

COUNTY OF SAN DIEGO AIR POLLUTION CONTROL BOARD
REGULAR MEETING
MEETING AGENDA
WEDNESDAY, NOVEMBER 15, 2017, 9:00 AM
BOARD OF SUPERVISORS NORTH CHAMBER
1600 PACIFIC HIGHWAY
SAN DIEGO, CA 92101

- A. Roll Call
- B. Approval of the Statement of Proceedings/Minutes for the meeting of October 24, 2017.
- C. Public Communication: Opportunity for members of the public to speak to the Board on any subject matter within the Board's jurisdiction but not an item on today's agenda.

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Supporting documentation and attachments for items listed on the agenda can be viewed online at <http://www.sdcounty.ca.gov/cob/bosa/> or in the Office of the Clerk of the Board of Supervisors at the County Administration Center, 1600 Pacific Highway, Room 402, San Diego, CA 92101.

Agenda Items

- | Agenda # | Subject |
|-----------------|---|
| 1. | NOTICED PUBLIC HEARING :
ADOPTION OF PROPOSED NEW RULE 1206 - ASBESTOS REMOVAL,
RENOVATION, AND DEMOLITION, RELATED AMENDMENTS TO RULE 40 -
PERMIT AND OTHER FEES, AND REPEAL OF EXISTING DISTRICT SUBPART M
- NATIONAL EMISSION STANDARDS FOR ASBESTOS (RULES 361.140-361.156) |
| 2. | APPROVAL OF YEAR 19 CARL MOYER PROGRAM FUNDING ALLOCATION
PLAN AND APPROPRIATION OF AIR QUALITY IMPROVEMENT TRUST
FUNDS
[FUNDING SOURCES: CARL MOYER PROGRAM GRANT FUNDS FROM THE
CARB AND AVAILABLE PRIOR YEAR FUND BALANCE IN THE AIR QUALITY
IMPROVEMENT TRUST FUND]
(4 VOTES) |

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1. **SUBJECT: NOTICED PUBLIC HEARING:
ADOPTION OF PROPOSED NEW RULE 1206 - ASBESTOS REMOVAL,
RENOVATION, AND DEMOLITION, RELATED AMENDMENTS TO
RULE 40 - PERMIT AND OTHER FEES, AND REPEAL OF EXISTING
DISTRICT SUBPART M - NATIONAL EMISSION STANDARDS FOR
ASBESTOS (RULES 361.140-361.156) (DISTRICTS: ALL)**

OVERVIEW

This is a request for the Air Pollution Control Board to adopt proposed new Rule 1206 (Asbestos Removal, Renovation, and Demolition) which would improve overall clarity and consistency with current federal requirements. Additionally, a related proposed amendment to Rule 40 (Permit and Other Fees) is being requested to ensure that the rule's language is aligned with Rule 1206 in regard to the rule applicability thresholds.

Asbestos is a naturally occurring fibrous mineral used in building materials such as sprayed-on surface materials, pipe insulation, resilient floor tiles, and roofing materials. Disturbance of asbestos-containing materials during building demolition or renovation activities can release asbestos fibers into the air, risking public health. This is because the inhalation of these asbestos fibers, a known carcinogen, can cause serious health problems including chronic lung disease and cancer. There is no known safe level of exposure to asbestos and its safe handling is vitally important to protect workers and the public from its ill effects.

Asbestos is federally regulated through the National Emissions Standards for Hazardous Air Pollutants (NESHAP), which requires the identification and removal of asbestos-containing materials under controlled conditions prior to demolition or renovation activities so that asbestos fibers are not released into the air. The U.S. Environmental Protection Agency (EPA) has delegated the authority to implement the NESHAP to the Air Pollution Control District (District). The District enforces this federal regulation through existing Rules 361.140-361.156, adopted over 22 years ago (February 1, 1995 (AP01)). Since then, the EPA has made numerous amendments and determinations to improve and clarify the federal regulation, resulting in the District rules becoming outdated. The District has developed proposed new Rule 1206 to incorporate these federal updates and enhance rule clarity. These changes will result in a better understanding of the requirements by the regulated community, thereby improving compliance rates and reducing worker and public exposure to asbestos.

