



May 28, 2020

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) for Grant G17-CAPP-24 and G18-CAPP-24. Pursuant to discussion with CARB staff, the attached report includes all elements listed under Reporting of the grant agreement for the period March 2, 2019 through March 1, 2020. 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 jam@airquality.org or myself at 916-874-4872, mloutzenhiser@airquality.org.

Sincerely,

A handwritten signature in blue ink that reads "Mark S. Loutzenhiser".

Mark S. Loutzenhiser
Division Manager, Program Coordination Division

Enclosures

Sac Metro Air District Annual Report for the AB 617 Grants

(Reporting Period from March 2, 2019 to March 1, 2020)

The Sacramento Metropolitan Air Quality Management District (Sac Metro Air District or District) received two grants totaling \$2,360,000 from the California Air Resources Board: 1) \$860,000 from Grant G17-CAPP-24 and 2) \$1,500,000 from Grant G18-CAPP-24. These grants support the District’s implementation of Assembly Bill (AB) 617. This annual report describes the District’s use of the grant funds to implement the District’s Community Air Protection Program (CAPP) efforts and covers the reporting period between March 2, 2019 to March 1, 2020. Information in this report includes: I) the grant information, II) cost associated with specific tasks, III) how the grants are utilized to meet the goals of AB 617, IV) activities completed and in progress, V) remaining and expended grant funds, and VI) an expenditure summary for this reporting period.

I. Grant Information

Report Number	SMAQMD-AB617-2
Title	Sac Metro Air District Annual Report for the AB 617 Grants
Name of Grantee	Sacramento Metropolitan Air Quality Management District
Grant Numbers	G17-CAPP-24 G18-CAPP-24
Date of Submission	May 28, 2020

II. Cost Associated with Specific Tasks

AB 617 requires community-focused and driven actions to reduce air pollution and improve public health in communities that experience disproportionate burdens from exposure to air pollution. During this reporting period, the Sac Metro Air District focused its resources on developing and implementing the South Sacramento/Florin Community Air Monitoring Plan, continuing to build outreach capacity and community engagement, and reviewing the Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation. Specific AB 617 tasks are described in the following table with its associated costs.

Specific Task	Grant Cost Recovery
Hosted and participated in the South Sacramento/Florin Steering Committee meetings <ul style="list-style-type: none"> • Hosted 12 Steering Committee meetings • Coordinated a community bus tour with Steering Committee members • Planned agendas, posted public notices, reserved meeting venues, and prepared meeting materials and presentations • Hired a meeting facilitator in December 2019 to help facilitate Steering Committee meetings • Participated in bi-weekly phone calls with CARB staff • Monthly coordination calls with the Committee co-chairs and/or facilitator • On-boarded 3 new Steering Committee members to fill vacancies on the Steering Committee • Developed a pilot low-cost sensor lending program application, criteria, FAQ, and installation guide 	\$668,248

<p>Continued the development of the Community Air Monitoring Plan</p> <ul style="list-style-type: none"> • Drafted Elements 1-13 of the community air monitoring plan <ul style="list-style-type: none"> ○ Developed monitoring objectives ○ Developed a 3-phase monitoring approach ○ Determined monitoring areas/locations ○ Developed metrics for evaluating effectiveness ○ Determined methods for sharing data with the priority audiences • Gathered committee and public feedback on Element 14 • Researched information on the communities with CERPs 	\$378,006
<p>Developed the community-level emissions inventory for the South Sacramento – Florin community</p> <ul style="list-style-type: none"> • Collaborated with CARB on a developing community-level emissions inventory • Reviewed the on-road mobile and area-wide sources calculations • Calculated the criteria pollutants and speciated toxics inventory for each permitted source in the selected AB 617 community 	\$16,121
<p>Started implementation of Community Air Monitoring Plan</p> <ul style="list-style-type: none"> • Purchased 22 Clarity node-s and 2 Aeroquals for the Phase 1 monitoring of the plan • Purchased air monitoring equipment and 6 shelters for the Phase 2 monitoring of the plan • Released a Request for Proposal (RFP) for procurement of an air monitoring trailer • Selected a contractor to build the air monitoring trailer • Deployed four low-cost sensors by the July 1, 2019 deadline, deployed 21 low-cost sensors as of March 1, 2020 • Worked on establishing the District’s database and data management system to collect monitoring data • Began reviewing data from the Phase 1 monitors • Collaborated with Clarity on data collection and calibration • Identified and executed contracts for 3 of the 6 Phase 2 locations to deploy air monitoring equipment • Released RFPs for filter and gaseous lab analysis contracts and awarded and executed the contracts • Purchased 12 Purple Air sensors for the low cost sensor lending pilot program 	\$371,317
<p>Continued AB 617 community outreach and engagement</p> <ul style="list-style-type: none"> • Drafted and finalized a 2020 Community Air Protection Outreach Plan and timeline of events • Began development of an updated Community Air Protection webpage to simplify language and include resources and links that are applicable to residents • Continued community outreach and engagement, specifically targeting community-based organizations (CBO) and residents in South Sacramento/Florin 	\$92,321

