



May 21, 2019

Ms. Andrea Juarez
California Air Resources Board
Office of Community Air Protection
9480 Telstar Avenue, Suite 4
El Monte, CA 91731

Dear Ms. Juarez:

Sac Metro Air District is pleased to submit our annual report (SMAQMD-AB617-1) for Grant G17-CAPP-24. Pursuant to the agreement, we are required to provide an annual report beginning one year after full grant execution, executed on May 21, 2018. Pursuant to discussion with CARB staff, the attached report includes all elements listed under section 2, Reporting, of the grant agreement for the period March 1, 2018 through March 1, 2019. We look forward to our continued work with CARB and our South Sacramento-Florin community selected for the program.

If you have any questions, please feel free to contact Janice Lam Snyder at 916-874-4835 or by email at jlam@airquality.org or myself at 916-874-4872, mloutzenhiser@airquality.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark S. Loutzenhiser", with a long horizontal flourish extending to the right.

Mark S. Loutzenhiser
Division Manager, Program Coordination Division

Enclosures

**SMAQMD Annual Report for the AB 617 Grant
(Reporting Period from March 1, 2018 to March 1, 2019)**

The Sacramento Metropolitan Air Quality Management District (Sac Metro Air District or District) received a grant in the amount of \$860,000 in fiscal year 2017-2018 from the California Air Resources Board (CARB) to support the District’s implementation of Assembly Bill (AB) 617. To meet the mandates set forth by AB 617, the District launched a brand new Community Air Protection Program (CAPP). This annual report describes the District’s use of the grant funds to implement the District’s CAPP efforts. Information in this report include: I) the grant information, II) cost associated with specific tasks, III) a list of the District’s accomplishments and how they are consistent with the goals of AB 617, IV) activities completed and in progress, V) remaining and expended grant funds, and VI) an expenditure summary.

I. Grant Information

Report Number	SMAQMD-AB617-1
Title	SMAQMD Annual Report for the AB 617 Grant
Name of Grantee	Sacramento Metropolitan Air Quality Management District
Grant Number	G17-CAPP-24
Date of Submission	May 21, 2019

II. Cost Associated with Specific Tasks

AB 617 requires new community-focused and driven action to reduce air pollution and improve public health in communities that experience disproportionate burdens from exposure to air pollution. During its first year, the Sac Metro Air District focused heavily on identifying priority air pollution burdened communities, building community capacity and engagement, developing the community monitoring plan, and adopting an expedited Best Available Retrofit Control Technology (BARCT) schedule. Specific AB 617 work are described in the following table with its associated costs. Since this grant did not execute until after March 2018, costs associated with developing the initial community recommendations and part of developing the final community recommendations were not tracked specifically against this grant.

Specific Task	Grant Cost Recovery*
Development of initial community recommendations (submitted to CARB on April 30, 2018) <ul style="list-style-type: none"> • Reviewed data sources for the initial reports • Conducted community outreach and engagement • Developed methodology and maps to assess communities most impacted by air pollution • Drafted, reviewed and submitted initial recommendations 	\$0
Final community recommendations (Submitted to CARB on July 31, 2018) <ul style="list-style-type: none"> • Continued community outreach and engagement, specifically targeting areas identified in the initial report 	\$37,793

Specific Task	Grant Cost Recovery*
<ul style="list-style-type: none"> Reviewed the emission inventory for CARB's toxic modeling Revised technical assessment, including incorporating new information (CARB's toxic modeling) and public comments Finalized and prioritized community areas Drafted, reviewed and submitted final recommendations 	
<p>Community meetings and developing the community air monitoring plan</p> <ul style="list-style-type: none"> Formed the air quality steering committee for the selected South Sacramento – Florin Community Organized and hosted three community meetings, including the development of meeting materials for monthly steering committee meetings With the steering committee inputs, drafted and finalized a community steering committee charter, revised the community boundary, and developed a list of air quality concerns Researched potential monitoring options, including professional and low cost sensors and monitoring platforms Drafted the monitoring plan elements Drafted a Request for Proposal (RFP) for procurement of monitoring equipment Compiled the criteria pollutant emissions inventory for permitted sources in the AB 617 community and provided to the community 	\$228,628
<p>Purchase and field-tested low cost sensors</p> <ul style="list-style-type: none"> Purchase five Clarity Nodes Collocated the Clarity Nodes at numerous air monitoring stations 	\$4,480**
<p>BARCT Implementation</p> <ul style="list-style-type: none"> Adopted an expedited schedule for the implementation of BARCT Participated in the AB 617 BACT/BARCT working group Conducted preliminary development of BARCT rulemaking 	\$33,751
<p>Task associated with Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation</p> <ul style="list-style-type: none"> Attended meetings, workshops, and participated in conference calls Reviewed and provided comments on the CTR Regulation Released a Compliance Assistance Advisory about potential impacts the CTR may have on businesses 	\$9,954
Total Grant Funds Expended:	\$314,606
Total Grant Award:	\$860,000
Total Grant Fund Remaining:	\$545,394

*The costs associated with the specific tasks are the costs charged to the grant, which occurred after June 30, 2018.