Proposed Rule 1206 more clearly defines terms, better explains inspection and reporting requirements, clarifies when a renovation or demolition is subject to the requirements, and specifies work practice requirements to limit asbestos exposure. Additionally, to better protect public health, the rule applicability threshold would decrease from 160 square feet of surface area or 260 linear feet of pipe to 100 square feet of regulated asbestos-containing material to be removed. The lower threshold is already in place in similar rules throughout most of California, is well accepted, and has proven beneficial in reducing the risk of worker and public exposure to harmful asbestos fibers.

A related minor amendment to existing Rule 40 (Permit and Other Fees) for asbestos notification fees is also proposed so as to lower the fee applicability threshold from 160 square feet to 100 square feet of regulated asbestos-containing material to be removed, consistent with proposed new Rule 1206. If adopted, new Rule 1206 and amended Rule 40 will take effect immediately and existing Rules 361.140-361.156 will be repealed.

Proposed Rule 1206 was developed in collaboration with the EPA and the California Air Resources Board along with extensive outreach to the District's stakeholders. All known issues have been addressed and the proposed rule is supported by the Air Pollution Control District Advisory Committee. If the proposed rule is adopted, staff will conduct additional outreach that will include the distribution of an informational advisory and cost-free training about the new rule to further inform and educate potentially affected sources.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of new Rule 1206 and amended Rule 40 and the repeal of existing Rules 361.140-361.156 are categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activities in question may have a significant adverse effect on the environment.
2. Adopt the Resolution entitled: RESOLUTION ADOPTING NEW RULE 1206 - ASBESTOS REMOVAL, RENOVATION, AND DEMOLITION OF REGULATION XII, RELATED AMENDMENTS TO RULE 40 - PERMIT AND OTHER FEES OF REGULATION III, AND REPEALING EXISTING DISTRICT SUBPART M - NATIONAL EMISSION STANDARDS FOR ASBESTOS (RULES 361.140-361.156) OF REGULATION XI OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2017-18 Operational Plan for the Air Pollution Control District. The recommended actions would result in additional estimated costs and revenue of \$31,570, funded by customers providing notification of asbestos renovation or demolition operations. There will be no change in net General Fund cost and no additional staff years are required.

BUSINESS IMPACT STATEMENT

If approved, these recommendations will have a positive impact on the business community by increasing the clarity of the asbestos regulatory requirements. Furthermore, it is expected that compliance with the rule will improve, potentially reducing worker and public exposure to asbestos fibers. The proposed lowering of the rule applicability threshold from 160 square feet to 100 square feet of regulated asbestos-containing material to be removed will result in an estimated 70 additional asbestos notifications per year region-wide and will not significantly impact the business community.

2. **SUBJECT: APPROVAL OF YEAR 19 CARL MOYER PROGRAM FUNDING ALLOCATION PLAN AND APPROPRIATION OF AIR QUALITY IMPROVEMENT TRUST FUNDS (DISTRICTS: ALL)**

OVERVIEW

Older diesel engines that power on-road and off-road vehicles and equipment emit significant amounts of air pollution that is linked to a range of serious health problems including lung cancer and heart disease. These old diesel engines typically have a long life span (20 or more years) and can be expensive to replace. Consequently, they will continue to adversely impact air

quality and public health for many years unless their owners have an incentive to replace them with new, cleaner equipment, sooner than is required by State law.

To address this significant source of air pollution, the Air Pollution Control District (District) has partnered with the California Air Resources Board (CARB) since 1998 to implement the Carl Moyer Program. This program provides grants to incentivize the accelerated retirement and replacement of older, highly polluting diesel engines well ahead of deadlines set by State law. These highly beneficial emission reduction projects consist of engine retrofits, engine replacements, and complete vehicle replacements. Examples of projects include on-road trucks, off-road construction and farm equipment, marine vessels, locomotives, and agricultural pump engines. CARB has determined that each \$1 invested in such projects provides \$30 in cost savings, mostly from avoided health impacts.