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<ul style="list-style-type: none"> • Gave informational AB 617 presentations to the South Natomas community and the Gardenland Northgate Neighborhood Association in North Sacramento • Drafted and submitted Year 2 community recommendations of South Natomas and North Sacramento to CARB • Continued meetings and discussions with CBO directors and community leaders throughout Sacramento • Attended and presented at the CEJC (California Environmental Justice Coalition) Conference • Formed a partnership with and provide technical advice to Community Air Grant applicants • Participated in approximately 12 events to share information about the CAP program 	
Continued with the expedited BARCT Implementation <ul style="list-style-type: none"> • Developed a document establishing BARCT requirements for Natural Gas Production operations with recommendations for District actions • Participated in the AB 617 BACT/BARCT working group • Began analysis of BARCT requirements for process heaters used in methane steam reforming processes 	\$26,678
Participated in the development of the Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation <ul style="list-style-type: none"> • Attended meetings, workshops, and participated in conference calls • Reviewed and provided comments on multiple drafts of proposed amendments to the CTR Regulation • Evaluated potential impacts the proposed CTR amendments may have on businesses and District resources 	\$51,014
Grant Funds Expended March 2, 2019 to March 1, 2020	\$1,603,705*
Grant Funds Expended March 1, 2018 to March 1, 2019**	\$314,606
Total Grant Funds Expended	\$1,918,311
Total Grant Awards	\$2,360,000
Total Grant Fund Remaining	\$441,689***

* Costs determined using the District fully loaded rate and the hours billed to the AB 617 grant, including the costs for fixed assets.

**As noted in last year's report (Report Number SMAQMD-AB617-1), the costs for this reporting period are the costs that occurred after June 30, 2018 when the District established a tracking code for this grant.

***Remaining funds are already allocated for equipment purchases, facilitator contract and staffing costs for the remainder of the District's budget cycle, which is from July 1 to June 30.

III. Grants 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)

expedited implementation of BARCT; 4) enhanced emission reporting requirements; and 5) increased air quality violation penalty provisions. Description of how the District is utilizing the grants to meet the goals of AB 617 are described below.

1. Community-level Air Monitoring

During the previous reporting period, the South Sacramento/Florin community was selected for community air monitoring. To help develop a community air monitoring plan, the District formed and collaborated with a Steering Committee. Initial discussions included defining the committee's objectives and creating a committee charter. In this reporting period, the District continued to work with Steering Committee and held 12 Steering Committee meetings and a community bus tour. The meetings included discussion on identifying priority areas for monitoring, developing a three-phased air monitoring approach, determining methods to evaluate effectiveness of the plan, and determining methods to communicate air quality data to priority audiences. As recommendations were made by the Steering Committee, the District incorporated their feedback into Elements 1-14 of the Community Air Monitoring Plan. By the end of the reporting period, the District received comments from CARB on Elements 1-11, shared Elements 1-5 with the Steering Committee for their feedback, drafted Elements 12 and 13, and gathered committee input on Element 14. In addition to developing the monitoring plan, the District started to implement the early stages of the plan, including meeting the July 1, 2019 deadline by deploying an air monitoring system in the South Sacramento/Florin community. At the end of this reporting period, the District has deployed 21 low cost sensors for Phase 1 of the monitoring plan. The District has also purchased the air monitoring equipment and shelters for the Phase 2 of the monitoring and started the process to acquire equipment for Phase 3.