**Equipment cost only.

III. Grant utilized to meet the goals of Assembly Bill 617

AB 617 identified five main components that are used to meet the goals of reducing localized impacts on communities that are disproportionately impacted by air pollution. The five components are: 1) community-level air monitoring, 2) state strategy and community specific emission reduction plans, 3) accelerated implementation of BARCT, 4) enhanced emission reporting requirements, and 5) increased air quality violation penalty provisions. The funding used in the first year has focused on community level air monitoring, community engagement activities, and developing a schedule for implementation of BARCT.

On September 27, 2018, CARB selected 10 communities across the state to be the first to develop and implement a community emission reduction plan and/or an air monitoring plan. The South Sacramento – Florin community was one of the 10 to be selected. With the selection of the community, the District mobilized its efforts to focus on the development of a community-level air monitoring plan for the South Sacramento – Florin community. This included the launch of a new webpage to ensure diligent communication and engagement with its stakeholders and the general public about our AB 617 efforts (<http://www.airquality.org/Air-Quality-Health/Community-Air-Protection>). This webpage contains background information, maps and information on the District's progress in meeting the goals of AB 617. The District also worked with the community to form and convene a South Sacramento – Florin Steering Committee to provide valuable community knowledge of the area to inform the monitoring strategy development.

Description of how the District is utilizing the grant to meet the goals of AB 617 are described below.

1. Community-level Air Monitoring

AB 617 required CARB to identify communities with the highest exposure burden and select priority communities to deploy air monitoring systems and/or community emission reduction programs. Air districts and community members are encouraged to provide CARB with recommendations on potential communities to be selected. The Sac Metro Air District developed its initial and final community recommendations and submitted them to CARB on April 30, 2018 and July 31, 2018, respectively. Throughout the development of the initial and final community recommendations, the District has had extensive community outreach and engagement to assist in the identification of communities with the highest cumulative exposure burden to air pollution. With these efforts by the Sac Metro Air District, CARB selected the South Sacramento – Florin Community for community-level air monitoring.

Understanding the aggressive timeline established in AB 617, the Sac Metro Air District focused all efforts in meeting these deadlines, including forming a community steering committee within 60 days of the community selection and deploying an air monitoring system by July 1, 2019. The District's effort in meeting the requirements of AB 617 for community-level air monitoring are described below:

- Steering Committee Kick-off Meeting – The District held a kick-off meeting on November 1, 2018 to discuss the District’s effort related to AB 617, the selected South Sacramento – Florin Community, and the need to form a steering committee.
- Formation of Steering Committee – The District solicited applications from those who were interested in participating on the air quality steering committee. Twelve community members who met the criteria of living, working or owning businesses in the selected community were selected to be members of the steering committee.
- Steering Committee nominations were approved by an outside panel including CARB, BREATHE, Katie Valenzuela representing Organize Sacramento and two District Board Members representing the South Sacramento-Florin community.
- Steering Committee Meetings – Steering committee meetings have been held monthly since December 2018. There have been three meetings as of March 1, 2019. All meeting notifications and materials are posted on the District’s Community Air Protection webpage.
- Development of the Community Air Monitoring Plan - One goal of the steering committee is to assist the District in the development of the community air monitoring plan. As information is provided and decisions are made by the steering committee, the District is incorporating that feedback and decision points into the community air monitoring plan (Elements 1-5).
- Purchasing Monitoring Equipment – the District purchased five (5) Clarity Nodes (low cost sensors) and collocated and tested the Clarity Nodes for deployment.
- Researching mobile monitoring platform options – The District researched designs and technical specifications, and drafted a RFP for procurement.

2. State Strategy and Community-Specific Emission Reduction Plans

Staff participated in public workshops for CARB’s AB 617 State Strategy, including the State-wide AB 617 Steering Committee meetings hosted in Sacramento.

3. Accelerated BARCT Implementation

The District has identified three industrial facilities to which the AB 617 BARCT requirements apply: Air Products Corporation (a hydrogen plant) and two California Resources Corporation facilities (both natural gas production/compression operations). The pollutant-emitting equipment categories include process heaters, industrial combustion engines, and natural gas production equipment (such as wellheads, pneumatic devices, liquid storage tanks, compressor seals, glycol dehydrator vents, and component leaks). On October 25, 2018, the Sac Metro Air District Board of Directors adopted an expedited schedule to implement BARCT in Sacramento County¹.

