

Antelope Valley Air Quality Management District Governing Board Regular Meeting

Agenda

LOCATION

Antelope Valley Transit Authority
District Office
42210 6th Street West
Lancaster, CA 93534
661.723.8070

TUESDAY, APRIL 19, 2022

10:00 A.M.

BOARD MEMBERS

Marvin Crist, Chair, City of Lancaster
Austin Bishop, Vice Chair, City of Palmdale
Ron Hawkins, Los Angeles County
Howard Harris, Los Angeles County
Ken Mann, City of Lancaster
Steven Hofbauer, City of Palmdale
Newton Chelette, Public Member

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO FIVE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

ALL SCHEDULED ITEMS WILL BE HEARD AT THE ANTELOPE VALLEY TRANSIT AUTHORITY (AVTA) DISTRICT OFFICE, 42210 6TH STREET WEST, LANCASTER, CA 93534 AND THE TELECONFERENCE LOCATION(S), IF APPLICABLE. PLEASE NOTE THAT THE BOARD MAY ADDRESS ITEMS IN THE AGENDA IN A DIFFERENT ORDER THAN THE ORDER IN WHICH THE ITEM HAS BEEN POSTED.

PUBLIC COMMENTS ON ANY AGENDA ITEM WILL BE HEARD AT THE TIME OF DISCUSSION OF THE AGENDA ITEM. PUBLIC COMMENTS NOT PERTAINING TO AGENDA ITEMS WILL BE HEARD DURING THE PUBLIC COMMENT PERIOD BELOW. PUBLIC COMMENTS ON AGENDIZED ITEMS MAY BE SUBMITTED VIA EMAIL TO

PUBLICCOMMENT@AVAQMD.CA.GOV AT LEAST TWO HOURS PRIOR TO THE START OF THE MEETING.

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call

Items with potential Conflict of Interests — If you believe you have a conflict of interest, please recuse yourself at the appropriate time. If you have a question regarding a potential conflict of interest, please contact District Counsel.

PUBLIC COMMENT

CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial and will be acted upon by the Board at one time without discussion unless a Board Member requests an item be held for discussion under DEFERRED ITEMS.

1. [Approve Minutes from Regular Governing Board Meeting of March 15, 2022.](#)
2. [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
3. [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
4. [Approve payments to MDAQMD in the amount of \\$164,221.38 for February 2022 expenditures. Presenter: Bret Banks, Executive Director/APCO.](#)
5. [Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 28, 2022. The Financial Reports for February provide financial and budgetary performance information for the District for the period referenced. Presenter: Bret Banks, Executive Director/APCO.](#)
6. [1\) Allocate an amount not to exceed \\$21,400 in Mobile Source Emissions Reduction Program funds \(AB 2766\) in support of public transit programs in the Antelope Valley; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

ITEMS FOR DISCUSSION

DEFERRED ITEMS

NEW BUSINESS

7. [Conduct a public hearing to consider the adoption of Rule 315.1 – Federal Clean Air Act Section 185 Penalty \(1997 Standard\) and Rule 315.2 – Federal Clean Air Act Section 185 Penalty \(2008 Standard\): a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act \(CEQA\) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making](#)

appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Barbara Lods, Operations Manager.

8. 1) Allocate an amount not to exceed \$140,000 of Mobile Source Emission Reduction Program funds AB 2766 and AB 923 for the implementation of the District's 2022 Lawn and Garden Exchange Program; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman. Presenter: Julie McKeehan, Grants Analyst.
9. 1) Award an amount not to exceed \$67,200 in Carl Moyer Program funds to EV Charging Solutions, Inc. for an Electric Vehicle Charging Station Project; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman. Presenter: Julie McKeehan, Grants Analyst
10. 1) Award an amount not to exceed \$254,355 in Carl Moyer Program funds to McCarthy Steel to replace an older diesel-powered heavy-duty forklift with a new all-electric zero-emissions heavy-duty forklift; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman. Presenter: Julie McKeehan, Grants Analyst.
11. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
12. Board Member Reports and Suggestions for Future Agenda Items.
13. Adjourn to Regular Governing Board Meeting of Tuesday, May 17, 2022.

In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the Executive Director during regular business hours at 661.723.8070 x22. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations. All accommodation requests will be processed swiftly and resolving any doubt in favor of accessibility.

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at www.avaqmd.ca.gov or by contacting Deanna Hernandez at 760.245.1661 x6244 or by email at dhernandez@mdaqmd.ca.gov .

Mailed & Posted on: Tuesday, April 12, 2022.

Deanna Hernandez
Deanna Hernandez

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of March 15, 2022.](#)
Please scroll down to view the backup material.

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, MARCH 15, 2022
ANTELOPE VALLEY TRANSIT AUTHORITY DISTRICT OFFICE
LANCASTER, CA

Draft Minutes

Board Members Present:

Marvin Crist, *Chair*, City of Lancaster
Austin Bishop, *Vice Chair*, City of Palmdale
Newton Chelette, Public Member
Howard Harris, Los Angeles County
Ron Hawkins, Los Angeles County
Steven Hofbauer, City of Palmdale
Ken Mann, City of Lancaster

Board Members Absent:

CALL TO ORDER

Chair **CRIST** called the meeting to order at 10:04 a.m. Chair **CRIST** asked Board Member **MANN** to lead the Pledge of Allegiance. Roll call was taken.

PUBLIC COMMENT

❖ Chair **CRIST** called for **PUBLIC COMMENT**. At this time, no public comment was made in person, telephonically or electronically, moved onto **CONSENT CALENDAR**.

CONSENT CALENDAR

CONSENT CALENDAR – The following consent items were acted upon by the Board at one time without discussion. Upon motion by Board Member **HAWKINS**, seconded by Board Member **MANN**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **AUSTIN BISHOP, NEWTON CHELETTE, MARVIN CRIST, HOWARD HARRIS, RON HAWKINS, STEVEN HOFBAUER and KEN MANN**, on the Consent Calendar, as follows:

Agenda Item #1 – Approve Minutes from Regular Governing Board Meeting of February 15, 2022.
Approved Minutes from Regular Governing Board Meeting of February 15, 2022.

Agenda Item #2 – Monthly Grant Funding Summary. Receive and file.

Presenter: Bret Banks, Executive Director/APCO.

Received and Filed Monthly Grand Funding Summary.

Agenda Item #3 – Monthly Activity Report. Receive and file.

Presenter: Bret Banks, Executive Director/APCO.

Received and Filed Monthly Activity Report.

Agenda Item #4 – Approve payment to MDAQMD in the amount of \$142,225.32 for January 2022 expenditures.

Presenter: Bret Banks, Executive Director/APCO.

Approved payment to MDAQMD in the amount of \$142,225.32 for January 2022 expenditures.

Agenda Item #5 – Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2022.

Presenter: Bret Banks, Executive Director/APCO.

Received and filed the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2022.

Agenda Item #6 – Ratification of Board Chairman’s determination pursuant to Government Code section 54953(e)(3) finding state or local officials continue to impose or recommend measures to promote social distancing. Adopt a resolution reaffirming the local Declaration of Emergency as adopted on April 27, 2020; ratifying the proclamation of a State of Emergency by the Governor on March 4, 2020; and authorizing remote teleconference meetings of the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) for the period of March 15, 2022 through April 15, 2022 pursuant to provisions of the Brown Act.

Presenter: Bret Banks, Executive Director/ APCO.

Ratified the Board Chairman’s determination pursuant to Government Code section 54953(e)(3) finding state or local officials continue to impose or recommend measures to promote social distancing. Adopt a resolution reaffirming the local Declaration of Emergency as adopted on April 27, 2020; ratifying the proclamation of a State of Emergency by the Governor on March 4, 2020; and authorizing remote teleconference meetings of the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) for the period of March 15, 2022 through April 15, 2022 pursuant to provisions of the Brown Act. **Adopted** Resolution 22-03, “**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT(“DISTRICT”) PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY EXECUTIVE ORDERS N-25-20, N-29-20 AND N-35-20, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR A THIRTY (30) DAY PERIOD PURSUANT TO BROWN ACT PROVISIONS.”**

Agenda Item #7 – 1) Receive and file Policies and Procedures Manual for the District’s Community Air Protection (CAP) Program.

Presenter: Julie McKeehan, Grants Analyst.

Received and filed Policies and Procedures Manual for the District’s Community Air Protection (CAP) Program.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

None.

NEW BUSINESS

Agenda Item #8 – 1) Approve Amendments to the Alternative Fuel Vehicle Incentive Program; 2) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as proposed.

Presenter: Bret Banks, Executive Director/APCO.

Bret Banks, Executive Director/APCO, presented the background information and answered questions from the board. During discussion, the Board suggested a carve-out program for Tesla's, non-dealership models and electric chargers. After discussion, upon motion by Board Member **CRIST**, seconded by Board Member **CHELETTE**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **AUSTIN BISHOP, NEWTON CHELETTE, MARVIN CRIST, HOWARD HARRIS, RON HAWKINS, STEVEN HOFBAUER and KEN MANN**, the Board, 1) **Approved** Amendments to the Alternative Fuel Vehicle Incentive Program; 2) **Authorized** the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as proposed.

Agenda Item #9 – 1) Authorize \$100,000 in Mobile Emission Reductions Program (AB 2766) funds to the Alternative Fuel Vehicle Program; and 2) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan.

Presenter: Julie McKeehan, Grants Analyst.

Julie McKeehan, Grants Analyst, presented the background information and answered questions from the Board. After discussion, upon motion by Board Member **BISHOP**, seconded by Board Member **HARRIS**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **AUSTIN BISHOP, NEWTON CHELETTE, MARVIN CRIST, HOWARD HARRIS, RON HAWKINS, STEVEN HOFBAUER and KEN MANN**, the Board, 1) **Authorized** \$100,000 in Mobile Emission Reductions Program (AB 2766) funds to the Alternative Fuel Vehicle Program; and 2) **Authorized** the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan.

