

Memorandum



CITY OF DALLAS

DATE May 21, 2010

TO **Members of the Transportation and Environment Committee:
Linda L. Koop (Chair), Sheffie Kadane (Vice Chair), Jerry Allen, Tennell Atkins,
Carolyn R. Davis, Delia Jasso, Pauline Medrano, Ron Natinsky**

SUBJECT FY2010-11 Air Monitoring and Compliance Contracts with Texas Commission on Environmental Quality

You are scheduled to receive a briefing on FY2010-11 Air Monitoring and Compliance Contracts with Texas Commission on Environmental Quality at your May 24, 2010 meeting. Attached is a copy of the briefing for your review.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Jill Jordan'.

Jill A. Jordan, P.E.
Assistant City Manager

Attachment

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest E. Turner, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Edward Scott, Director, Controller's Office
Helena Stevens-Thompson, Assistant to the City Manager – Council Office
Rick Galceran, P.E., Director, Public Works and Transportation

FY2010-11 Air Monitoring and Compliance Contracts with Texas Commission on Environmental Quality

Presented to Transportation and
Environment Committee

May 24, 2010



Purpose

- Provide federal, regional, and local background
- Discuss current contracts with TCEQ
- Discuss proposed contracts for FY2010-2011
- Obtain committee recommendations for FY2010-2011 contracts on the June 23, 2010 Council agenda

Federal Air Quality Standards

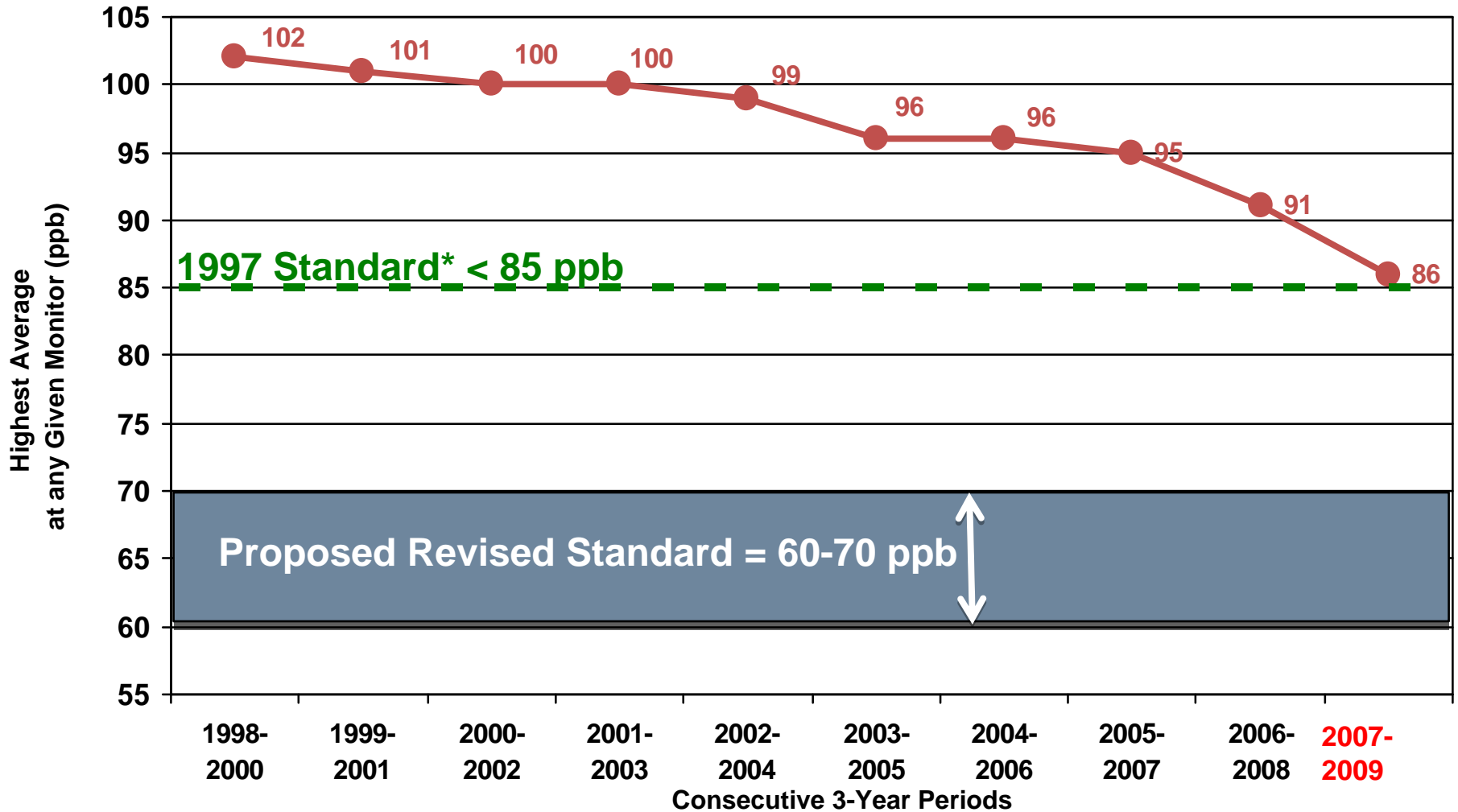
- **Federal Clean Air Act:** Passed in 1970; Amended in 1990
- Charges the Environmental Protection Agency (EPA) to establish health-based standards called National Ambient Air Quality Standards (NAAQS)
- Six Criteria Pollutants
 - **Ground Level Ozone/Smog**
 - Particulate Matter
 - Nitrogen Dioxide
 - Sulfur Dioxide
 - Carbon Monoxide
 - Lead