2. State Strategy and Community-Specific Emission Reduction Plans (CERP)

Although the Steering Committee determined they do not currently have the data to transition to a CERP, the District anticipates that the South Sacramento/Florin Steering Committee will eventually move to developing a CERP and has started preparing internally for this transition. The District has been reviewing completed CERPs and developing a meeting and implementation timeline for discussing CERP-related topics. The District has participated in multiple AB 617-related conferences and meetings throughout the state to learn about best practices and methods of developing CERP from other communities. This includes watching the CARB board hearings on CERP submittals and reviewing meeting summaries from communities developing CERPs. Also, in preparation for this transition, the District has been collaborating with CARB to develop a community-scale emission inventory for South Sacramento/Florin to inform the Steering Committee and future decisions on CERP strategies. Note: Future District efforts and commitments are contingent upon continued and adequate funding provided by the state.

3. Expedited BARCT Implementation

The Sac Metro Air District Board of Directors adopted an expedited BARCT implementation schedule in October 2018¹. The schedule identified three pollutant-emitting equipment categories requiring expedited BARCT: 1) natural gas production equipment, including wellheads, pneumatic devices, liquid storage tanks, compressor seals, glycol dehydrator vents, and component leaks, 2) process

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

heaters, and 3) internal combustion engines. The District is now implementing expedited BARCT in accordance with the schedule.

4. Enhanced Emission Reporting Requirements

In December 2018, CARB adopted the Criteria and Toxics Reporting Regulation. Since that time, CARB has been working on amendments to the regulation that would revise the applicability by source type and activity level, as well as the phase-in schedule for implementation. The District has spent a substantial amount of time assessing the proposed amendments and evaluating the effects on the business community as well as staff resources. The District has participated in working groups with CARB and other California districts to review and provide input on proposed language for the regulatory changes. The District has identified significant additional workload as the CTR is fully implemented in addition to proposed amendments.

5. Increased Air Quality Violation Penalty Provisions

The District adopted updates to the Mutual Settlement Program (MSP), which included increased penalty provisions as set forth by AB 617. This program was adopted at the September 26, 2019 Board of Directors Meeting. Although this effort incorporated the provisions set forth by AB 617, the update included other holistic changes to the MSP. As such, this effort was not billed to these grants.

IV. Summary of Work Completed and in Progress

The District has made remarkable progress in the implementation of AB 617. In the previous reporting period, the District established the criteria of identifying Sacramento's most impacted communities and received one community for air monitoring. As an air district with a selected community, the District convened a Steering Committee and began the collaborative work of developing a community air monitoring plan. In this reporting period, the District continued to work with the Steering Committee and to implement the mandates of AB 617. Below is a summary of the District's AB 617-related activities for this reporting period, which are organized as Work Completed and Work in Progress.

Work Completed

1. Twelve (12) Steering Committee Meetings and a Community Bus Tour Held – Monthly Steering Committee meeting have been held since March 2019. The following table shows the meeting dates and key takeaways and decisions from the past year of meetings. For each Steering Committee meeting, the District hosted the meeting in the community, developed the agenda, translated the agenda, prepared the minutes, prepared all supporting materials (such as maps, graphics, and tables), and gave presentations to the committee. The District provided background information to the Steering Committee to help inform their decisions on priority areas, scheduling deployment of the monitoring plan phases, evaluating effectiveness, and methods for sharing data. These presentations included an overview of the location and types of permitted sources in the community, examples of monitoring plan elements from other districts, overview of available incentive programs, and the information on the monitoring duration required for each phase of the plan to gather enough data. Information on these Steering Committee meetings is available on the webpage at <http://www.airquality.org/Air-Quality-Health/Community-Air-Protection/Steering-Committee>.

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Meeting Dates	Key Takeaways/Decisions
March 19, 2019	<ul style="list-style-type: none"> • Prioritized air quality concerns (via survey) • Established general monitoring objectives and scope of actions
March 26, 2019	<ul style="list-style-type: none"> • Finalized objectives and actions • Developed maps of potential areas impacted by air pollution
April 23, 2019	<ul style="list-style-type: none"> • Prioritized potential areas of impacts • Discussed monitoring equipment and potential locations
May 28, 2019	<ul style="list-style-type: none"> • Discussed and approved air monitoring strategy proposal
June 25, 2019	*No public meeting, community bus tour around South Sacramento/Florin
July 23, 2019	<ul style="list-style-type: none"> • Discussion with Director Phil Serna • Monitoring deadline, July 1, 2019, update • Discussed draft Community Survey
August 27, 2019	<ul style="list-style-type: none"> • Discussed incentives programs
September 24, 2019	<ul style="list-style-type: none"> • Discussed Phase 2 monitoring equipment deployment schedule • Provided draft monitoring plan Elements 1-5 for committee's review
October 8, 2019	<ul style="list-style-type: none"> • Discussed moving to a community emission reduction program • Decided to use a facilitator
October 22, 2019	<ul style="list-style-type: none"> • Decided to remain an air monitoring-only community • Decided on Phase 2 monitoring equipment deployment schedule
December 3, 2019	<ul style="list-style-type: none"> • Discussed metrics for evaluating effectiveness of the plan
January 28, 2020	<ul style="list-style-type: none"> • Discussed and approved metrics for evaluating effectiveness • Discussed methods of sharing data
February 25, 2020	<ul style="list-style-type: none"> • Discussed methods of sharing data and priority audiences