Carl Moyer projects are partially funded by State grants. The projects are evaluated for both emissions reductions and cost effectiveness in accordance with State requirements. The funds are competitively awarded each year to local businesses and public entities, helping them to purchase new equipment that is cleaner than required by law at significantly reduced costs. To improve air quality as quickly as possible, those projects providing the greatest emission reductions for the lowest cost are prioritized for funding.

On April 26, 2017 (AP02), the Air Pollution Control Board authorized the District to apply for and accept future State funding for the Carl Moyer Program. The District was awarded Year 19 Carl Moyer Program funds earlier this year for projects that meet CARB's program guidelines. In June 2017, the District released a request for proposals for qualifying emission reduction projects. All applications received were evaluated in accordance with CARB's program guidelines.

This is a request to approve the Recommended Funding Allocation Plan in the amount of \$13,084,587 for eligible projects, to authorize the Air Pollution Control Officer to execute grant agreements for approved projects pursuant to State guidelines, and to amend the agreements as needed to reflect any changes to projects and funding. Funding will be awarded only to projects meeting all eligibility requirements, including cost-sharing requirements, minimum vehicle or equipment usage requirements and compliance with all air quality regulations.

Additionally, the District is requesting an appropriation of \$9,678,501 in Air Quality Improvement Trust Funds to augment the \$3,406,086 in available Carl Moyer Program funds. If approved, this appropriation would enable a total grant allocation of \$13,084,587 to eligible projects and achieve substantial air quality and public health benefits that would otherwise be foregone.

Lastly, the Voucher Incentive Program (VIP), which is a streamlined subcomponent of the Carl Moyer Program, is set to expire on December 31, 2017, and reauthorization by the Board is requested. This program is designed to serve owners of small fleets of heavy-duty diesel trucks. By law, the VIP program simplifies the application process and enables truck owners to receive project approval directly from the District within 15 days of receipt of a grant application.

On April 22, 2015 (AP01), the Board authorized the District to implement the VIP through Program Year 18, which expires on December 31, 2017. A balance of \$1,059,141 in program funds remains available and demand for the program remains steady. Accordingly, the District is requesting authority to implement the VIP through Program Year 24, ensuring the region

continues to receive the economic, air quality and public health benefits of this program. No additional funding is requested at this time.

RECOMMENDATION(S)

AIR POLLUTION CONTROL OFFICER

1. Find that it can be seen with certainty that there is no possibility that the proposed action may have a significant adverse effect on the environment, and that this action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).
2. In accordance with California Health and Safety Code Section 44288(d), authorize the Air Pollution Control Officer to execute grant agreements for approved projects as included in the Recommended Funding Allocation Plan pursuant to the Carl Moyer Program Guidelines, and to amend agreements as needed to reflect changes to projects and funding.
3. Establish appropriations of \$9,678,501 in the Air Quality Improvement Trust Fund, Other Charges, based on available prior year fund balance, to provide additional funding for eligible Carl Moyer Program emission reduction projects. **(4 VOTES)**
4. Authorize the Air Pollution Control Officer to implement the Voucher Incentive Program through Program Year 24.

FISCAL IMPACT

Funds for this request are partially included in the Fiscal Year 2017-18 Operational Plan for the Air Quality State Moyer Program Fund. The funding sources are Carl Moyer Program grant funds from the CARB (\$3,406,086) and available prior year fund balance in the Air Quality Improvement Trust Fund (\$9,678,501) for a total allocation of \$13,084,587. If approved, this will result in additional costs of \$9,678,501 to be used to augment funding to meet the unanticipated demand in eligible project funding requests. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

Applicants that are found eligible, and are awarded funding under the Carl Moyer Program will benefit by receiving new, cleaner equipment at a reduced cost.