Source: EPA

Air Quality in Dallas-Fort Worth (DFW) Region

- DFW area currently exceeds the EPA's 8-hour ozone standard of 85 ppb but meets all other national ambient air quality criteria
- Designated as a moderate non-attainment area and has until June 2010 to meet the standard
- Based on data from NCTCOG, DFW region is at 86 ppb which is not in compliance with the standard
- DFW region has made significant progress in the last 8 – 10 years as evidenced by monitoring data collected by the Dallas program and TCEQ.

North Central Texas 8-Hour Ozone Historical Trend



* 2010 Attainment Goal - According to the US EPA National Ambient Air Quality Standards, attainment is reached when, at each monitor, the three-year average of the annual fourth-highest daily maximum 8-hour average ozone concentration is less than 85 parts per billion (ppb).

Potential Consequences of Non-Attainment

- Loss of federal highway funds
- Loss of Community Development Block Grant Funds
- Stricter permit limits for industries permitting / renewing permits
- Health impacts and associated costs

Local Program Background

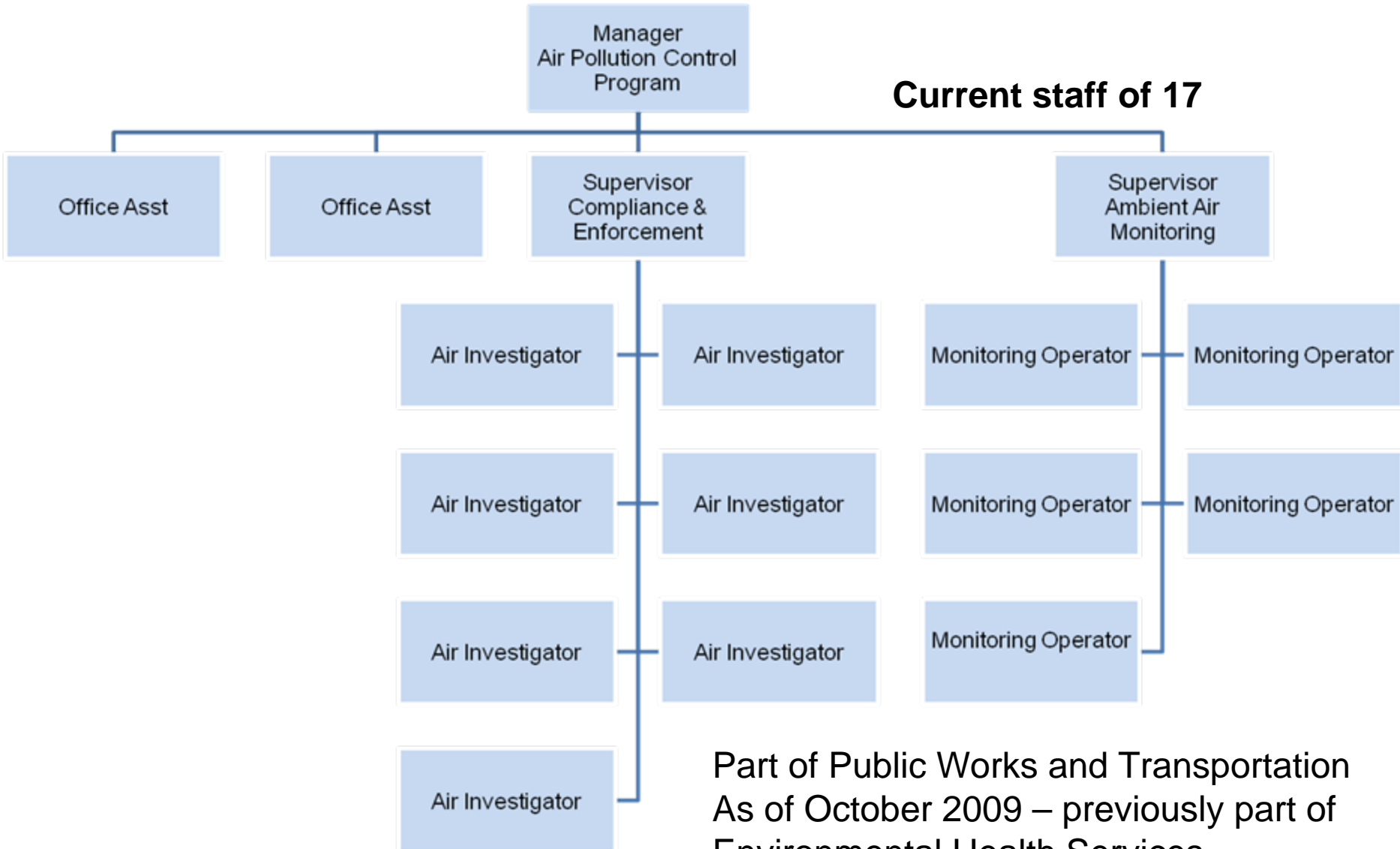
- Dallas has had an “Air Pollution Control Program” since the late 1960s
- Program initially focused primarily on:
 - Lead issues
 - Smoke from industry
 - Dust from concrete and asphalt plants
 - Odor complaints
- Program began operation of an air monitoring station with ozone monitor in 1972
- Dallas is one of five (5) Texas jurisdictions eligible for federal funding (based on provisions of Clean Air Act of 1970 and subsequent amendments)
 - To be eligible, a city had to have an air program in 1970
