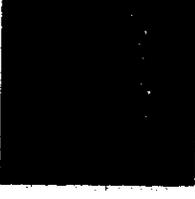
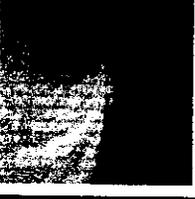


BLUE MOUNTAIN MINERALS

is a limestone mine that has been operating in Tuolumne County for 20 years, with 60 jobs, and a secondary payroll rollover effect in central California of between \$24 and \$30 million per year.

7/5/16
Greg Mackay

USES & DESTINATIONS OF BLUE MOUNTAIN MINERALS' PRODUCTS

INDUSTRY TYPE	GLASS	ROOFING	ENVIRONMENTAL	ANIMAL FEED	SOIL SUPPLEMENT	CONSTRUCTION
FACILITIES SERVED						
	8 Manufacturing Plants	5 Asphalt Shingle Plants	17 Power Plants 7 Remediation of Contaminated Sites	35 Feed Mills	100 Farm Supply Distributors Centers	20 Building Contractors
	LOCATIONS					
	Lathrop Tracy Kingsburgh	Stockton Bakersfield	Stockton Sacramento Pittsburgh, CA	Sonora Oakdale Fresno	Modesto Oakdale Fresno Escalon	Sonora Tulare County
	EXAMPLE OF COMPANIES					
	Owens Illinois Gambian Industries Libbey Owens Ford (LOF)	Elk Roofing GAF	Stockton Cogan GMP Power Systems Geo-Con	Foster Farms Dixiel Turkey Farms A.L. Gilbert	Stanislaus Farm Supply J.R. Strupick Mid Valley Farm Supply	A & L Ready Mix Mitty & Sons Brookstone Trucking Allan Payne Trucking

THE HURDLE OF COMPLIANCE WITH RULES THAT DON'T FIT THE DEMOGRAPHIC OF BLUE MOUNTAIN MINERALS' OPERATION

1) Our fleet does not fit the ARB model, because repowering is not a viable option due to the long lead times required, and because quarrying uses much more powerful equipment than construction. The higher the horsepower, the more expensive the equipment, and the scale is exponential.

	Blue Mountain Minerals	ARB Model
Average HP of equipment	357	133 <small>(from survey of 200 fleets)</small>
Cost per HP per year	\$44.50	\$8.90 <small>(from ARB "fact" sheet)</small>
Cost per year	\$334,000	\$89,000 <small>(from ARB "fact" sheet)</small>
Cost per HP	\$445	\$0 to \$180 <small>(from ARB "fact" sheet)</small>

2) Tuolumne County is a rural county with relatively clean air, and is classified nonattainment solely as the result of transported air pollution. The California Air Pollution Control Officers Association (CAPCOA) recommended the definition of "Captive Attainment Area" be expanded to include such rural counties, and give them an exclusion from the NOx requirements.

HOW CAN BLUE MOUNTAIN MINERALS MEANINGFULLY COMPLY AND ALSO STAY IN BUSINESS?

If Blue Mountain Minerals were classified as a small fleet and Tuolumne County were a Captive Attainment Area, we would have five more years and an exclusion from the NOx requirements. This would allow us to:

1. continue to replace equipment with used, rather than very costly new or nearly new,
2. realize savings of 27% over compliance costs as a large fleet, thereby
3. keeping the price increases to our customers to a minimum.

	Large Fleet	Small Fleet
Cost per HP per year	\$44.50	\$29.30
Cost per year	\$334,000	\$220,000
Cost per HP	\$445	\$293

The 67% target reduction in PM emissions would still be met in a ten-year time frame, even with the change to a small fleet classification.

	Large Fleet	Small Fleet
ARB TARGET - Fleet PM factor	0.05	0.05
BASELINE - Fleet PM factor	0.15	0.15
AFTER TEN YEARS - Fleet PM factor	0.05	0.05

**WHAT BLUE MOUNTAIN MINERALS NEEDS TO
HELP BE PART OF A REASONABLE SOLUTION
FOR CLEANER AIR IN CALIFORNIA**

- 1) NOx REQUIREMENT EXCLUSION - Expand the definition of Captive Attainment Area fleet as recommended by CAPCOA.**
- 2) FIVE MORE YEARS - Revise the definition of "small fleet" to include Captive Attainment Area fleets in low population counties (shown below in bold):**

(C) Small Fleet – A fleet with total maximum power of less than or equal to 1,500 hp that is owned by a small business or less than or equal to 1,500 hp that is owned by a local municipality, or a local municipality fleet in a low population county irrespective of total maximum power, and fleets with total maximum power less than or equal to 9,000 hp that are operated entirely within a single, low population, Captive Attainment Area county.