4. Enhanced Emission Reporting Requirements

The District is heavily involved in the Criteria and Toxics Reporting Regulation. The District has spent a substantial amount of time assessing draft regulatory language, evaluating the effects of the

¹ http://www.airquality.org/ProgramCoordination/Documents/Item1_102518_AB617_BARCT_Schedule.pdf

regulation on the business community, attending various internal and external meetings, and performing compliance assistance outreach for our business community to keep them aware of regulations that will impact them. The District issued two Compliance Assistance Advisories^{2,3}, which provides Sacramento County business owners and operators information about new state legislation and the potential impacts and opportunities the legislation may have on local businesses.

5. Increased Air Quality Violation Penalty Provisions

The District initiated efforts to make changes to its Mutual Settlement Program Guidelines. The proposed changes will reflect the increase in air quality violation penalties specified in AB 617. Although this effort incorporated the provisions set forth by AB 617, the update includes other holistic changes to the Mutual Settlement Program. As such, this effort was not billed to the grant.

IV. Summary of Work Completed and in Progress

The District has made remarkable progress in the implementation of AB 617. Below is a summary of the District's AB 617-related activities, which is organized as Work Completed and Work in Progress.

Work Completed

1. Webpage – The District developed a webpage (<http://www.airquality.org/air-quality-health/community-air-protection>) to help provide prompt information about the District's Community Air Protection Program efforts. This webpage provides an overview of AB 617, how the requirements affect the District, and what the District is doing to implement AB 617. The District updates this webpage to ensure that the public gets current information about the District's activities. The webpage also includes all materials shared in the community meetings.
2. Initial Assessment of Potential Locations for AB 617 Community Protection Action – The District developed a technical assessment to identify four general community areas that were most impacted by air pollution. The assessment was consistent with the criteria set forth in AB 617. In developing this report, the District requested community feedback and input to help determine potential areas of impact through attending neighborhood association and community meetings, the District's webpage, and stakeholder meetings. This report was submitted to CARB on April 30, 2018.
3. Final Assessment of Proposed Monitoring Locations for AB 617 Community Air Protection – The District identified a list of ten priority communities within Sacramento County for CARB's consideration into the State's program. These communities were identified through a robust technical analysis that went beyond information provided by CalEnviroScreen and focused on the identification of communities with the highest air pollution burden and related health impacts and a

²<http://www.airquality.org/ProgramCoordination/Documents/03012019%20AB617%20Compliance%20Assistance%20Advisory.pdf>

³ <http://www.airquality.org/StationarySources/Documents/adv%2019-03%20CTR.pdf>

high proportion of disadvantaged and low income residents, including the region's most sensitive receptors. The evaluation also included data from the Community Health Needs Assessment provided by local hospitals and toxic modeling provided by CARB. This report was submitted to CARB on July 31, 2018.

4. Community Outreach and Engagement – The District started conversations with stakeholders beginning in March 2018 to discuss the AB 617 requirements, implementation, and the community selection process. These meetings included representatives from community groups, the public, stakeholder groups, the District Board of Directors, elected officials, and staff representatives from cities and counties. Between April and September 2018, the District participated in approximately 40 events where information was shared in the District's efforts on AB 617.
5. Steering Committee Selection and Outreach – A steering committee application was developed, distributed throughout the community, and posted on the District website. This involved designing an advertisement and nomination form for recruiting community members and business leaders. The District solicited applications from people who are interested in serving on the air quality steering committee and who represent different perspectives. The District used online mapping software, yellow pages, and representatives from community organizations to help identify potentially interested groups in the selected community areas. The District prepared a steering committee invitation and sent out approximately 200 invitations along with applications to sensitive groups (schools, daycare facilities, and hospitals), community organizations, and businesses on October 22, 2018 by electronic mail and/or U.S. mail.
6. Formation of Steering Committee – The District received 15 applications at the outreach meetings, through electronic mail, or from online submittal. The applications were screened based on the criteria that requires steering committee members to be people who live, work, or own a business within the community boundary. Of the 15 applicants, 12 of them satisfied this criteria. The District recommended those 12 applicants to the selection panel for review and consideration. The list of steering committee members is available on the webpage at <http://www.airquality.org/Air-Quality-Health/Community-Air-Protection/Steering-Committee>.
7. Three (3) Steering Committee Meetings Held – Monthly steering committee meeting have been held since December 2018. For this reporting period, the District has coordinated three steering committee meetings. The following table shows the meeting dates and key takeaways and decisions from the first three meetings.

Meeting Dates	Key Takeaways/Decisions
December 11, 2018	Overview of air quality, the District, and AB 617 Developed air quality steering committee charter
January 25, 2019	Approved the charter, selected Chair and Vice Chair Recommended new community boundary
February 26, 2019	Finalized community boundary Developed a list of air quality concerns

For each of these steering committee meetings, the District: hosted the meeting in the community; developed the agenda; prepared the minutes; prepared all the supporting materials, such as maps, graphics, and tables; and presented information. The District provided background information to the steering committee to help educate them on air quality issues per their request. These presentations included an overview of air pollution sources, along with descriptions of different types of pollutants that are monitored, pollutant sources, and locations and types of permitted equipment in the community. Information on these steering committee meetings is available on the webpage at <http://www.airquality.org/Air-Quality-Health/Community-Air-Protection/Steering-Committee>.