Agenda Item #10 – Approve written notification to the Mojave Desert Air Quality Management District (MDAQMD) 180 days in advance of the proposed termination, but not less than ninety (90) days before the effective date of the proposed termination. The termination will be effective on August 31, 2022. Authorize the Chairman to sign and provide notice to MDAQMD.

Presenter: Bret Banks, Executive Director/APCO.

Bret Banks, Executive Director/APCO, presented the background information and answered questions from the Board. After discussion, upon motion by Board Member **CHELETTE**, seconded by Board Member **HAWKINS**, and carried by the following roll call vote, with seven **AYES** votes by Board Members, **AUSTIN BISHOP, NEWTON CHELETTE, MARVIN CRIST, HOWARD HARRIS, RON HAWKINS, STEVEN HOFBAUER and KEN MANN**, the Board, **approved** written notification to the Mojave Desert Air Quality Management District (MDAQMD) 180 days in advance of the proposed termination, but not less than ninety (90) days before the effective date of the proposed termination. The termination will be effective on August 31, 2022 with a 30-day extension. **Authorized** the Chairman to sign and provide notice to MDAQMD.

Agenda Item #11 – Receive and file presentation regarding Section 185 of the Clean Air Act.

Presenter: Bret Banks, Executive Director/APCO.

Bret Banks, Executive Director/APCO, and Alan De Salvio, Deputy APCO, MDAQMD, presented the background information and answered questions from the Board. After discussion, Chair **CRIST** **received and filed** the presentation regarding Section 185 of the Clean Air Act on behalf of the Governing Board.

Agenda Item #12– Reports.

Governing Board Counsel –

- Reminder Form 700's are due April 1, 2022.

Executive Director/APCO –

- Chair **CRIST** informed all of Antelope Valley Transit Authority (AVTA) special event taking place March 16, 2022 to honor AVTA 100% electric bus fleet/facility celebration and invited all to attend.
- Informed the Board of budget season.

Staff –

- No report.

Agenda Item #13 – Board Member Reports and Suggestions for Future Agenda Items.

- None.

Agenda Item #14 – Adjourn to Regular Governing Board Meeting of Tuesday, April 19, 2022.

Being no further business, the meeting adjourned at 11:26 a.m. to the next regularly scheduled Governing Board Meeting of Tuesday, April 19, 2022.

The following page(s) contain the backup material for Agenda Item: [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

Item #2 – Grant Funds Project Summary

March 2022

AB 2766 (\$4 DMV Fee)

\$655,000 Annually by Monthly Distribution

These fees fund the District's Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used "to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988".

Funding Limits: No surplus emission reductions or cost-effectiveness limit requirements.

Current Balance: \$390,063.00

AB 923 (\$2 DMV Fee)

\$614,000 Annually by Monthly Distribution

These fees fund the District's Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used to remediate air pollution harms created by motor vehicles.

Funding Limits: Carl Moyer eligible projects; unregulated agriculture vehicles and equipment; school bus projects; light-duty vehicle retirement program; and alternative fuel and electric infrastructure projects.

Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$389,187.00

Carl Moyer Program

\$658,553.00 FY 20/21 Allocation

Carl Moyer Program (CMP) funds provide incentives to gain early or extra emission reductions by retrofitting, repowering, or replacing older more polluting engines with newer, cleaner engines including zero and near zero emission technologies. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$295,000.00

AB 134 Community Air Protection (CAP) Projects

\$855,673 FY 19/20 Allocation

The purpose of AB 134 funds is to implement projects under the Carl Moyer Program specifically for projects that meet the goals of AB 617. These funds are focused on replacing older polluting engines operating in disadvantaged and low-income communities with newer, cleaner engines prioritizing zero-emission projects. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$0

The following page(s) contain the backup material for Agenda Item: [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.



Agenda Item #3

Date: April 4, 2022

Subject: March Operations Activity Report

Permit Inspections - 125

Notices of Violation (NOV) Issued – 0

Vapor Recovery Tests Witnessed – 5

Complaints - 1

Complaint Investigations – 1

Asbestos Notifications – 11

Asbestos Project Inspections - 0

Active Companies - 281

Active Facilities - 532

Active Permits - 1115

Certificate of Occupancy/Building Permit Reviews - 1

CEQA Project Comment Letters - 8

State or Local Air Monitoring Stations (SLAMS) Network Air Monitoring Site:

Lancaster Site (full meteorology, CO, NOx, O3, PM10, PM2)

Full meteorology (exterior temperature, wind speed, wind direction, exterior pressure and relative humidity)

Community Sensors:

13 **PurpleAir** particulate sensors (Del Sur School, Leona Valley Elementary, Anaverde Hills, Esperanza Elementary School, Joe Walker Middle School, Desert Willow Middle School, Amargosa Creek, Eastside High School, Littlerock High School, Knight High School, Westside School District Offices, (2) Wilsona School District.

AVAQMD CEQA PROJECTS						
BOARD MEETING						
4/19/2022						
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
3/1/2022	Lancaster	Lancaster Storage	SPR 22-01 planning documents for the proposed development of an 81,430 square foot self-storage facility located at the northwest corner of West Avenue K and 20 th Street West (APN: 3129-016-066) on approximately 3.38 acres	DCP Signage Rule 219 Permitting CARB Equip	3/18/2022	3/21/2022
3/1/2022	Lancaster	Warehouse Facility	SPR 22-02 planning documents for the proposed development of a 28,895 square warehouse facility located south of Avenue L and 600 feet west of Sierra Highway (APNs: 3128-007-034 and 3128-007-039) on approximately 1.83 acres.	No Comment	3/25/2022	3/21/2022
3/21/2022	Lancaster	Tentative Track Map 83232	NOA Draft Focused EIR for Tentative Tract Map 83232 located at the northwest corner of 60 th Street West and Avenue K-12 (APN: 3204-008-048) on approximately 20 acres.	DCP CARB Equip	4/11/2022	3/21/2022
3/21/2022	Lancaster	Industrial Complex	SPR 21-05 planning documents for the proposed construction and operation of four industrial warehouse buildings totaling 37,000 square feet along with parking and landscape improvements located near the northwest corner of Avenue L-8 and 10 th Street West (APN: 3109-025-051) on approximately 2.4 acres.	DCP Signage CARB Equip	3/21/2022	4/4/2022
3/7/2022	Lancaster	Tentative Track Map 66842	NOA/NOI to adopt a Revised IS/MND for TTM 66842 for the proposed project consisting of the subdivision of approximately 22 gross acres into 84 single family residential lots, located at the southeast corner of 40 th Street West and Avenue J-8 (APNs: 3153-046-065, 3153-021-032, -033, -034, -035, -036, and -038). The layout of the subdivision is not changing, however the developer will be constructing a total of 199 units on the 84 lots	DCP CARB Equip	4/4/2022	3/21/2022
3/7/2022	Palmdale	Faith Community Church	Pre-App 22-009 for the proposed development of a church use consisting of one building totaling 8,325 square feet located at the southwest corner of Technology Drive and 10 th Street West on approximately 2.56 acres (APN: 3003-079-001).	No Comment	3/29/2022	3/21/2022

AVAQMD CEQA PROJECTS						
BOARD MEETING						
4/19/2022						
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
3/16/2022	Palmdale	Dakota Condo Quads	Pre-Application 22-010 for the proposed subdivision of 26 acres into 184 condominium lots with one community park and one jog trail to develop 46 condominium buildings totaling 312,800 square feet located at the northwest corner of Rancho Vista Boulevard and Division Street (APN: 3005-004-100, -099 and -060).	DCP CARB Equip	3/29/2022	3/21/2022
3/16/2022	Palmdale	Law Center of Antelope Valley	Pre-Application 22.011 Conceptual Review to develop an office/retail use consisting of one building totaling 10,398 square feet located at 536 E Palmdale Blvd (APNs: 3009-007-020, -021, -014 and -006).	DCP CARB Equip Rule 1403	3/29/2022	3/22/2022

The following page(s) contain the backup material for Agenda Item: [Approve payments to MDAQMD in the amount of \\$164,221.38 for February 2022 expenditures. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #4

DATE: April 19, 2022

RECOMMENDATION: Approve payments to MDAQMD in the amount of \$164,221.38 for February 2022 expenditures.

SUMMARY: The District contracts for services with MDAQMD; an invoice for services is presented for payment.

BACKGROUND: Key Expenses: Staffing expenses of \$142,671.62.

The AVAQMD contracts with the MDAQMD for essential executive, administrative, fiscal, engineering, and air monitoring services.

REASON FOR RECOMMENDATION: The AVAQMD Governing Board must authorize all payments to the MDAQMD.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form; and by Bret Banks, Executive Director/APCO, on or before April 4, 2022.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY22. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Bret Banks, Executive Director/APCO



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **2/28/2022**
 Invoice Number **43305**

INVOICE

Bill To :
ANTELOPE VALLEY AQMD 43301 DIVISION ST. SUITE 206 LANCASTER, CA 93535
Company ID 10193

FY22 - February 2022		Amount
Program Staff	Program Staff	142,671.62
OVERHEAD	OVERHEAD	20,167.54
Professional Services	Professional Services	1,152.71
Communications	Communications	229.51
<p>TO INSURE PROPER CREDIT - PLEASE INCLUDE A COPY OF THE INVOICE WITH YOUR PAYMENT</p> <p>FOR CREDIT CARD PAYMENTS PLEASE VISIT www.mdaqmd.ca.gov</p>		
		Invoice Total 164,221.38
MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD		Amount Paid 0.00
PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK		Balance Due 164,221.38

The following page(s) contain the backup material for Agenda Item: [Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 28, 2022. The Financial Reports for February provide financial and budgetary performance information for the District for the period referenced. Presenter: Bret Banks, Executive Director/APCO.](#) Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #5

DATE: April 19, 2022

RECOMMENDATION: Receive and file.

