



AIR POLLUTION CONTROL DISTRICT

2019 Rule 310 Annual Accountability Report

For Fiscal Year 2018-2019

August 1, 2019

This Rule 310 Annual Accountability Report was prepared by the Air Pollution Control District (Air District) to fulfill the obligations of Section E.9 of Rule 310 – Operational Development Fee.

I. EXECUTIVE SUMMARY

On November 6, 2007 the Air District's Board of Directors adopted Rule 310 to assist in the reduction of excess emissions resulting from new land development in the Imperial County. The adoption of Rule 310 provided the Air District with a sound method for mitigating the emissions produced from the operation of new commercial and residential development projects throughout the County of Imperial and incorporated cities. The essential mechanism utilized by Rule 310 requires project proponents of new commercial and residential projects to mitigate their operational emissions. On December 12, 2017, a revision to Rule 310 did not change the primary purpose of providing a sound method for mitigating operational emissions from new commercial and residential developments.

Rule 310 provides the project proponent three options, either provide for off-site mitigation, pay a one-time operational development fee, or choose to mitigate through a combination of both. Although the Air District encourages project proponents to come up with off-site mitigation projects, the reality has been that off-site project specific mitigation is not only difficult to develop but is time consuming and expensive. As a result, payment of a fee is overwhelmingly the elected choice by project proponents.

On August 1st of each year, the Air District makes available through a Request for Proposal (RFP) process the funds collected during the previous Fiscal Year (FY). The collected fees are utilized to fund various mitigation projects throughout the County of Imperial. The Air District encourages any person seeking funding for a mitigation project to develop and submit a written Mitigation Project Report (MPR) to the Air District during the RFP process. While section E.6 of Rule 310 spells out the requirements for a MPR, the Air District recognizes that assistance may be necessary by proponents during the development of their proposals. Therefore, the Air District encourages proponents to call and seek the guidance from our engineering staff.

In order to provide transparency, on August 1st of each year, the Air District will continue to prepare and publish an Annual Accountability Report (AAR) describing the total amount of off-site fees collected; total monies spent; total monies remaining; a description of all projects funded; total emission reductions realized; and the overall cost-effectiveness factor for the projects funded. This AAR includes the previous FY 2017-2018 and 2018 - 2019 activities

As per Rule 310 requirements, mitigation fees collected through the implementation of Rule 310 during each Fiscal Year (FY) are separated into two accounts. The designation of each account is specific to the pollutant to be mitigated. The Air District has assigned the accounts to help maintain accountability, prevent intermingling of funds and to help identify cost effectiveness of the program. Account 1 includes the funds for the reduction

of Ozone Precursor emissions and Account 2 includes funds for the reduction of PM₁₀ emissions. As is true with any accountability process there are administrative fees which cannot be avoided. Rule 310 addresses the issue by allowing the Air District a percentage of the funds collected. The rule allows, no greater than 10% of the funds for use by the Air District to offset the cost of administration. The ending of a FY, June 30th, triggers the preparation of two specific events applicable to compliance with Rule 310. The first is the preparation of the Annual Accountability Report (AAR) and the second is the Request for Proposals (RFP). The publication of availability of the AAR and the RFP are published on August 1st of each year.

CHANGES TO RULE 310 EFFECTIVE DECEMBER 12, 2017

The new rule now has a single funding account. The prior rule had two separate accounts, one for ozone and one for PM₁₀. This Annual Accountability Report will contain the previous accountability method for projects that occurred before the Rule 310 revisions (effective December 12, 2017) as well as the new accountability method for projects that occurred after the Rule 310 revisions.