2. Filled Steering Committee Vacancies – Throughout the year, several positions became vacant on the Steering Committee. To fill the vacancies, a Steering Committee application was distributed via flyers and emails and posted on the District website. The District solicited applications from people who are interested in serving on the Air Quality Steering Committee and who represent different perspectives. 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. The District accepted three applicants. The list of active Steering Committee members is available on the webpage at <http://www.airquality.org/Air-Quality-Health/Community-Air-Protection/Steering-Committee>.
3. Developed 2020 Outreach Plan – The District drafted a plan for the 2020 calendar year for continued community outreach and engagement. The plan outlined an internal coordination process as well as identified key staff for these efforts. The plan was written to achieve four main goals: increase awareness of the CAP program, streamline messaging, create lasting relationships with community partners, and build capacity in future AB 617 communities. To achieve these goals, the outreach plan commits the District to attending at least one monthly tabling event, increasing use of social media, developing a quarterly newsletter, and initiating one-on-one meetings with business owners to discuss available incentive program details. The plan also provides a template for fostering partnerships with leaders of community-based organizations and utilizing them for endorsements and cross-promotion. With the current health restrictions in place, some outreach elements may need to be modified as necessary.

4. Drafted Community Air Monitoring Plan Elements – The District has received comments from CARB on elements 1-11, shared Elements 1-5 with the Steering Committee for their feedback, drafted Elements 12 and 13, and gathered committee input on developing Element 14.
5. Equipment Purchased and Deployed – The District purchased equipment for all twenty-two (22) Phase 1 monitors, purchased equipment and shelters for Phase 2 monitoring for six (6) sites, and awarded an RFP for procurement and construction of the Phase 3 trailer. Four low cost sensors were deployed by the July 1, 2019 deadline and by the end of this reporting period, a total of 21 low cost sensors were deployed for Phase 1.
6. 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 coordinate development of the community air monitoring plan;
 - Internal coordination meetings within the District;
 - Coordination with the Steering Committee co-chairs and/or facilitators;
 - Briefing updates to the District Board; and
 - Meetings with stakeholder groups and community-based organizations.
7. Community-Level Emissions Inventory – The District calculated emissions inventories for all permitted stationary sources in the South Sacramento – Florin community using data collected from surveys. The District also reviewed the on-road mobile and area-wide sources calculations prepared by CARB and collaborated with CARB to develop the complete community-level emissions inventory for criteria pollutants and toxics. This information will help the District and Steering Committee understand the emission sources that are contributing to local pollution impacts. In addition, this information will help determine control strategies when the committee is ready to begin developing a community emission reduction plan.
8. Expedited BARCT Implementation –The District developed a document establishing BARCT requirements for Natural Gas Production operations with recommendations for District actions. Staff also participated in the AB 617 BACT/BARCT working group with CARB and the other California districts. Lastly, Staff began analysis of BARCT requirements for process heaters used in methane steam reforming processes.
9. Criteria and Toxics Reporting Regulation –The District has held internal meetings and participated in meetings and conference calls with CARB and the other California districts to discuss proposed revisions to the regulation. The proposed amendments would revise the applicability by source type and activity level, as well as the phase-in schedule for implementation, and have the potential to affect the impact on the business community as well as staff resources. The District has reviewed multiple drafts of the proposed amendments and has provided input and comments that have helped shape the regulatory language.
10. Updated the District Mutual Settlement Program –The District updated the District’s MSP guidelines to include the increased penalty provisions specified in AB 617. The proposed changes to the MSP went through a public process and board approval. The MSP guideline was adopted by the District’s Board of Directors on September 26, 2019.