SUMMARY: This Preliminary Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at February 28, 2022.

BACKGROUND: The Financial Reports for February 2022 provide financial and budgetary performance information for the District for the period referenced.

BALANCE SHEET. The balance sheet summarizes the District's financial position on February 28, 2022.

STATEMENT OF REVENUES & EXPENDITURES. A summary of all District revenue and related expenditures incurred in the day to day administration of District Operations.

STATEMENT OF ACTIVITY. The target variance for January is 67%.

The *District Wide* report details revenue and expenses for the District's operating account and grant funds. *Contracted Services* reports the expenses made by the (MDAQMD) and passed through to the District including salaries. *Report Recap* consolidates both reports.

BANK REGISTERS. This report details the Districts bank activity.

DISTRICT CARDS. This report details purchases made using the District's credit cards.

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about April 4, 2022.

PRESENTER: Bret Banks, Executive Director/APCO.

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of February 28, 2022

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions</u>	<u>AB923 Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Total</u>
Assets					
Current Assets					
Cash	4,260,804.76	774,503.75	1,657,937.08	536,516.43	7,229,762.02
Cash Held For Other Fund	(68,283.97)	(14,924.15)	33,060.94	50,147.18	0.00
Receivables	174,161.43	0.00	0.00	0.00	174,161.43
Pre-Paid	7,935.75	0.00	0.00	0.00	7,935.75
Total Current Assets	4,374,617.97	759,579.60	1,690,998.02	586,663.61	7,411,859.20
Total Assets	4,374,617.97	759,579.60	1,690,998.02	586,663.61	7,411,859.20
Liabilities and Net Position					
Current Liabilities					
Payables	904,188.08	6,500.00	0.00	0.00	910,688.08
Due to Others	1,674.00	0.00	0.00	0.00	1,674.00
Unearned Revenue	491,583.08	0.00	0.00	510,842.50	1,002,425.58
Total Current Liabilities	1,397,445.16	6,500.00	0.00	510,842.50	1,914,787.66
Restricted Fund Balance	2,017,902.69	649,150.86	1,650,543.42	75,817.45	4,393,414.42
Cash Reserves	577,718.00	0.00	0.00	0.00	577,718.00
Unassigned Fund Balance	1,366,714.76	0.00	0.00	0.00	1,366,714.76
Pre-Paid	914.05	0.00	0.00	0.00	914.05
Change in Net Position	(986,076.69)	103,928.74	40,454.60	3.66	(841,689.69)
Total Liabilities & Net Position	4,374,617.97	759,579.60	1,690,998.02	586,663.61	7,411,859.20

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending February 28, 2022

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
Revenues					
Application and Permit Fees	68,875.05	0.00	0.00	0.00	68,875.05
AB 2766 and Other Program Revenues	50,178.59	50,058.57	50,058.58	0.00	150,295.74
Fines	3,585.27	0.00	0.00	0.00	3,585.27
Investment Earnings	568.88	0.00	0.00	0.00	568.88
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	123,207.79	50,058.57	50,058.58	0.00	223,324.94
Expenditures					
Program Staff	142,671.62	0.00	0.00	0.00	142,671.62
Services and Supplies	889,383.88	15,000.00	0.00	0.00	904,383.88
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
Total Expenditures	1,032,055.50	15,000.00	0.00	0.00	1,047,055.50
Excess Revenue Over (Under) Expenditures	(908,847.71)	35,058.57	50,058.58	0.00	(823,730.56)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/28/2022

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	63,098.05	803,602.49	1,047,500.00	(0.77)
Programs	150,295.74	1,534,253.52	2,833,400.00	(0.54)
Application Fees	5,777.00	18,008.37	30,500.00	(0.59)
State Revenue	0.00	138,489.44	1,096,000.00	(0.13)
Fines & Penalties	3,585.27	23,209.25	10,000.00	(2.32)
Interest Earned	568.88	17,442.94	17,500.00	(1.00)
Adjustments to Revenue	0.00	(11,234.34)	0.00	0.00
Total Revenues	223,324.94	2,523,771.67	5,034,900.00	(0.50)
Expenses				
Office Expenses	7,601.70	70,671.12	108,625.00	0.65
Communications	1,830.04	18,053.34	21,050.00	0.86
Vehicles	719.29	3,088.33	7,900.00	0.39
Program Costs	864,515.00	2,020,608.58	3,104,500.00	0.65
Travel	186.21	(339.34)	12,650.00	(0.03)
Professional Services				
Payroll Contract	0.00	911.42	0.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	5,737.50	5,737.50	3,000.00	1.91
Stipends	600.00	5,100.00	8,400.00	0.61
Maintenance & Repairs	225.00	3,324.63	6,500.00	0.51
Non-Depreciable Inventory	0.00	5,222.96	2,300.00	2.27
Dues & Subscriptions	550.20	9,956.20	46,400.00	0.21
Legal	1,634.56	10,901.91	44,000.00	0.25
Miscellaneous Expense	36.38	292.53	2,900.00	0.10
Suspense	(801.76)	(428.89)	0.00	0.00
Capital Expenditures	0.00	15,116.89	50,000.00	0.30
Total Expenses	882,834.12	2,168,217.18	3,424,225.00	0.63
Program Staff				
Excess Revenue Over (Under) Expenditures	(659,509.18)	355,554.49	1,610,675.00	(0.22)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/28/2022

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Expenses				
Office Expenses	0.00	4,261.86	1,500.00	2.84
Communications	229.51	229.51	0.00	0.00
Vehicles	0.00	547.39	0.00	0.00
Travel	0.00	0.00	2,500.00	0.00
Professional Services				
Payroll Contract	12.71	167.95	125.00	1.34
Financial Audit & Actuarial Svcs	21,307.54	154,430.40	212,625.00	0.73
Non-Depreciable Inventory	0.00	4.59	0.00	0.00
Dues & Subscriptions	0.00	0.00	250.00	0.00
Total Expenses	21,549.76	159,641.70	217,000.00	0.74
Program Staff				
Program Staff	142,671.62	1,037,602.48	1,389,000.00	0.75
Total Program Staff	142,671.62	1,037,602.48	1,389,000.00	0.75
Excess Revenue Over (Under) Expenditures	(164,221.38)	(1,197,244.18)	(1,606,000.00)	(0.75)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 2/28/2022

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	63,098.05	803,602.49	1,047,500.00	(0.77)
Programs	150,295.74	1,534,253.52	2,833,400.00	(0.54)
Application Fees	5,777.00	18,008.37	30,500.00	(0.59)
State Revenue	0.00	138,489.44	1,096,000.00	(0.13)
Fines & Penalties	3,585.27	23,209.25	10,000.00	(2.32)
Interest Earned	568.88	17,442.94	17,500.00	(1.00)
Adjustments to Revenue	0.00	(11,234.34)	0.00	0.00
Total Revenues	223,324.94	2,523,771.67	5,034,900.00	(0.50)
Expenses				
Office Expenses	7,601.70	74,932.98	110,125.00	0.68
Communications	2,059.55	18,282.85	21,050.00	0.87
Vehicles	719.29	3,635.72	7,900.00	0.46
Program Costs	864,515.00	2,020,608.58	3,104,500.00	0.65
Travel	186.21	(339.34)	15,150.00	(0.02)
Professional Services				
Payroll Contract	12.71	1,079.37	125.00	8.63
Financial Audit & Actuarial Svcs	21,307.54	154,430.40	212,625.00	0.73
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	5,737.50	5,737.50	3,000.00	1.91
Stipends	600.00	5,100.00	8,400.00	0.61
Maintenance & Repairs	225.00	3,324.63	6,500.00	0.51
Non-Depreciable Inventory	0.00	5,227.55	2,300.00	2.27
Dues & Subscriptions	550.20	9,956.20	46,650.00	0.21
Legal	1,634.56	10,901.91	44,000.00	0.25
Miscellaneous Expense	36.38	292.53	2,900.00	0.10
Suspense	(801.76)	(428.89)	0.00	0.00
Capital Expenditures	0.00	15,116.89	50,000.00	0.30
Total Expenses	904,383.88	2,327,858.88	3,641,225.00	0.64
Program Staff				
Program Staff	142,671.62	1,037,602.48	1,389,000.00	0.75
Total Program Staff	142,671.62	1,037,602.48	1,389,000.00	0.75
Excess Revenue Over (Under) Expenditures	(823,730.56)	(841,689.69)	4,675.00	180.04