II. BACKGROUND

As with many other geographical areas, growth in human population and vehicle population is inevitable. The California Department of Finance most recent (January 2013) human population projections indicate that the Imperial County population will increase by 21% between 2010 and 2020. According to projections, the Imperial County will have over 47,500 new residents by the year 2020. Additionally, the total number of new vehicles and vehicle miles traveled (VMT) are also expected to increase. From 2010 to 2020 the Imperial County is expected to see a 24% increase in vehicle population and a 14% increase in VMT. Unfortunately, growth results in increased area source emissions from activities such as increased consumer product use, fuel combustion, and landscape maintenance. Although there are many emission reduction rules in place, not all emissions resulting from new land development can be mitigated on-site. For this reason, the Air District developed Rule 310 as it can assist in mitigating the excess emissions incapable of being mitigated on-site.

Rule 310 was developed through a public process that included the formation of a local Joint Advisory Committee (JAC) whose membership included representatives from local government agencies, cities representatives, Caltrans, COLAB, Construction and Building Industry officials, Health Experts and the ICAPCD. From October 5th through November 5, 2007, the general public was given an opportunity to comment on the rule and the findings of the staff report. Comments provided by the public were incorporated into the proposed rule. The Air Pollution Control District Advisory Board (APCDAB) met to discuss the proposed new rule on August 22, 2007 and recommend approval. As part of an extensive public outreach effort, Air District staff provided presentations to all the city councils between September 19 and October 18, 2007, in order to address questions and concerns regarding the impacts, requisites, and benefits of Rule 310. On November 6, 2007, Rule 310-Operational Development Fee was adopted by the Air District Board of Directors.

III. IMPLEMENTATION

After the adoption of Rule 310, Air District staff in collaboration with local municipalities, setup the Rule 310 application submittal procedures that would work for everyone involved. Cities and County representatives were asked to inform applicants about the requirements of Rule 310, which included an explanation that a building permit may be withheld. Both city and county agencies were asked to advise applicants to either visit or contact the Air District for more information. If during the Air District’s review of the project it is found that the applicant’s project is subject to Rule 310, the applicant will be required to fill out and submit a Rule 310 application, submit a copy of the site plans and pay the appropriate fees. Once the Air District is satisfied that all conditions of Rule 310 are met, two copies of a signed and stamp Rule 310 application are given to the applicant. One of the copies is submitted to the appropriate city or county building department while the second copy is for the applicant/developer records. In order to maintain compliance, the Air District currently requests the submittal of a monthly building report from each affected city and county building department. The cities and the county have been submitting these reports to the Air District on a monthly basis.

IV. FEE SCHEDULE

Table 1 and Table 2 below represent the Rule 310 fee schedule that applicants were subject to pay between July 1, 2018, through June 30, 2019.

Table 1 – 2018 and 2019 Rule 310 Fee Schedule

2018 and 2019 Fees		Level 1 Applicable Fee	Level 2 Applicable Fee
D.1	Residential Single Family Dwelling*	\$ 251.00/Unit	\$ 576.00/Unit
D.2	Residential Multiple Family Dwelling*	\$ 195.12/Unit	\$ 439.00/Unit
D.3	Commercial, or	\$ 0.72/sq.ft.	\$ 1.60/sq.ft.
	Commercial (based on ADT)*	145.16/ADT	322.58/ADT
D.4	Warehouse, or	\$ 0.72/sq.ft.	\$ 1.60/sq.ft.
	Warehouse (based on ADT)*	\$ 145.16/ADT	322.58/ADT

** The applicant must demonstrates the warehouse Average Daily Trips (AD) by use of either a Traffic Study or the Institute Transportation Engineers (ITE) Trip Generation Manual.

V. PROJECT SELECTION

On August 1, 2018 a RFP legal ad was published in the local newspaper and on the Imperial County website in order for the public, local agencies, cities, private developers and the general public to have an opportunity to apply for the Ozone and PM₁₀ mitigation funds collected during FY 2017/2018 (Table 2)

