum Fee	Each	\$4,002.08	\$4,378.59	(\$376.51)
7. Dry Cleaning Equipment Fee	Each	\$79.76	\$4,768.42	(\$4,688.66)
8. Motor Vehicle Gasoline Fueling Facilities				
Per Phase II vapor recovery system nozzle (NSR Mods)	Each	\$45.87	\$80.81	(\$34.94)
Min. Fee (for a Facility with a Phase II VRS)	Each	\$318.87	\$561.72	(\$242.85)
10. Rock Crusher Fee, Per Device	Each	\$79.76	\$219.77	(\$140.01)
11. Stacker Belt Fee, Per Stacker Belt	Each	\$79.76	\$57.52	\$22.24

Other than the Stacker Belt Fee, every fee in this section shows an under-recovery. The most significant shortfalls on a permit equipment basis relates to 'Fuel Burning Equipment' at \$700 per 1 million BTU, as such the Maximum Fee for that category shows a \$9,000 shortfall. The remaining fees also have shortfalls ranging from a low of \$0.43 per 1,000 gallons to a high of \$13,281 – maximum fee for Electrical Energy.

Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. For each fee associated with the Facility / Equipment Description / Fee Schedule, the following table shows the three (3) year² average volume, the revenue at current fee, the total annual cost, and the difference.

Table 5: Annual Results – Facility / Equipment Description / Fee Schedule

Fee Name	Annual Volume	Revenue at Current Fee	Revenue at Full Cost	Difference
1.a. Miscellaneous per equipment	1,442	\$114,987	\$157,157	(\$42,170)
1.b. Minimum Permit fee if only miscellaneous equipment	4	\$2,149	\$4,677	(\$2,527)
2. Electric Motor				
Per total rated horsepower	7,515	\$310,731	\$340,263	(\$29,532)
3. Fuel Burning Equipment				
Per 1 million Btu/hour input	896	\$536,312	\$1,163,995	(\$627,683)
4. Electrical Energy				
Per KVA rating in 10's	20	\$158	\$420	(\$262)
5. Incinerator				
Per square feet of inside cross-sectional area	67	\$6,680	\$8,714	(\$2,034)
6. Stationary Container				
Per 1,000 gallons	29,206	\$133,470	\$145,970	(\$12,500)
7. Dry Cleaning Equipment Fee	2	\$160	\$9,537	(\$9,377)
8. Motor Vehicle Gasoline Fueling Facilities				
Per Phase II Vapor Recovery System Nozzle	181	\$8,318	\$14,653	(\$6,335)
Facilities w/out Phase II Vapor Recovery Nozzle	2	\$1,196	\$1,818	(\$621)
10. Rock Crusher Fee, Per Device	15	\$1,196	\$3,297	(\$2,100)
11. Stacker Belt Fee, Per Stacker Belt	9	\$744	\$537	\$208
TOTAL		\$1,157,439	\$1,923,856	(\$766,417)

When comparing average annual revenues to project full costs, the District shows a shortfall and associated subsidy of approximately \$766,000. The primary source of this subsidy relates to Fuel Burning Equipment at \$628,000.

² Volume is based on an average of FY19, FY20, and FY21 annual permit workload.

6. B-1 Air Quality Planning

The District’s Planning Division is responsible for implementing several air quality planning programs. The Air Quality Planning (AQP) fee is used for ozone planning, PM planning, rule development, coordination efforts with planning departments around the county, marine shipping initiatives, mobile source planning, promotion of zero emission vehicle technology and infrastructure, implementing control measures, maintaining the District’s emission inventory, oversight of the District’s air monitoring network, AB 197 and AB 617 implementation, the Vessel Speed Reduction Program, as well as conducting outreach for grant and incentive programs to promote clean air technologies, presenting at school and community groups, and partnering with local agencies and organizations. The Division reviews discretionary actions by the County and cities, and provides comments on air quality issues, including being responsible for ensuring compliance with the California Environmental Quality Act (CEQA). More recently, the Division has implemented legislative requirements and incentives associated with the state’s AB 617 Community Air Protection program. The following subsections discuss any proposed modifications, the per unit results, and the annual results.

This fee was historically known as the Air Quality Attainment Plan (AQAP) fee. It is important to note that this fee is based on tonnage. The fee can be based on either permitted levels or actual levels, depending upon the date the facility was first permitted. In FY21/22, this fee applied to 44 facilities with potential or actual emissions of 10 tons per year or more of either ROG or NOx. Short term projections indicate a decrease of AQP fees of about 30% with longer term projections indicating a further 20% reduction as emissions continue to decrease. As such, there is expected to be a significant decline in the revenues received for this activity.

Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead. The following table details name, current fee, full cost calculated, and the difference associated with Air Quality Planning.