 - Partial federal funding is through EPA (now passed through TCEQ)

Local Program Background (continued)

- Texas jurisdictions receiving State and Federal support
 - Dallas
 - Houston
 - Fort Worth
 - El Paso (originally County, but now the City)
 - Galveston (County)
- All receive the same 67% state / 33% local match, dollar amounts differ based on network size
- Other Texas cities have attempted to obtain state and federal support without success to date

Local Program Today

Current staff of 17



Part of Public Works and Transportation
As of October 2009 – previously part of
Environmental Health Services

Current Year Funding

Total budgeted expenses **\$1,433,238**

TCEQ funding (5 contracts) **- \$1,081,712**

– Compliance and Enforcement \$530,421

– Ambient Air Monitoring \$183,285

– Fine Particulate \$64,080

– Rockwall Continuous Air Monitoring \$25,958

– BioWatch \$277,968

Registration revenue **- \$249,000**

Net City expense **\$102,526**

Compliance and Enforcement

- TCEQ reimburses 67% of City's operational expenses (up to \$530,421) to complete annual work plan devised by TCEQ
- Work Plan includes 955 investigations and activities of varying types designed to meet the ceiling amount of the contract:
 - Facility Inspections/Investigations for compliance with air regulations
 - Notices of Violations, Notices of Enforcement
 - Stage II vapor recovery system testing and observations at gas stations and convenience stores
 - Review permit applications for entities applying for new/renewal emissions permits
 - Inspection of autos at used car lots for proper emission control devices
 - Investigation of complaints (outdoor dust, fumes, mists, odors, etc.)