Antelope Valley AQMD

Run: 4/04/2022 at 1:33 PM

Bank Register from 2/01/2022 to 2/28/2022

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Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000334	2/02/2022	Credit Card Transaction - California Compaction Corp	0.00	661.00	847,013.15
0004732	2/03/2022	[10076] ANTELOPE VALLEY AQMD-Invoices 1560, 1561	107,766.91	0.00	739,246.24
0004733	2/03/2022	[01148] ANTELOPE VALLEY PRESS - ANTELOPE VALLEY PRESS-FY2020 Subscription to newspaper	229.95	0.00	739,016.29
0004734	2/03/2022	[10006] BANK OF THE WEST-Credit Card -1481 12/20/2021-01/19/2022	141.02	0.00	738,875.27
0004735	2/03/2022	[10006] BANK OF THE WEST-Credit Card -1465 12/05/2021-01/04/2022	427.88	0.00	738,447.39
0004736	2/03/2022	[10405] CANON FINANCIAL SERVICES-Copier 01/01/2022-01/31/2022	301.61	0.00	738,145.78
0004737	2/03/2022	[01707] CVS PHARMACY-Refund: Invoices 30387, 4923	358.22	0.00	737,787.56
0004738	2/03/2022	[01176] FERRELLGAS, INC - FERRELLGAS, INC-Refund: Duplicate Payment of Invoice AV3785	800.04	0.00	736,987.52
0004739	2/03/2022	[01797] HERTZ EQUIPMENT RENTAL-Refund Overpayment of Inv AV1160	27.17	0.00	736,960.35
0004740	2/03/2022	[10503] STEVEN D HOFBAUER-Attendance Governing Board Meeting Tuesday, September 15, 2020.	100.00	0.00	736,860.35
0004741	2/03/2022	[10026] MOJAVE DESERT AQMD-FY22 - November 2021	129,554.76	0.00	607,305.59
0004742	2/03/2022	[10260] QCS BUILDING SERVICES-Janitorial Service 01/2022	225.00	0.00	607,080.59
0004743	2/03/2022	[10071] QUADIENT LEASING-Postage Meter Rental Aug 15	94.63	0.00	606,985.96
0004744	2/03/2022	[10043] SOCALGAS-Gas Service - 11/30/21 - 12/30/21	160.52	0.00	606,825.44
0004745	2/03/2022	[10039] SPARKLETTS-WATER SERVICE 01-2022	29.43	0.00	606,796.01
0004746	2/03/2022	[10040] SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY-Additional Insurance Certificate	50.00	0.00	606,746.01
0004747	2/03/2022	[10592] SPECTRUM BUSINESS-Fiber 01/08/2022-02/07/2022	770.00	0.00	605,976.01
0004748	2/03/2022	[10483] STREAMLINE-Inv F7C1BDDC-0015 - Web Hosting	200.00	0.00	605,776.01
0004749	2/03/2022	[10046] VERIZON CALIFORNIA - NJ-Long Distance Charges	33.88	0.00	605,742.13
0004750	2/03/2022	[00069] SOUTHERN CALIFORNIA EDISON-Electricity Service - 12/14/21 - 01/12/22	433.95	0.00	605,308.18
0000335	2/07/2022	Credit Card Transaction - A&S Engineering	0.00	244.00	605,552.18
0000353	2/08/2022	Wells Fargo ACH - NASA	0.00	11,550.84	617,103.02
R22-31	2/09/2022	Operating Fund Replenishment #12	0.00	248,017.39	865,120.41
0000336	2/09/2022	Credit Card Transaction - California Compaction Corp	0.00	661.00	865,781.41
0004751	2/10/2022	[10076] ANTELOPE VALLEY AQMD-Bank Transfer - Credit Card A/R Receipts - December 2021	11,064.65	0.00	854,716.76
0004752	2/10/2022	[10260] QCS BUILDING SERVICES-JANITORIAL SERVICES FOR 02-22	225.00	0.00	854,491.76
0004753	2/10/2022	[10071] QUADIENT LEASING-POSTAGE METER LEASE 02/02/22 - 03/01/22	78.17	0.00	854,413.59
0004754	2/10/2022	[10043] SOCALGAS-GAS USEAGE 12/30/21 - 1/31/22	298.31	0.00	854,115.28
0004755	2/10/2022	[10592] SPECTRUM BUSINESS-Inv 126316401020122 - Internet - 2551 W Ave Apt 102 Lancaster	214.98	0.00	853,900.30
0004756	2/10/2022	[10455] STRADLING YOCCA CARLSON & RAUTH-LEGAL SERVICES 12/2021	1,322.45	0.00	852,577.85
0004757	2/10/2022	[10046] VERIZON CALIFORNIA - NJ-LONG DISTANCE 1/28/22 - 2/7/22	33.52	0.00	852,544.33
0000337	2/10/2022	Credit Card Transaction - Cedro Construction	0.00	670.00	853,214.33
R22-34	2/11/2022	Operating Fund Replenishment #13	0.00	2,172.43	855,386.76
0000338	2/11/2022	Credit Card Transaction - Fox Field Air Field	0.00	758.87	856,145.63

Antelope Valley AQMD
Bank Register from 2/01/2022 to 2/28/2022
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000339	2/14/2022	Credit Card Transaction - All Country Restoration	0.00	1,486.00	857,631.63
0004758	2/16/2022	[10796] AMERICAN GREEN ZONE ALLIANCE-AGZA EDUCATION AND TRAINING	5,737.50	0.00	851,894.13
0004759	2/16/2022	[10006] BANK OF THE WEST-CREDIT CARD - 1465 - 01/05/22 - 02/04/22	102.32	0.00	851,791.81
0004760	2/16/2022	[10006] BANK OF THE WEST-CREDIT CARD -1628 - 01/05/22 - 02/04/22	158.09	0.00	851,633.72
0004761	2/16/2022	[10069] BRET BANKS-Reimbursement of credit card purchase for additional amount due to short pay annual subscription.	50.20	0.00	851,583.52
0004762	2/16/2022	[10405] CANON FINANCIAL SERVICES-COPIER LEASE 02/01/22 -02/28/22	301.45	0.00	851,282.07
0004763	2/16/2022	[10013] CDW - G-Invoices R127615, R193896	3,118.05	0.00	848,164.02
0004764	2/16/2022	[10026] MOJAVE DESERT AQMD-FY22 - December 2021	192,334.94	0.00	655,829.08
0004765	2/16/2022	[10592] SPECTRUM BUSINESS-FIBER 02/08/22 -03/07/22	770.00	0.00	655,059.08
0004766	2/16/2022	[10045] VERIZON BUSINESS-VOIP 02/01/22-02/28/22	430.08	0.00	654,629.00
0004767	2/16/2022	[11259] WEX BANK-FUEL - January 2022	330.32	0.00	654,298.68
0004768	2/16/2022	[10050] WOELFL FAMILY TRUST-Lease Payment - March 2022	4,823.67	0.00	649,475.01
R22-37	2/16/2022	Operating Fund Replenishment #14	0.00	208,156.62	857,631.63
0000340	2/16/2022	Credit Card Transaction - LA-RICAS JPA - Dillards	0.00	1,517.74	859,149.37
0000333	2/17/2022	Credit Card Transaction - Dillards	0.00	758.87	859,908.24
0000341	2/18/2022	Credit Card Transaction - NASA Dryden	0.00	500.00	860,408.24
0000342	2/22/2022	Credit Card Transaction - Ferrellgas - TA-Acacia	0.00	2,178.74	862,586.98
0000343	2/22/2022	Credit Card Transaction - Lyle Parks Jr.	0.00	661.00	863,247.98
0000344	2/24/2022	Credit Card Transaction - T-Mobile	0.00	656.99	863,904.97
0000345	2/25/2022	Credit Card Transaction - Burns Enviornmental	0.00	1,242.00	865,146.97
0000346	2/28/2022	Credit Card Transaction - US Federal Aviation Admin.	0.00	3,332.30	868,479.27
0000347	2/28/2022	Credit Card Transaction - Caliber Collision	0.00	1,593.63	870,072.90
0000354	2/28/2022	Wells Fargo ACH - Psomas FMG Lancaster	0.00	661.00	870,733.90
Total for Report:			463,098.67	487,480.42	

Antelope Valley AQMD
Bank Register from 2/01/2022 to 2/28/2022
General Fund P6A LA County

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000381	2/01/2022	Daily Deposit	0.00	29,234.87	2,302,566.63
	2/01/2022	Interest Earned	0.00	568.88	2,303,135.51
0000382	2/09/2022	Daily Deposit	0.00	157,743.20	2,460,878.71
R22-31	2/09/2022	Operating Fund Replenishment #12	248,017.39	0.00	2,212,861.32
R22-32	2/10/2022	Transfer AB923 - November 2021	44,826.68	0.00	2,168,034.64
R22-33	2/10/2022	Transfer AB2766 - November 2021	47,810.34	0.00	2,120,224.30
R22-34	2/11/2022	Operating Fund Replenishment #13	2,172.43	0.00	2,118,051.87
0000333	2/16/2022	Daily Deposit	0.00	189,630.91	2,307,682.78
R22-35	2/16/2022	Transfer AB923 - December 2021	46,934.61	0.00	2,260,748.17
R22-36	2/16/2022	Transfer AB2766 - December 2021	50,058.57	0.00	2,210,689.60
R22-37	2/16/2022	Operating Fund Replenishment #14	208,156.62	0.00	2,002,532.98
	2/17/2022	Service Charge	3.71	0.00	2,002,529.27
Total for Report:			647,980.35	377,177.86	

Antelope Valley AQMD

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Bank Register from 2/01/2022 to 2/28/2022