Table 6: Cost Per Unit Results – Fee for Air Quality Planning

Fee Name	Unit	Current Fee	Total Cost Per Unit	Difference
0 to ≤ 10 tons per year	per ton	\$0.00	\$0.00	\$0
> 10 to ≤ 25 tons per year	per ton	\$61.82	\$77.07	(\$15.25)
> 25 to ≤ 100 tons per year	per ton	\$93.71	\$115.60	(\$21.89)
> 100 tons per year	per ton	\$123.66	\$154.13	(\$30.47)

The District is currently under-recovering for all Air Quality Planning categories, ranging from a low of \$15 for '> 10 to ≤ 25 tons per year' to a high of \$30 for '> 100 tons per year'.

Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. For each fee associated with Air Quality Planning, the following table shows the three (3) year³ average volume, the revenue at current fee, the total annual cost, and the difference.

Table 7: Annual Results – Fee for Air Quality Planning

Fee Name	Annual Volume	Revenue at Current Fee	Revenue at Full Cost	Difference
> 10 to ≤ 25 tons per year	226.85	\$14,024	\$17,483	(\$3,459)
> 25 to ≤ 100 tons per year	494.23	\$46,314	\$57,132	(\$10,818)
> 100 tons per year	2,294.98	\$283,798	\$353,732	(\$69,935)
TOTAL		\$344,135	\$428,347	(\$84,212)

Overall, Air Quality Planning fee services show an annual shortfall of approximately \$84,000, with the largest impact (\$70,000) coming from the '> 100 tons per year' category.

³ Volume is based on an average of FY19, FY20, and FY21 annual permit workload.

7. B-2 Air Toxics Program

The Air Toxics function includes implementation of the state’s Air Toxics “Hot Spots” (AB 2588) Program, the review of applications to ensure no new sources of significant health risk are permitted, and the tracking and implementation of requirements of state and federal air toxic regulations. The California Air Resources Board (CARB) develops Air Toxic Control Measures for categories of sources that emit toxic air contaminants, and the District implements these measures locally. The United States Environmental Protection Agency (EPA) also develops air toxic regulations, known as National Emission Standards for Hazardous Air Pollutants, and these are implemented locally by the District via a delegation agreement. The air toxics programs help ensure that residents, businesses, and sensitive receptors (e.g., schools, daycares, hospitals, etc.) are properly protected. The following subsections discuss the proposed modifications to this section, the detailed per unit results, and the annual revenue impact.

The Air Toxics Program fee schedule is based on pounds of emission per year. The District doesn’t currently assess fees for Air Toxics Programs with less than 2,000 pounds per year. However, similar to the AQP fee, because the structure is based on emissions, as emission decline the total revenue associated with these fees is expected to decline. There are estimates of approximately a 15% decline in the short-term and another 12% decline in the long-term, resulting in a significant overall revenue decline.

Per Unit Results

The full cost calculated for each fee-based service includes direct staff costs, departmental overhead, and districtwide overhead. The following table details the name, current fee, full cost calculated through this study, and the difference for each fee associated with the Air Toxics Program.

Table 8: Cost Per Unit Results – Air Toxics Program

Fee Name	Unit	Current Fee	Total Cost Per Unit	Difference
> 2,000 pounds per year	per pound	\$0.39	\$0.89	(\$0.50)

The current per pound fee shows a \$0.50 shortfall.

Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. For each fee associated with Air Toxics

Programs, the following table shows the three (3) year⁴ average volume, the revenue at current fee, the total annual cost, and the difference.

Table 9: Annual Results – Air Toxics Program

Fee Name	Annual Volume	Revenue at Current Fee	Revenue at Full Cost	Difference
> 2,000 pounds per year	292,231	\$113,970	\$259,352	(\$145,382)
TOTAL		\$113,970	\$259,352	(\$145,382)

The shortfall for this fee category (\$145,000) is due to the per unit shortfall of \$0.50 per pound, given that the District monitors nearly 300,000 pounds annually.

⁴ Volume is based on an average of FY19, FY20, and FY21 annual permit workload.

8. C – Source Tests Under Schedule A

Source Testing is the in-stack measurement of the actual emissions released from an equipment unit. Engineering Division staff are responsible for implementing the District’s Source Test Program. Approximately 10% of permitted facilities are required to perform source testing. Staff review source test plans and reports as well as observe onsite testing. The following subsections discuss any proposed modifications, the per unit results, and the annual results.

Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead. The following table details the name, current fee, full cost calculated through this study, and the difference for each fee associated with Review, Observation, and Evaluation of Source Tests for Equipment Evaluated Under Section A.