Ambient Air Monitoring

- TCEQ reimburses 67% of the City's operational expenses (up to \$183,285 each year)
- Two-year agreement approved in 2009 for FY10 and FY11
- Operate and maintain a network monitoring criteria pollutants; sulfur dioxide, nitrogen oxides, carbon monoxide, lead, particulate (PM10) and ozone



PM10 air sampler

Fine Particulate Monitoring

- TCEQ reimburses 100% of the City's expenses (up to \$64,079) to operate and maintain a network of fine particulate (2.5 micron size) air samplers
- Installation and collection of filter media at various city locations weekly



PM2.5 air samplers

Rockwall Continuous Air Monitoring Station (CAMS)

- TCEQ reimburses 100% of the City's expenses (up to \$25,958) to operate and maintain a CAMS in the town of Rockwall
- Operation checks, audits, and weekly calibration of monitoring equipment
- Minor repairs of instruments / equipment

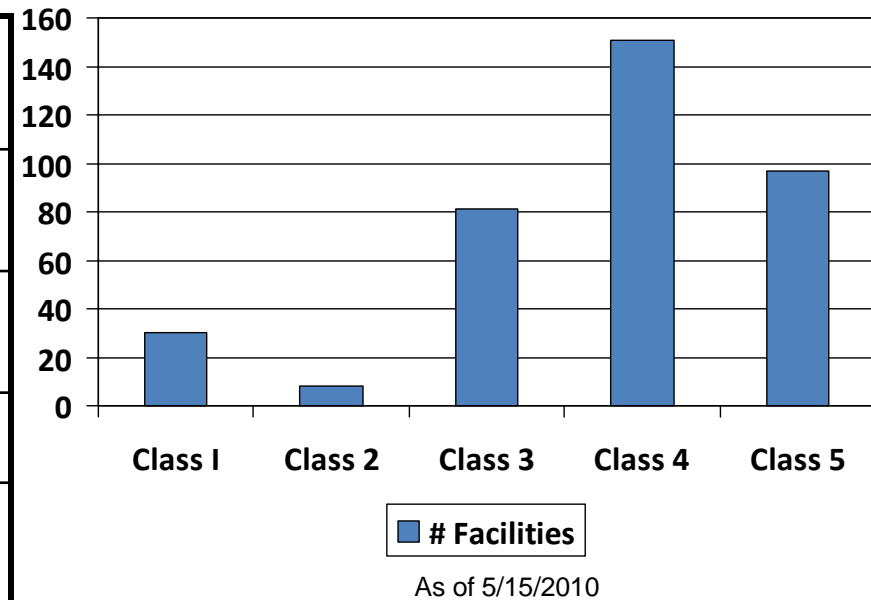
BioWatch Monitoring

- Contract between City and TCEQ
- Pass-through funding from Department of Homeland Security
- 100% of the City's expenses to operate and maintain a network of biological monitors
- Daily monitoring for terrorist biological releases
- Network covers Dallas County
- **This network requires operators 7 days/wk, 365 days/yr**

Additional Revenue

- Register five (5) classes of facilities (fees from \$50 - \$1,000 annually) based on potential to emit pollutants
- Fee structure under review
- FY10 budgeted revenue \$158,000

Class	Potential emissions (tons /yr)	Example
1	Design capacity > 100	Vought Aircraft
2	Design capacity > 100, but actual emissions < 100	Texas Instruments
3	5 < design capacity < 100	Frito Lay
4	< 5	auto paint/body shops
5	Dry Cleaners using solvents	Dry Cleaners