8. Development of Steering Committee Charter – The steering committee approved the charter, which included the committee objectives, membership, chair and vice-chair duties, roles and responsibilities, meeting logistics, website, media inquiries, and code of conduct. Attached to the charter is an agreement of participation, which is an agreement to the conditions of the charter that all steering committee members are required to complete.

9. Establishment of Community Boundary –The initial community boundaries were expanded by the steering committee with input from the public to establish the final community boundaries. The potential air quality sources (stationary, area-wide and mobile), issues and concerns in the community, and meteorology were used to determine the extent of the potentially impacted area. This included disadvantaged communities, sensitive receptors (schools, day care centers, hospitals), and other high risk areas where people may be at risk due to elevated concentrations of air pollution.

10. Developed a List of Air Quality Concerns –Steering committee members identified issues/concerns, including potential emission sources and location where people may have higher risk from exposure to air pollution. The steering committee identified Highway 99 and its associated traffic emissions as a major concern in the area, while stressing the importance of the public awareness and effects of air quality on sensitive receptors, such as schools, parks, young children, the elderly, and disadvantaged communities. Emissions from local businesses emissions were also identified as a concern.

11. Internal and External Coordination – Extensive internal and external coordination has taken place to ensure AB 617 activities get completed as efficiently as possible. The District has had:

- Bi-weekly calls with CARB to discuss communication and coordination efforts in the development of the community air monitoring plan;
- Internal coordination meetings within the District;
- Coordination with the steering committee;
- Briefing updates to the District Board; and
- Meetings with community stakeholders and groups.

12. BARCT Implementation – The District has adopted an accelerated schedule to implement BARCT, participated in the AB 617 BARCT working group, and conducted preliminary work on BARCT rulemaking efforts.

13. Criteria and Toxics Reporting Regulation – The District has been actively following this proposed state regulation and has been providing information and feedback to help develop this reporting regulation.

Work In Progress

The District is currently working on the following activities:

1. Community-level monitoring – The District continues to work with the steering committee in developing a community air monitoring plan that will address the air quality concerns of the committee and community. The upcoming steering committee meeting will focus on developing objectives, desired actions, type of monitoring equipment, and monitoring parameters and locations. As the District receives more input from the steering committee, the District can start purchasing monitoring and support equipment to be ready to initiate air monitoring on July 1, 2019. Concurrently, the District will continue to work on the community air monitoring plan that will include all elements specified by CARB’s Community Air Protection Program Blueprint.
2. Community Emission Inventory – With assistance from CARB, the District is putting together an emission inventory specifically for the selected AB 617 community. This information will be useful to District and the steering committee to understand the emission sources that are contributing to the local impacts. In addition, this information will help develop control strategies when the community is ready to implement an emission reduction plan.
3. BARCT Implementation – According the adopted accelerated BARCT schedule, the District will evaluate BARCT for natural gas production equipment first. If necessary, the District will begin the rulemaking process to establish BARCT requirements for these operations.
4. Criteria and Toxic Reporting Regulation – The District continues to be heavily involved in the development of the proposed regulation. Once the regulation is finalized, the District will conduct outreach to sources to inform them of the regulation and their obligations. The District will also

receive and perform quality assurance on emissions data submitted by facilities before transmitting the data to CARB.

5. Update the District Mutual Settlement Program – The District is updating the District’s MSP guidelines to include the increased penalty provisions specified in AB 617. The proposed changes to the MSP will go through a public process prior to adopting the proposed changes.
6. Risk Reduction Strategies – Although the South Sacramento-Florin Community was designated as a monitoring-only community, the District is working with local communities for the best use of Cap and Trade funds to reduce risk in this and other AB 617-identified communities. The District is working with CARB on revisions to the incentive funding guidelines that will allow mobile and stationary source emission reductions to lower risk in our communities.

V. Remaining and Expended Grant Funds

The District received a grant in the amount of \$860,000. From March 1, 2018 to March 1, 2019, the District expended \$314,606 of the grant. The remaining balance of the grant is \$545,394. A significant portion of the remaining funds are budgeted for purchasing air monitoring equipment and associated lab analysis costs.

VI. Expenditure Summary

Description	Expenses
Salaries and wages, benefits, and overhead	\$305,858
Community meeting expenses	\$627
Education and training	\$99
Office supplies, printing, IS software	\$3,502
Recording Fees	\$40
Fixed Assets – Low Cost Sensors	\$4,480
Total	\$314,606