Table 10: Cost Per Unit Results – Review, Observation, and Evaluation of Source Tests

Fee Name	Unit	Current Fee	Total Cost Per Unit	Difference
Boiler or Heater	Each	\$2,044.36	\$3,442.65	(\$1,398.29)
Piston type engine				
one engine	Each	\$2,044.36	\$3,442.65	(\$1,398.29)
each additional engine	Each	\$544.48	\$958.60	(\$414.12)
Thermal oxidizer	Each	\$2,044.36	\$3,637.54	(\$1,593.18)
Wet scrubber (gaseous)	Each	\$2,044.36	\$3,783.31	(\$1,738.95)
Wet scrubber (particulate)	Each	\$2,722.49	\$4,720.13	(\$1,997.64)
Baghouse	Each	\$2,722.49	\$4,720.13	(\$1,997.64)
Gas Turbine	Each	\$2,722.49	\$4,720.13	(\$1,997.64)
Heater Treater	Each	\$2,722.49	\$4,038.81	(\$1,316.32)
Other	Each	\$2,722.49	\$4,720.13	(\$1,997.64)

All the fees relating to Source Tests show an under-recovery. The largest shortfall of \$1997.64 per unit relates to ‘Wet scrubber (particulate)’, ‘Baghouse’, ‘Gas Turbine’, and ‘Other’.

Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. For each fee associated with Source

Tests, the following table shows the three (3) year⁵ average volume, the revenue at current fee, the total annual cost, and the difference.

Table 11: Annual Results – Review, Observation, and Evaluation of Source Tests

Fee Name	Annual Volume	Revenue at Current Fee	Revenue at Full Cost	Difference
Boiler or Heater	27.00	\$55,198	\$92,952	(\$37,754)
Piston type engine				
One engine	5.00	\$10,222	\$17,213	(\$6,991)
Each additional engine	7.00	\$3,811	\$6,710	(\$2,899)
Thermal oxidizer	6.00	\$12,266	\$21,825	(\$9,559)
Wet scrubber (gaseous)	1.00	\$2,044	\$3,783	(\$1,739)
Baghouse	1.00	\$2,722	\$4,720	(\$1,998)
Gas Turbine	4.00	\$10,890	\$18,881	(\$7,991)
Heater Treater	2.00	\$5,445	\$8,078	(\$2,633)
Other	1.00	\$2,722	\$4,720	(\$1,998)
TOTAL		\$105,321	\$178,882	(\$73,561)

The District's annual shortfall related to Source Tests is approximately \$74,000. This deficit is primarily due to the Boiler or Heater Source Test category. The per unit shortfall for that category is approximately \$1,400 and coupled with 27 annual tests, it results in a \$38,000 shortfall.

⁵ Volume is based on an average of FY19, FY20, and FY21 annual permit workload.

9. Schedule F

This section of the fee schedule captures miscellaneous fees as well as Hearing Board fees. The following subsections discuss any proposed modifications, the detailed per unit results, and the annual results.

Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead. The following table details the name, current fee, full cost calculated through this study, and the difference for each fee associated with Schedule F.

Table 12: Cost Per Unit Results – Schedule F

Fee Name	Unit	Current Fee	Total Cost Per Unit	Difference
1. ATC/PTO filing fee, per application	Each	\$456.00	\$925.05	(\$469.05)
2. Minimum PTO reevaluation fee	Each	\$496.00	\$3,141.73	(\$2,645.73)
3. Yearly PTO reevaluation fee – motor vehicle fueling facilities equipped with Phase II vapor recovery systems, per nozzle	Per Nozzle	\$27.91	\$568.22	(\$540.31)
4. Additional reinspection fee for motor vehicle fueling facilities equipped with Phase II vapor recovery systems, per nozzle	Per Nozzle	\$27.91	\$568.22	(\$540.31)
5. Fee for change in production rate	Per Permit	\$496.00	\$940.78	(\$444.78)
6. Fee for administrative change	Per Permit	\$496.00	\$932.92	(\$436.92)
9. Annual Atmospheric Acidity Protection Program fee	Per Source	\$696.00	\$846.70	(\$150.70)
10. Annual California Clean Air Act fee	Per Source	\$696.00	\$846.70	(\$150.70)
11. Fee for written determination of permit exemption	Flat	\$696.00	\$1,307.18	(\$611.18)
12. Hearing Board Fees				
12.a. Filing Fee (Fixed Fee Permit)				
Emergency variance				
Length of variance is 15 days or less	Each	\$117.00	\$1,894.06	(\$1,777.06)
Length of variance is more than 15 days	Each	\$236.00	\$1,894.06	(\$1,658.06)
Interim variance	Each	\$275.00	\$2,083.47	(\$1,808.47)
90-day variance	Each	\$1,494.00	\$3,030.50	(\$1,536.50)
Regular variance	Each	\$1,494.00	\$3,788.13	(\$2,294.13)
Additional fee for variance more than 3 months	Per Month	\$547.19	\$757.63	(\$210.44)
12.b. Filing Fee (Reimbursable Permit)				
Emergency variance	Each	\$117.00	\$1,894.06	(\$1,777.06)
Interim variance	Each	\$686.00	\$2,083.47	(\$1,397.47)
90-day variance	Each	\$686.00	\$3,030.50	(\$2,344.50)
Regular variance	Each	\$686.00	\$3,788.13	(\$3,102.13)
12.c. Permit appeal filing fee, per petition	Per Petition	\$794.00	\$3,788.13	(\$2,994.13)
12.d. Permit appeal hearing time, after first day (two hours)	Each	\$398.13	\$378.81	\$19.32
12.e. Excess emission fee, per ton	Per Ton	\$319.09	\$284.11	\$34.98