Table 2 – Rule 310 available funding for Ozone and PM₁₀ for FY 2017/2018

PM Accountability (FY 17/18)		Ozone Accountability (FY 17/18)	
Balance Forward FY 2016/2017	\$ 550,351.03	Balance Forward FY 2016/2017	\$ 990,565.86
Fy 2014/2015 Pending Project	\$ 286,952	Total Fees Collected FY 2016/2017	\$ 233,892.17
Paid Projects Awarded in FY 2014/2015	\$ 140,255	Paid Projects awarded in FY 2014/2015	\$ 95,210.75
Total Fees Collected FY 2016/2017	\$	Subtotal Available Balance	\$ 1,129,247.28
Awarded Projects FY 2015/2016	\$ 0	Awarded Projects FY 2015/2016	\$ 403,154.80
Subtotal Prior to End of Fiscal Year	\$ 123,144.03	Subtotal Prior to End of Fiscal Year	\$ 492,200.31
Total Collected PM Fees FY 2017/2018	\$ 18,614.09	Total Ozone Fees FY 2017/2018	\$ 26,646.24
10% Adm Fees FY 2017/2018	\$ 1,861.41	10% Adm Fees FY 2017/2018	\$ 2,664.62
Subtotal - Prior to Project Funding	\$ 143,619.53	Subtotal - Prior to Project Funding	\$ 521,511.17
Fy 2016/2017 Awarded Projects	\$ 0	Fy 2016/2017 Awarded Projects	\$ 0
Fy 2017/2018 Available Amount	\$ 143,318.24	Fy 2017/2018 Available Amount	\$ 521,511.17
Total Collected Fees FY 2018/2019	\$ 305,958.47	Total Collected Fees FY 2018/2019	
Fy 2018/2019 Awarded Amount	\$ 406,480.00	Fy 2018/2019 Awarded Amount	\$ 0
TOTAL AMOUNT AVAILABLE	\$ 42,796.71	TOTAL AMOUNT AVAILABLE	\$ 521,511.17

PM10 2014 -2015 YEAR FUNDING

Table 2 above reflects the pending projects year yet to be paid out projects. For PM₁₀, the pending allocation shown after the “Balance Forward” above of **\$550,351.03.00** reflects the awarded amount to the City of Brawley (\$286,952) and City of El Centro (\$140,255.00). These projects spanned over more than a fiscal year. Thus, the balance forward reflects the negative pending payout of \$286,952.00 with the final payout occurring when the project is finalized.

PM10 2015-2016 YEAR FUNDING

Table 2 above reflects that zero (0) project were awarded this year for PM₁₀.

VI. 2018-2019 RULE 310 PROGRAM ANALYSIS

Within the period of July 1, 2018 and June 30, 2019 the Air District received a total of 92 applications for residential or commercial projects. The applications reflected 191 residential units, 53 multi-residential units, 52 commercial and one warehouse project. An increase of 61% of applications was submitted this last fiscal year. The increase may be attributed an increase in economy and development market value.

Table 3 – Rule 310 available funding for Ozone and PM₁₀ for FY 2017/2018

FY 2017-2018	Ozone Precursors	PM₁₀	New Rule 310 Account	Total
Total Collected Fees	\$ 299,097.00	\$ 477,269.10	\$ 395,213.00	\$ 1,171,579.10
10% Admin Fees	\$ (29,909.70)	\$ (47,726.91)	\$ (39,521.30)	\$ (117,157.91)
Total Available for Funding	\$ 269,187.30	\$ 429,542.19	\$ 355,691.70	\$ 1,054,421.19

Total Amount of Off-Site Fees Received

Provisions within Rule 310 allow applicants to defer payments of off-site mitigation fees to the time that a Certificate of Occupancy (or equivalent documentation) is issued, no deferment of off-site mitigation fees were issued.

Total Expenditure of Off-Site Fees Received

There are 2 pending Ozone Projects (County of Imperial Public Works) water truck projects with a total pending payout amount of \$315,888.00.

Total Emission Reduction Expected to be Realized in the Near Future

Future annual reductions are estimated at 2.83 tons per year for NO_x and a total of 4.227 tons per year of PM₁₀. These reductions are contingent on the projects being completed per requirements that guarantee a 10 year term of life.