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WF AB2766

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0022446	2/02/2022	[11329] CHRISTIAN E CORTEZ-AB2766 GRANT	0.00	500.00	694,634.84
0022451	2/02/2022	[11328] PHILLIP LIVERPOOL-AB2766 GRANT	0.00	500.00	695,134.84
0022473	2/03/2022	[11356] ANTONY CHAVEZ-AB2766 GRANT	1,000.00	0.00	694,134.84
0022474	2/03/2022	[11329] CHRISTIAN E CORTEZ-AB2766 GRANT	500.00	0.00	693,634.84
0022475	2/03/2022	[11358] JOYCE LYN ESTRIBILLO SANCHEZ-AB2766 GRANT	500.00	0.00	693,134.84
0022476	2/03/2022	[11326] EVELYN D EWELL-AB2766 GRANT	500.00	0.00	692,634.84
0022477	2/03/2022	[11362] HILDA LEBRUN GONZALEZ-AB2766 GRANT	500.00	0.00	692,134.84
0022478	2/03/2022	[11355] YOUNG HAN-AB2766 GRANT	500.00	0.00	691,634.84
0022479	2/03/2022	[11357] TANGANIA E HUNTER-AB2766 GRANT	500.00	0.00	691,134.84
0022480	2/03/2022	[11361] JACOB LAMBACH-AB2766 GRANT	1,000.00	0.00	690,134.84
0022481	2/03/2022	[11328] PHILLIP LIVERPOOL-AB2766 GRANT	500.00	0.00	689,634.84
0022482	2/03/2022	[11354] CARLOS LOPEZ-AB2766 GRANT	500.00	0.00	689,134.84
0022483	2/03/2022	[11363] COURTNEY MILLER-AB2766 GRANT	1,000.00	0.00	688,134.84
0022484	2/03/2022	[11365] ALEXANDER NAJERA-AB2766 GRANT	1,000.00	0.00	687,134.84
0022485	2/03/2022	[11360] JAMAL RODRIGUEZ-AB2766 GRANT	500.00	0.00	686,634.84
0022486	2/03/2022	[11359] JOSE A RUIZ-AB2766 GRANT	500.00	0.00	686,134.84
0022487	2/03/2022	[11364] JEFFERY ALAN WRIGHT-AB2766 GRANT	1,000.00	0.00	685,134.84
R22-33	2/10/2022	Transfer AB2766 - November 2021	0.00	47,810.34	732,945.18
0022488	2/16/2022	[11371] RICHARD AYASTA-AB 2766 GRANT	500.00	0.00	732,445.18
0022489	2/16/2022	[11373] MARYCELLE BAUTISTA BURGOS-AB 2766 GRANT	500.00	0.00	731,945.18
0022490	2/16/2022	[11374] ENRIQUE BIBIAN COVARRUBIAS-AB 2766 GRANT	1,000.00	0.00	730,945.18
0022491	2/16/2022	[11375] NATACHA MADELAINE BURGOS FONSECA DE ROSALES-AB 2766 GRANT	1,000.00	0.00	729,945.18
0022492	2/16/2022	[11378] JADE DAVIS-AB 2766 GRANT	1,000.00	0.00	728,945.18
0022493	2/16/2022	[11376] ROBERTO FRANCO-AB 2766 GRANT	1,000.00	0.00	727,945.18
0022494	2/16/2022	[11368] JOHN HOWARD-AB 2766 GRANT	500.00	0.00	727,445.18
0022495	2/16/2022	[11369] HAYATO ONO-AB 2766 GRANT	500.00	0.00	726,945.18
0022496	2/16/2022	[11377] JERREMI ARSENIO PICHE GARCIA-AB 2766 GRANT	500.00	0.00	726,445.18
0022497	2/16/2022	[11379] CESAR XAVIER REYES-AB 2766 GRANT	500.00	0.00	725,945.18
0022498	2/16/2022	[11370] STEPHANIE VELA-AB 2766 GRANT	500.00	0.00	725,445.18
0022499	2/16/2022	[11372] TESSA WARE-AB 2766 GRANT	1,000.00	0.00	724,445.18
R22-36	2/16/2022	Transfer AB2766 - December 2021	0.00	50,058.57	774,503.75
Total for Report:			18,500.00	98,868.91	

Antelope Valley AQMD
Bank Register from 2/01/2022 to 2/28/2022
WF AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0001055	2/03/2022	[10328] GENE WHEELER FARMS-AB 923 GRANT	29,730.67	0.00	1,566,175.79
R22-32	2/10/2022	Transfer AB923 - November 2021	0.00	44,826.68	1,611,002.47
R22-35	2/16/2022	Transfer AB923 - December 2021	0.00	46,934.61	1,657,937.08
Total for Report:			29,730.67	91,761.29	

Antelope Valley AQMD
Bank Register from 2/01/2022 to 2/28/2022
WF Carl Moyer

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0011026	2/02/2022	[01775] BOETHING TREELAND FARMS-CM ROUND 22 GRANT	0.00	98,648.00	891,420.15
0011028	2/03/2022	[10328] GENE WHEELER FARMS-CARL MOYER GRANT	255,269.33	0.00	636,150.82
0011029	2/03/2022	[01775] BOETHING TREELAND FARMS-CM ROUND 22 GRANT	98,648.00	0.00	537,502.82
Total for Report:			353,917.33	98,648.00	

Antelope Valley AQMD
Bank Register from 2/01/2022 to 2/28/2022
WF Special Revenue

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0009011	2/16/2022	[11380] WASTE MANAGEMENT OF CALIFORNIA-AB 134 GRANT	<u>349,515.00</u>	<u>0.00</u>	1,320,592.02
Total for Report:			349,515.00	0.00	

The following page(s) contain the backup material for Agenda Item: [1\) Allocate an amount not to exceed \\$21,400 in Mobile Source Emissions Reduction Program funds \(AB 2766\) in support of public transit programs in the Antelope Valley; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #6

DATE: April 19, 2022

RECOMMENDATION: 1) Allocate an amount not to exceed \$21,400 in Mobile Source Emissions Reduction Program funds (AB 2766) in support of public transit programs in the Antelope Valley; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: The allocated funds contribute dollar-for-dollar match funding to any of the Antelope Valley Transit Authority (AVTA) member agencies and/or Antelope Valley College (AVC) who contribute funding to support public transit programs in the Antelope Valley.

BACKGROUND: In June 2015, the AVAQMD allocated \$200,000 in Mobile Source Emissions Reduction Program funds (AB 2766) in support of public transit programs such as electric infrastructure, electric bus purchase and/or programs to increase ridership, including but not limited to fare subsidies for seniors and disabled persons. Upon receipt of proof-of-funds provided and authorization for the provision of the funds from the AVTA member agencies and/or AVC, the AVAQMD will provide match funds to the agency as a match on a dollar-for-dollar basis not to exceed available funds. The agency is responsible for providing documentation to the AVAQMD on the use of the funds along with related reports.

Pursuant to the District's Mobile Source Emissions Reduction Program Workplan, AB 2766 funds can be used to fund projects that reduce vehicle emissions such as subsidizing transit fares.

cc: Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #6

PAGE 2

REASON FOR RECOMMENDATION: Governing Board approval is needed award Mobile Source Emissions Reduction Program funds (AB 2766). Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 4, 2022

FINANCIAL DATA: Sufficient funds are available from the District’s Mobile Source Emissions Reduction Program (AB 2766) funds.

PRESENTER: Julie McKeehan, Grants Analyst

The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the adoption of Rule 315.1 – Federal Clean Air Act Section 185 Penalty \(1997 Standard\) and Rule 315.2 – Federal Clean Air Act Section 185 Penalty \(2008 Standard\): a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act \(CEQA\) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Barbara Lods, Operations Manager.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #7

DATE: April 19, 2022

RECOMMENDATION: Conduct a public hearing to consider the adoption of Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

SUMMARY: Rule 315.1 and 315.2 are proposed for adoption.

BACKGROUND: The Antelope Valley Air Quality Management District (AVAQMD) previously adopted Rule 315 – *Federal Clean Air Act Section 185 Penalty* in 2011 in order to implement the Section 185 penalty for the 1979 1-hour ozone standard within the AVAQMD portion of the Federal Ozone Nonattainment Area (FONA). The AVAQMD is now proposing to adopt Rule 315.1 – *Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 - *Clean Air Act Section 185 Penalty (2008 Standard)* in order to comply with the Section 185 penalty for the 1997 and 2008 standards.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the adoption of Rule 315.1 and Rule 315.2 pursuant to the requirements of CEQA.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(l) (FCAA §110(l)) requires that all SIP revisions be adopted after public notice and hearing.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #7

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or about April 5, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Barbara Lods, Operations Manager.

RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, ADOPTING RULE 315.1 – FEDERAL CLEAN AIR ACT SECTION 185 PENALTY (1997 STANDARD) AND RULE 315.2 – FEDERAL CLEAN AIR ACT SECTION 185 PENALTY (2008 STANDARD) AND DIRECTING STAFF ACTIONS.

On April 19, 2022, on motion by Member _____, seconded by Member _____, and carried, the following resolution is adopted:

WHEREAS, the Antelope Valley Air Quality Management District (AVAQMD) has authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

WHEREAS, on July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin; and

WHEREAS, the SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them; and

WHEREAS, on January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD; and

WHEREAS, once again the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them; and

WHEREAS, 42 U.S.C. 7511d (Federal Clean Air Act Section 185, or Section 185) requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within an area classified as severe or extreme ozone which fail to attain the standard by the applicable attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a specified baseline amount; and

WHEREAS, United States Environmental Protection Agency (USEPA) has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard; and

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RESOLUTION _____

1 **WHEREAS**, The Antelope Valley Air Quality Management District (AVAQMD or District) is
2 located within the Federal Ozone Nonattainment Area (FONA) which has been classified as severe for the
3 1979 1-hour ozone standard as well as the 1997 and 2008 standards; and

4 **WHEREAS**, The AVAQMD previously adopted Rule 315 – Federal Clean Air Act Section 185
5 Penalty in 2011 in order to implement the Section 185 penalty for the 1979 1-hour ozone standard; and

6 **WHEREAS**, The AVAQMD is now proposing to adopt Rule 315.1 – *Clean Air Act Section 185*
7 *Penalty (1997 Standard)* and Rule 315.2 - *Clean Air Act Section 185 Penalty (2008 Standard)* in order to
8 comply with the Section 185 penalty for the 1997 and 2008 standards; and

9 **WHEREAS**, A public hearing to consider the proposed adoption of Rules 315.1 and 315.2 has been
10 noticed for April 19, 2022; and

11 **WHEREAS**, the proposed adoption of Rule 315.1 and Rule 315.2 are clear in that the meaning can
12 be easily understood by the persons impacted by the rule; and

13 **WHEREAS**, the proposed adoption of Rule 315.1 and Rule 315.2 are in harmony with, and not in
14 conflict with, or contradictory to existing statutes, court decisions, or state or federal regulations because
15 these laws and regulations allow for the proposed amendments to the fee rules; and