All but two fees associated with Schedule F show a per unit shortfall. These shortfalls range from a low of \$150 for 'Annual Atmospheric Acidity Protection Program' and 'Annual California Clear Air Act', to a high of \$3,102 for 'Filing Fee (Reimbursable Permit) – Regular Variance'. Both the 'Permit appeal hearing time, after first day' and 'Excess emission fee, per ton' fees show surpluses of \$19 and \$35, respectively.

Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. For each fee associated with Schedule F, the following table shows the three (3) year⁶ average volume, the revenue at current fee, the total annual cost, and the difference.

Table 13: Annual Results – Schedule F

Fee Name	Annual Volume	Revenue at Current Fee	Revenue at Full Cost	Difference
1. ATC/PTO filing fee, per application	339	\$154,584	\$313,593	(\$159,009)
2. Minimum PTO reevaluation fee	177	\$87,792	\$556,087	(\$468,295)
3. Yearly PTO reevaluation fee – motor vehicle fueling facilities equipped with Phase II vapor recovery systems, per nozzle	898	\$25,049	\$509,976	(\$484,927)
5. Fee for change in production rate	2	\$827	\$1,568	(\$741)
6. Fee for administrative change	8	\$4,133	\$7,774	(\$3,641)
11. Fee for written determination of permit exemption	31	\$21,808	\$40,958	(\$19,150)
12. Hearing Board Fees				
12.a. Filing Fee (Fixed Fee Permit)				
Emergency variance				
Length of variance is 15 days or less	5	\$585	\$9,470	(\$8,885)
Length of variance is more than 15 days	1	\$236	\$1,894	(\$1,658)
Interim variance	7	\$1,925	\$14,584	(\$12,659)
90-day variance	5	\$7,470	\$15,153	(\$7,683)
Regular variance	1	\$1,494	\$3,788	(\$2,294)
Additional fee for variance more than 3 months	27	\$14,774	\$20,456	(\$5,682)
12.b. Filing Fee (Reimbursable Permit)				
Interim variance	4	\$2,401	\$7,292	(\$4,891)
90-day variance	3	\$1,715	\$7,576	(\$5,861)
Regular variance	4	\$2,744	\$15,153	(\$12,409)
TOTAL		\$327,537	\$1,525,322	(\$1,197,785)

The District's annual shortfall associated with Schedule F is approximately \$1.2 million. The largest contributor to this shortfall is the 'Minimum PTO reevaluation' at roughly \$468,000 annually.

⁶ Volume is based on an average of FY19, FY20, and FY21 annual permit workload.

10. 213-A Agricultural Diesel Engines

This section of the fee schedule is specific to the registration of Agricultural Diesel Engines. The following subsections discuss the proposed modifications, the detailed per unit results, and the annual results.

Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead. The following table details the name, current fee, full cost calculated through this study, and the difference for each fee associated with Registration and Renewal of Agricultural Diesel Engines.

Table 14: Cost Per Unit Results – Registration and Renewal of Agricultural Diesel Engines

Fee Name	Unit	Current Fee	Total Cost Per Unit	Difference
213-A. Registration and Registration Renewal of Agricultural Diesel Engines	Each	\$280.00	\$812.65	(\$532.65)

The ‘Registration and Registration Renewal of Agricultural Diesel Engines’ has a calculated per unit shortfall of \$532.65.

Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. For each fee associated with Registration and Renewal of Agricultural Diesel Engines, the following table shows the three (3) year⁷ average volume, the revenue at current fee, the total annual cost, and the difference.

Table 15: Annual Results – Registration and Renewal of Agricultural Diesel Engines

Fee Name	Annual Volume	Revenue at Current Fee	Revenue at Full Cost	Difference
213-A. Registration and Registration Renewal of Agricultural Diesel Engines	87	\$24,360	\$70,701	(\$46,341)

The District’s annual shortfall related to Registration and Renewal of Agricultural Diesel Engines is roughly \$46,000.

⁷ Volume is based on an average of FY19, FY20, and FY21 annual permit workload.