Work In Progress

The District is currently working on the following activities:

1. Community Air Protection Webpage – The District is currently reevaluating the existing Community Air Protection (AB 617) webpage and developing an updated version to improve readability and navigation for users. The new CAP webpage will have resources that are relevant

to residents. Technical information will be reworded to be understood by a wider audience and more graphics will be used to explain monitoring processes and data. Additional pages that were not on the original CAP webpage will be added as resources for residents to access commonly searched questions including an FAQ page and a Resources page with links to relevant information.

2. Community Outreach and Engagement - The District continued conversations with stakeholders throughout the year to learn community priorities, assess public awareness of air quality, and form partnerships with community-based organizations. These meetings included one-on-one meetings with representatives from community groups, the public, environmental justice groups such as CEJA, SacACT, and Hmong Innovating Politics among others. Outreach efforts prioritized specific groups who hadn't yet been contacted in the South Sacramento/Florin area to develop into long-term relationships as well as making new contacts in the North Sacramento and South Natomas communities to build a foundation for future participation in the CAP program. Engagement efforts focused on building relationships with leaders of key community-based organizations in the South Sacramento/Florin community to learn their priorities, find common goals, and use their trusted leadership as third-party advocates for the CAP program.
3. Community Air Grant Partnership – Four local organizations, Valley Vision, WALK Sacramento, Breathe California Sacramento Region, and Green Tech formed a partnership in a project called Sacramento Neighborhoods Activating on Air Quality (SNAAQ). The project involves four primary components: air monitoring outreach and siting, air quality education, community workshops, and coalition building. The District has been invited to help provide technical expertise and lessons learned from past experience.
4. Community-level air monitoring – The District continues to work with the Steering Committee in finalizing a community air monitoring plan (CAMP) that addresses their concerns and includes all elements specified by CARB's Blueprint. To complete the air monitoring plan, the District will utilize Steering Committee feedback to develop Element 14 and add it to the final draft of the air monitoring plan, which will be presented to the committee for their approval. In the next reporting period, the District will begin implementing Phase 2 of the monitoring plan including: collecting, analyzing, and sharing data with key audiences, and evaluating metrics for effectiveness. As part of implementing Phase 2, the District will also collect samples, send them for lab analysis, validate preliminary data, and create data summaries for sharing with the public.
5. Community Emissions Reduction Program – In anticipation of future transitioning to a community emissions reduction program (CERP), the District will continue to research best practices and methods from other AB 617 communities including reviewing CARB board hearings on CERP submittals and meeting notes of other committees. The District will also create a preliminary meeting schedule and implementation timeline for developing a community emissions reduction program. Note: Future District efforts and commitments are contingent upon continued and adequate funding provided by the state.
6. Equipment Purchasing and Deployment – A contract has been awarded for the procurement of the Phase 3 trailer and construction details are being discussed with the awardee. For Phase 2, the District has identified locations for the three other locations and is working with the property owners to secure these locations for the Phase 2 monitoring.
7. Expedited BARCT Implementation – The District will present the BARCT analysis and recommendations for Natural Gas Production to the District Board for approval, then proceed

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with implementation actions as directed by the Board. The District will continue to perform analysis of BARCT requirements for process heaters and develop a written document with the conclusions and recommendations for District action. Staff will continue to participate in the AB 617 BACT/BARCT working group with CARB and the other California districts.

8. Criteria and Toxic Reporting Regulation – The District will continue to follow and provide comments on the proposed amend amendments to the regulation. The first year of the phase-in schedule calls for some sources to begin reporting in 2020 their emissions data for calendar year 2019. The District will receive and perform quality assurance on emissions data submitted by facilities before transmitting the data to CARB.
9. 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 two grants totaling \$2,360,000. The District expended a total of \$1,918,311 of the grants; \$1,603,705 in this reporting period. The remaining balance of the grants, \$441,689, is already allocated for equipment purchases, facilitator contract and staffing costs for the remainder of the District’s budget cycle, which is through June 30.

VI. Expenditure Summary

Below is the expenditure summary for this reporting period.

Description	Expenses
Salaries, benefits, and indirect expenses	\$1,365,545
Community meeting expenses	\$6,496
Office supplies, printing, IS software	\$1,246
Communication and outreach expenses	\$6,457
Fixed Assets, tools and lab equipment/supplies	\$223,961
Total	\$1,603,705