16 **WHEREAS**, the proposed adoption of Rule 315.1 and Rule 315.2 does not impose the same
17 requirements as any existing state or federal regulation because H&S Code §40702 allows the District to
18 adopt, amend or repeal rules and regulations, and H&S Code §42311 and various other sections merely
19 authorize the imposition of such fees but do not specify the types and amounts of fees to be imposed; and

20 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H & S Code
21 §40725, concerning the proposed adoption of Rule 315.1 and Rule 315.2; and

22 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the
23 proposed adoption of Rule 315.1 and Rule 315.2, completed in compliance with the California
24 Environmental Quality Act (CEQA), has been presented to the AVAQMD Board; each member having
25 reviewed, considered and approved the information contained therein prior to acting on the proposed
26 adoption of Rule 315.1 and Rule 315.2, and the AVAQMD Board having determined that the proposed
27 amendments will not have any potential for resulting in any adverse impact upon the environment; and

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RESOLUTION _____

1 **WHEREAS**, the Board of the AVAQMD has considered the evidence presented at the public
2 hearing; and

3 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds that
4 the proposed adoption of Rule 315.1 *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule
5 315.2 *Federal Clean Air Act Section 185 Penalty (2008 Standard)* is necessary, authorized, clear, consistent,
6 non-duplicative and properly referenced; and

7 **BE IT FURTHER RESOLVED**, that the Governing Board of the AVAQMD hereby makes a
8 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of
9 Exemption for the proposed adoption of Rule 315.1 *Federal Clean Air Act Section 185 Penalty (1997*
10 *Standard)* and Rule 315.2 *Federal Clean Air Act Section 185 Penalty (2008 Standard)*; and

11 **BE IT FURTHER RESOLVED**, that the Board of the AVAQMD does hereby adopt, pursuant to
12 the authority granted by law, Rule 315.1 *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and
13 Rule 315.2 *Federal Clean Air Act Section 185 Penalty (2008 Standard)* as set forth in the attachments to
14 this resolution and incorporated herein by this reference; and

15 **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,
16 that the Senior Executive Analyst is directed to file the Notice of Exemption in compliance with the
17 provisions of CEQA.

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RESOLUTION _____

1 **PASSED, APPROVED AND ADOPTED** by the Governing Board of the Antelope Valley Air Quality
2 Management District by the following vote:

3 AYES: MEMBER:

4 NOES: MEMBER:

5 ABSENT: MEMBER:

6 ABSTAIN: MEMBER:

7

8 STATE OF CALIFORNIA)
9 COUNTY OF LOS ANGELES) SS:
10)

11 I, Deanna Hernandez, Senior Executive Analyst of the Governing Board of the Antelope Valley Air Quality
12 Management District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as
13 the same appears in the Official Minutes of said Governing Board at its meeting of April 19, 2022.

14 _____
15 Senior Executive Analyst
16 Antelope Valley Air Quality Management District.
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Rule 315.1 Federal Clean Air Act Section 185 Penalty (1997 Standard)

(A) General

(1) Purpose

The purpose of this Rule is to implement the mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (FCAA) (42 U.S.C. §7511d) within the District portion of the Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area (FONA) for the 1997 8-hour ozone (0.08 ppm) National Ambient Air Quality Standards (NAAQS).

(2) Applicability

- (a) This Rule is applicable to any Major Facility within the District portion of the FONA.
- (b) This Rule shall become applicable if and when the FONA is determined to have failed to attain the 1997 8-hour ozone NAAQS, not before the applicable attainment date (2019).
- (c) This Rule shall cease to be applicable when the EPA takes a final action to terminate the anti-backsliding requirement associated with the Section 185 penalty for the 1997 8-hour ozone NAAQS.

(3) Exemption

- (a) No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the Facility emits verified Actual Emissions equal to or less than 80 percent of its Baseline Emissions.
- (b) No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the District has demonstrated fee equivalency for the FONA in accordance with the procedures contained in Section (E) below.
- (c) No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty for more than one Federal ozone standard for any specific calendar year. A Facility's applicable FCAA Section 185 penalty for any calendar year shall be the largest of all such applicable penalties.

(B) Definitions

For the purposes of this Rule the definitions contained in District Rule 102 – *Definition of Terms* shall apply unless otherwise defined below.

- (1) “Actual Emissions” - Actual total Facility calendar year emissions to Atmosphere of each of Oxides of Nitrogen (NO_x) and Volatile Organic Compounds (VOC) reported to the District through a verified emission inventory. Fugitive Emissions from a Facility shall not be included in the calculation unless the Facility belongs to one of the twenty-seven major source categories listed under the definition of “major source” in 40 CFR 51.165(a)(1)(iv)(C).
- (2) “Baseline Emissions” - Baseline emissions are calculated for each of NO_x and VOC Facility emissions to the Atmosphere for which the source is classified as a Major Facility, in accordance with Section (D) below.
- (3) “Major Facility” - Any Facility which emits or has the Potential to Emit (PTE) NO_x or VOC in an amount greater than or equal to 25 tons per year. The Fugitive Emissions of a Facility shall not be included in the determination of whether a Facility is a Major Facility unless the Facility belongs to one of the twenty-seven (27) categories of Facilities as listed in 40 CFR 51.165(a)(1)(iv)(C).
- (4) “State Implementation Plan (SIP)” - The federally approved body of Regulations representing control strategies to minimize air pollution adopted by state and local air pollution control agencies in compliance with Section 110 of the FCAA, 42 U.S.C. §7410.
- (5) “Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area” (FONA) - That portion of the State of California as described in 40 CFR 81.305 (1997 8-Hour Ozone NAAQS).

(C) Requirements

- (1) Verification of Actual Emissions

By June 1, on an annual (calendar year) basis, any Facility subject to the provisions of this Rule shall submit a verified inventory of Actual Emissions for the previous calendar year in accordance with Rule 107 – *Certification of Submissions and Emission Statements* and FCAA Section 182(a)(3)(B).

(D) Calculations

- (1) Baseline Emissions for a Facility shall be calculated as specified below:
 - (a) For a Facility that began operation prior to 2019, the Baseline Emissions shall be the lower of:
 - (i) The Actual Emissions during 2019; or
 - (ii) The amount of emissions allowed by permit condition.

- (b) For a Facility that began operation during 2019, the Baseline Emissions shall be the lower of:
 - (i) The amount of emissions allowed by permit condition; or
 - (ii) The Actual Emissions from the operation period extrapolated over calendar year 2019 using the inverse of the fraction of the duration of actual operation in days over 365.
- (c) For a Facility that begins operation after 2019, the Baseline Emissions shall be the amount allowed under the applicable implementation plan.

(2) Penalty Determination

- (a) The penalty for a Facility shall be \$5,000, adjusted pursuant to subsection (D)(2)(b), per ton of Actual Emissions during a calendar year that exceed 80 percent of the Baseline Emissions, as specified below:

$$P = 5000 \times [E_a - (0.8 \times E_b)] \times (1 + C)$$

Where:

P	=	Penalty (in dollars)
E _a	=	Actual Emissions
E _b	=	Baseline Emissions
C	=	Percent change in the Consumer Price Index since 1990 as determined by subsection (D)(2)(b)

- (b) The change in the Consumer Price Index shall be determined in accordance with the provisions of 42 U.S.C. §7511d(b)(3) (Federal Clean Air Act §185(b)(3)) and 42 U.S.C. §7661a(b)(3)(B)(v) (Federal Clean Air Act §502(b)(3)(B)(v)).

(E) Equivalency Determination

(1) Federal Clean Air Act Section 185 Equivalency “Tracking Account”

- (a) The APCO shall establish and maintain a FCAA Section 185 Equivalency “Tracking Account.” Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning the first calendar year in which fees are due on qualified programs that are designed to fund projects which:
 - (i) Are surplus to the SIP for the 1997 8-hour ozone NAAQS;
 - (ii) Have been certified in writing by the APCO, the Executive Officer of the California Air Resources Board (CARB) and United States Environmental Protection Agency (USEPA) as being surplus to the SIP; and
 - (iii) Are designed to result in direct, or to facilitate future, NO_x or VOC reductions within the District as approved by USEPA.

- (b) Expenditures credited to the FCAA Section 185 Equivalency “Tracking Account” need not actually be held by or disbursed by the District provided the source of the expenditures is an eligible project in a qualified program.
 - (c) Expenditures shall be credited on a dollar for dollar basis and shall not be discounted due to the passage of time.
 - (d) If expenditures credited for a given year are greater than those necessary for the demonstration of equivalency for that year the surplus may accumulate and be used as needed to demonstrate equivalency in subsequent years.
- (2) FONA Accounting
- (a) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of applicable expenditures for the previous calendar year, as defined in subsection (E)(1)(a), made within the portions of the FONA that are under the jurisdiction of the District to the APCO of MDAQMD.
 - (b) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty obligation for the previous calendar year, as determined in subsection (D)(2), for sources within the portions of the FONA that are under the jurisdiction of the District to the APCO of MDAQMD.
 - (c) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty fees collected for the previous calendar year within the portions of the FONA that are under the jurisdiction of the District to the APCO of the MDAQMD.
 - (d) The annual applicable expenditures made within the portions of the two (2) districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Equivalency Tracking Account” for that calendar year.
 - (e) The annual applicable penalty obligations determined within the portions of the two (2) districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Penalty” for that calendar year.