Additional Revenue (continued)

- City registrations for three classes of used car lots

# vehicle display spaces	Annual Fee	# of Lots (as of 5/15/2010)
4 – 9	\$100	71
10 - 49	\$250	289
50+	\$380	54

- FY10 Revenue budgeted at \$91,000
- Annual fees billed through Pay 1 System
- As staff discovers new lots, they are added to the database and billed
- Smaller lots are more sensitive to general economy and have had significant turn over

Preliminary FY2010-11

Budget Request:		\$1,581,991
Less Reimbursement <u>from TCEQ</u> :		- \$1,230,464
– Compliance and Enforcement	(\$530,421)	
– Ambient Air Monitoring	(\$183,285)	
– Fine Particulate Monitoring	(\$67,587)	
– Rockwall Air Monitoring	(\$26,811)	
– BioWatch Air Monitoring	(\$422,360)	
Less Revenue generated*:		- \$249,000
– Facility registration fees	(\$158,000)	
– Used Car Lot registration fees	(\$91,000)	
Resulting Net City Expense:		\$102,527

*fee evaluation underway and may increase revenue to approximately \$280,000

Financial Summary

	FY10		FY11 Request	
Contract	City	State	City	State
Compliance and Enforcement (See bids PWT-003, 3A)	\$261,252	\$530,421	\$261,252	\$530,421
Ambient Air (See bids PWT-004, 4A)	\$90,275	\$183,285	\$90,275	\$183,285
Fine Particulate (See bids PWT-004, 4A)	\$0	\$64,079	\$0	\$67,587
Rockwall (See bids PWT-004, 4A)	\$0	\$25,958	\$0	\$26,811
BioWatch (See bids PWT-004, 4A)	\$0	\$277,968	\$0	\$422,360
	\$351,527	\$1,081,711	\$351,527	\$1,230,464
Fee Revenue	\$249,000 (adopted)	\$0	\$280,000 (projected)	\$0
Net City Cost	\$102,527	n/a	\$71,527	n/a

Benefits of Air Pollution Control / TCEQ Contracts and Partnership

- Reduced length of violations (reduced emissions)
- Higher visibility/higher frequency of investigations encourages compliance and supports the DFW State Implementation Plan (SIP) attainment strategy
- Monitoring network supporting and documenting progress towards SIP ozone attainment
- Highly trained, educated, and experienced staff providing more efficient operations and reduced expenses
- Faster/higher priority response to citizen complaints

What Happens Without these Contracts?

- Loss of funding support from State and Federal agencies
- Part of SIP strategy is to have a system of ensuring compliance with emissions standards
- Increased emissions from regulated community (longer periods of violation)
- Limited or no response to citizen issues
- Elimination of 17 City jobs
- Reduction in projected City revenue of \$280,000 from City registration fees

Potential Opportunities

- EPA has received additional funding for the ambient air monitoring program
 - Distribution is being determined
 - May result in mid-year FY11 amendment to Dallas contract or increased FY12 contract
- EPA has designated 1 of the 3 Dallas stations as 1 of 83 National Core Monitoring Program (NCORE) sites nationwide
 - NCORE includes more advanced monitoring of trace gases and requires additional instruments (more federal funding)
 - Implementation by January 1, 2011 is high priority for EPA
- Staff is exploring feasibility of a regional monitoring program with other North Central Texas entities

Summary

Partnership with TCEQ allows the City of Dallas to provide a \$1,581,991 service at a net cost to the City of \$71,527

Next Steps

- Council action on four contracts for FY2010-2011 on the June 23rd Council Agenda
- Assuming passage, full execution of documents prior to September 1, 2010 deadline
- Begin FY2010-2011 work plan September 1, 2010
- Continue discussions with TCEQ regarding contract amendments as federal funding allocations are determined mid-year
- Continue discussions with TCEQ, North Central Texas Council of Governments, and other regional stakeholders regarding potential of a regional monitoring program



Typical Air Monitoring Station



Station Interior