(3) Equivalency Determination

- (a) By August 1, on an annual basis, the APCO will make a determination of equivalency according to the following formula:

$$B_f = (B_i + E) - AP$$

Where:

- B_i = The initial balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account as existing at the beginning of the calendar year for which the equivalency determination is being made.
- E = The expenditures credited to the FCAA Section 185 Combined FONA Equivalency Tracking Account during the calendar year for which the equivalency determination is being made.
- AP = The Combined FONA Penalty amount determined by the APCO pursuant to subsections (E)(2)(b) and (E)(2)(e) above.
- B_f = The balance of the FCAA Combined FONA Equivalency Tracking Account to be carried over into the subsequent calendar year as B_1 if such amount is greater than zero. The remaining penalty to be allocated to applicable Facilities pursuant to subsection (E)(4) below if such amount is less than zero.

(4) Partial Equivalency Determination and Calculation of Penalty

- (a) If the balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account is less than zero in any particular year, then the APCO shall determine the penalty amount owed by each Facility as follows:

$$P_{ry} = P_y \times \left(\frac{|B_{fy}|}{AP_y} \right)$$

Where:

- P_{ry} = Residual penalty for calendar year y
- P_y = Penalty amount for calendar year y as calculated in subsection (D)(2)
- $|B_{fy}|$ = Absolute value of negative balance of equivalency tracking account for calendar year y as calculated in subsection (E)(3)

$AP_y = \text{Sum of Combined FONA } P_y \text{ as calculated in subsection (D)(2)}$

- (b) No later than August 15, on an annual basis as required, the APCO shall thereafter notify the Facility by mail of the penalty amount due and payable as calculated on a Facility basis in subsection (E)(4)(a), and selected as required in accordance with subsection (A)(3)(c), with the penalty due within 30 days. If the penalty is not paid by the due date specified in the notice, the subject Facility permits will be suspended and a suspension notification will be made by mail within 15 days of the due date. A suspended permit may be reinstated by payment of the applicable penalty.

(F) Reporting Requirements

- (1) Commencing in 2020, and on or before the last day of each calendar year thereafter, the APCO shall file a report for the prior year accounting with CARB and USEPA that contains the following:
 - (a) A listing of all Facilities subject to this Rule and the potential penalty obligation as calculated pursuant to Section (D) above for the prior calendar year;
 - (b) The Combined FONA Penalty for the prior calendar year;
 - (c) The balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account, if any, at the beginning of the prior calendar year;
 - (d) A listing of all qualified programs, program descriptions, description of funding, certification of eligibility for each program, and expenditures associated with each program that were credited into the FCAA Section 185 Combined FONA Equivalency Tracking Account during the prior calendar year;
 - (e) The results of the calculation pursuant to subsection (E)(3)(a) above; and
 - (f) The results of the remaining penalty allocation calculation pursuant to subsection (E)(4)(a) if any.

See SIP Table at www.avaqmd.ca.gov

Rule 315.2 Federal Clean Air Act Section 185 Penalty (2008 Standard)

(A) General

(1) Purpose

The purpose of this Rule is to implement the mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (FCAA) (42 U.S.C. §7511d) within the District portion of the Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area (FONA) for the 2008 8-hour ozone National Ambient Air Quality Standards (NAAQS) (0.075 ppm).

(2) Applicability

- (a) This Rule is applicable to any Major Facility within the District portion of the FONA.
- (b) This Rule shall become applicable if and when the FONA is determined to have failed to attain the 2008 8-hour ozone NAAQS, not before the applicable attainment date (2027).
- (c) This Rule shall cease to be applicable when the FONA is designated as attaining (or no longer nonattainment for) the 2008 8-hour ozone NAAQS.

(3) Exemption

- (a) No facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the facility emits verified Actual Emissions equal to or less than 80 percent of its Baseline Emissions.
- (b) No facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the District has demonstrated fee equivalency in accordance with the procedures contained in Section (E) below.
- (c) No facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty for more than one Federal ozone standard for any specific calendar year. A facility applicable FCAA Section 185 penalty for any calendar year shall be the largest of all such applicable penalties.

(B) Definitions

For the purposes of this Rule the definitions contained in District Rule 102 – *Definition of Terms* shall apply unless otherwise defined below.

- (1) “Actual Emissions” - Actual total facility calendar year emissions to Atmosphere of each of Oxides of Nitrogen (NO_x) and Volatile Organic Compounds (VOC) reported to the District through a verified emission inventory. Fugitive emissions from a facility shall not be included in the calculation unless the facility belongs to one of the twenty-seven major source categories listed under the definition of “major source” in 40 CFR 51.165(a)(1)(iv)(C).
- (2) “Baseline Emissions” - Baseline emissions are calculated for each of NO_x and VOC Facility emissions to the Atmosphere for which the source is classified as a Major Facility, in accordance with Section (D) below.
- (3) “Major Facility” - Any facility which emits or has the Potential to Emit (PTE) NO_x or VOC in an amount greater than or equal to 25 tons per year. The fugitive emissions of a facility shall not be included in the determination of whether a facility is a Major Facility unless the facility belongs to one of the twenty-seven (27) categories of facilities as listed in 40 CFR 51.165(a)(1)(iv)(C).
- (4) “State Implementation Plan (SIP)” - The federally approved body of Regulations representing control strategies to minimize air pollution adopted by state and local air pollution control agencies in compliance with Section 110 of the FCAA, 42 U.S.C. §7410.
- (5) “Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area” (FONA) - That portion of the State of California as described in 40 CFR 81.305 (2008 8-Hour Ozone NAAQS).

(C) Requirements

- (1) Verification of Actual Emissions

By June 1, on an annual (calendar year) basis, any facility subject to the provisions of this Rule shall submit a verified inventory of Actual Emissions in accordance with Rule 107 – *Certification of Submissions and Emission Statements* and FCAA Section 182(a)(3)(B).

(D) Calculations

- (1) Baseline Emissions for a facility shall be calculated as specified below:
 - (a) For a facility that began operation prior to 2027, the Baseline Emissions shall be the lower of:
 - (i) The Actual Emissions during 2027; or
 - (ii) The amount of emissions allowed by permit condition.

- (b) For a facility that began operation during 2027, the Baseline Emissions shall be the lower of:
 - (i) The amount of emissions allowed by permit condition; or
 - (ii) The Actual Emissions from the operation period extrapolated over calendar year 2027 using the inverse of the fraction of the duration of actual operation in days over 365.
- (c) For a facility that begins operation after 2027, the Baseline Emissions shall be the amount allowed under the applicable implementation plan.

(2) Penalty Determination

- (a) The penalty for a facility shall be \$5,000, adjusted pursuant to subsection (D)(2)(b), per ton of Actual Emissions during a calendar year that exceed 80 percent of the Baseline Emissions, as specified below:

$$P = 5000 \times [E_a - (0.8 \times E_b)] \times (1 + C)$$

Where:

P	=	Penalty (in dollars)
E _a	=	Actual Emissions
E _b	=	Baseline Emissions
C	=	Percent change in the Consumer Price Index as determined by subsection (D)(2)(b)

- (b) The change in the Consumer Price Index shall be determined in accordance with the provisions of 42 U.S.C. §7511d(b)(3) (Federal Clean Air Act §185(b)(3)) and 42 U.S.C. §7661a(b)(3)(B)(v) (Federal Clean Air Act §502(b)(3)(B)(v)).

(E) Equivalency Determination

(1) Federal Clean Air Act Section 185 Equivalency “Tracking Account”

- (a) The APCO shall establish and maintain a FCAA Section 185 Equivalency “Tracking Account.” Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning the first calendar year in which fees are due on qualified programs that are designed to fund projects which:
 - (i) Are surplus to the SIP for the 2008 8-hour ozone NAAQS;
 - (ii) Have been certified in writing by the APCO, the Executive Officer of the California Air Resources Board (CARB) and United States Environmental Protection Agency (USEPA) as being surplus to the SIP; and
 - (iii) Are designed to result in direct, or to facilitate future, NO_x or VOC reductions within the District as approved by USEPA.

- (b) Expenditures credited to the FCAA Section 185 Equivalency “Tracking Account” need not actually be held by or disbursed by the District provided the source of the expenditures is an eligible project in a qualified program.
 - (c) Expenditures shall be credited on a dollar for dollar basis and shall not be discounted due to the passage of time.
 - (d) If expenditures credited for a given year are greater than those necessary for the demonstration of equivalency for that year the surplus may accumulate and be used as needed to demonstrate equivalency in subsequent years.
- (2) FONA Accounting
- (a) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of applicable expenditures for the previous calendar year, as defined in subsection (E)(1)(a), made within the portions of the FONA that are under the jurisdiction of the District, to the MDAQMD APCO.
 - (b) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty obligation for the previous calendar year, as determined in subsection (D)(2), for sources within the portions of the FONA that are under the jurisdiction of the District, to the MDAQMD APCO.
 - (c) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty fees collected for the previous calendar year within the portions of the FONA that are under the jurisdiction of the District to the MDAQMD APCO.
 - (d) The annual applicable expenditures made within the portions of the two (2) Districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Equivalency Tracking Account” for that calendar year.
 - (e) The annual applicable penalty obligations determined within the portions of the two (2) districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Penalty” for that calendar year.

(3) Equivalency Determination

- (a) By August 1, on an annual basis, the APCO will make a determination of equivalency according to the following formula:

$$B_f = (B_i + E) - AP$$

Where:

- B_i = The initial balance of the FCAA Section 185 “Combined FONA Equivalency Tracking Account” as existing at the beginning of the calendar year for which the equivalency determination is being made.
- E = The expenditures credited to the FCAA Section 185 “Combined FONA Equivalency Tracking Account” during the calendar year for which the equivalency determination is being made.
- AP = The Combined FONA Penalty amount determined by the APCO pursuant to subsections (E)(2)(b) and (E)(2)(e) above.
- B_f = The balance of the FCAA “Combined FONA Equivalency Tracking Account” to be carried over into the subsequent calendar year as B_1 if such amount is greater than zero. The remaining penalty to be allocated to applicable Facilities pursuant to subsection (E)(4) below if such amount is less than zero.

(4) Partial Equivalency Determination and Calculation of Penalty

- (a) If the balance of the FCAA Section 185 “Combined FONA Equivalency Tracking Account” is less than zero in any particular year, then the APCO shall determine the penalty amount owed by each Facility as follows:

$$P_{ry} = P_y \times \left(\frac{|B_{fy}|}{AP_y} \right)$$

Where:

- P_{ry} = Residual penalty for calendar year y
- P_y = Penalty amount for calendar year y as calculated in subsection (D)(2)

$ B_{fy} $	=	Absolute value of negative balance of equivalency tracking account for calendar year y as calculated in subsection (E)(3)
AP_y	=	Sum of Combined FONA P_y as calculated in subsection (D)(2)

- (b) No later than August 15, on an annual basis as required, the APCO shall thereafter notify the Facility by mail of the penalty amount due and payable as calculated on a Facility basis in subsection (E)(4)(a) and in accordance with subsection (A)(3)(c), with the penalty due within 30 days. If the penalty is not paid by the due date specified in the notice, the subject facility permits will be suspended and a suspension notification will be made by mail within 15 days of the due date. A suspended permit may be reinstated by payment of the applicable penalty.

(F) Reporting Requirements

- (1) Commencing in 2028, and on or before the last day of each calendar year thereafter, the APCO shall file a report for the prior year accounting with CARB and USEPA that contains the following:
 - (a) A listing of all facilities subject to this Rule and the potential penalty obligation as calculated pursuant to Section (D) above for the prior calendar year;
 - (b) The Combined FONA Penalty for the prior calendar year;
 - (c) The balance of the FCAA Section 185 “Combined FONA Equivalency Tracking Account”, if any, at the beginning of the prior calendar year;
 - (d) A listing of all qualified programs, program descriptions, description of funding, certification of eligibility for each program, and expenditures associated with each program that were credited into the FCAA Section 185 “Combined FONA Equivalency Tracking Account” during the prior calendar year;
 - (e) The results of the calculation pursuant to subsection (E)(3)(a) above; and
 - (f) The results of the remaining penalty allocation calculation pursuant to subsection (E)(4)(a) if any.

See SIP Table at www.avaqmd.ca.gov



DRAFT
Staff Report

Proposed Adoption of
Rule 315.1 – *Federal Clean Air Act Section 185
Penalty (1997 Standard)*
Rule 315.2 – *Federal Clean Air Act Section 185
Penalty (2008 Standard)*

for adoption on
April 19, 2022

**Antelope Valley
Air Quality
Management
District**

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STAFF REPORT

Rule 315.1 and Rule 315.2

I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

II. EXECUTIVE SUMMARY

42 U.S.C. 7511d (Federal Clean Air Act Section 185, or Section 185) requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within an area classified as severe or extreme ozone which fail to attain the standard by the applicable attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a specified baseline amount. United States Environmental Protection Agency (USEPA) has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. The Antelope Valley Air Quality Management District (AVAQMD or District) is located within the Federal Ozone Nonattainment Area (FONA) which has been classified as severe for the 1979 1-hour ozone standard as well as the 1997 and 2008 standards.

The AVAQMD previously adopted Rule 315 – Federal Clean Air Act Section 185 Penalty in 2011 in order to implement the Section 185 penalty for the 1979 1-hour ozone standard. The AVAQMD is now proposing to adopt Rule 315.1 – *Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 - *Clean Air Act Section 185 Penalty (2008 Standard)* in order to comply with the Section 185 penalty for the 1997 and 2008 standards. A public hearing to consider the proposed adoption of Rules 315.1 and 315.2 has been noticed for April 19, 2022.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Antelope Valley Air Quality Management District adopt Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)*. The proposed adoption of Rule 315.1 and Rule 315.2 is necessary to implement the requirements of Section 185 of the Federal Clean Air Act to the FONA.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct adoption of the Rule 315 series. Each item is discussed, if applicable, in Section V. Copies of related documents are included in the appropriate appendices.

FINDINGS REQUIRED FOR RULES & REGULATIONS:

- Necessity
- Authority
- Clarity
- Consistency
- Non-duplication
- Reference
- Public Notice & Comment
- Public Hearing

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

- Public Notice & Comment
- Availability of Document
- Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- Public Hearing
- Legal Authority to adopt and implement the document.
- Applicable State laws and regulations were followed.

ELEMENTS OF A FEDERAL SUBMISSION:

- Elements as set forth in applicable Federal law or regulations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

- Ministerial Action
- Exemption
- Negative Declaration
- Environmental Impact Report
- Appropriate findings, if necessary.
- Public Notice & Comment

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

- Environmental impacts of compliance.
- Mitigation of impacts.
- Alternative methods of compliance.

OTHER:

- Written analysis of existing air pollution control requirements
- Economic Analysis
- Public Review

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V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed adoption of the Rule 315 series. These are actions that need to be performed and/or information that must be provided in order to adopt the rules in a procedurally correct manner.

1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the District Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Governing Board in making these findings.

a. Necessity:

The adoption of Rules 315.1 and 315.2 is necessary to implement the requirements of Section 185 of the Federal Clean Air Act, and to stop potential sanctions being imposed by the USEPA as identified in 75 FR 232, January 5, 2010, through the adoption of a non-attainment area fee equivalency strategy allowed under Section 172(e) of the Federal Clean Air Act. USEPA has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard.

b. Authority:

The District has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend, or repeal rules and regulations.

c. Clarity:

The proposed adoption of Rules 315.1 and 315.2 is clear in that it is written so that the persons subject to the rule can easily understand the meaning. Applications of the Rule 315 series are as follows:

Rule 315.1 applies to the AVAQMD's portion of the Western Mojave Desert 8-hour FONA for the 1997 8-hour ozone NAAQS of 0.08 ppm.

Rule 315.2 applies to the AVAQMD's portion of the Western Mojave Desert 8-hour FONA for the 2008 8-hour ozone NAAQS of 0.075 ppm.

d. Consistency:

The proposed adoption of Rule 315.1 and Rule 315.2 is in harmony with, and not in conflict with or contradictory to, any state law or regulation, federal law or regulation, or court decisions. The Federal Clean Air Act Section 185 requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within ozone non-attainment areas that fail to meet the severe or extreme ozone attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a baseline amount. The AVAQMD is located entirely within the FONA. Therefore, the AVAQMD is subject to the provisions of Section 185.

e. Non-duplication:

Adoption of Rules 315.1 and 315.2 does not impose the same requirements as an existing state or federal law or regulation because the Federal Clean Air Act requires the AVAQMD to adopt a rule to implement the requirements of Section 185 for each standard.

f. Reference:

The District has the authority pursuant to H&S Code §40702 to adopt, amend, or repeal rules and regulations.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed adoption of Rules 315.1 and 315.2 will be published on March 18, 2022 for the April 19, 2022 Governing Board Meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. The information below indicates which elements are required for the proposed adoption of Rules 315.1 and 315.2, and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The proposed adoption of Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standards)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standards)* is subject to all the requirements for a SIP submittal because Section 185 itself

is a mandatory SIP element. Therefore, the AVAQMD will request that both of these rules be included in the SIP. The criteria for determining completeness of SIP submissions are set forth in 40 CFR Part 51, Appendix V, 2.0.

b. Public Notice and Comment:

Notice for the public hearing for the proposed adoption of Rule 315.1 and Rule 315.2 will be published on March 18, 2022 for the April 19, 2022 Governing Board Meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

c. Availability of Document:

A copy of the proposed Rule 315.1 and Rule 315.2 will be made available to the public on March 18, 2022 and the accompanying draft staff report was made available to the public on March 18, 2022.

d. Notice to Specified Entities:

A copy of the proposed adoption of Rule 315.1 and Rule 315.2 will be made available to all affected agencies, including but not limited to CARB and USEPA on March 18, 2022, and the accompanying draft staff report will be made available to all affected agencies, including but not limited to CARB and USEPA on March 18, 2022.

e. Public Hearing:

A public hearing to consider the proposed adoption of Rule 315.1 and Rule 315.2 was noticed for April 19, 2022.

f. Legal Authority to Adopt and Implement:

The District has the authority pursuant to H&S Code §40702 to adopt, amend, or repeal rules and regulations and to do such acts as may be necessary or proper to execute the duties imposed upon the District.

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S Code

§40727.2. See Section (V)(C) for compliance with economic analysis requirements pursuant to H&S Code §40920.6. See Section (V)(D) below for compliance with provisions of the California Environmental Quality Act (CEQA).

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The adoption of Rule 315.1 and Rule 315.2 implements the requirements of Section 185 of the Federal Clean Air Act through the adoption of a non-attainment area fee equivalency strategy. USEPA has also indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. Therefore, the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

C. ECONOMIC ANALYSIS

1. General

Rule 315 was adopted to implement a mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (42 U.S.C. §7511d) within the AVAQMD portion of the Federal Ozone Nonattainment Area (FONA). 42 U.S.C. 7511d (Federal Clean Air Act Section 185, or Section 185) requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within an area classified as severe or extreme ozone which fail to attain the standard by the applicable attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a specified baseline amount. USEPA has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. The AVAQMD is located entirely within the FONA, has been classified severe for various ozone standards. Therefore, AVAQMD is subject to the provisions of Section 185. The original version of Rule 315 allowed for aggregating the major facilities emissions in order to show the twenty percent (20%) reduction in emissions across the entire non-attainment area. Using this aggregation method, and based on actual emissions to date, the AVAQMD did not expect any facilities to have to pay the penalty.

The amendments made to Rule 315 on 10/18/2011 to Rule 315 removed the emissions aggregation method, and instead established a non-attainment fee equivalency strategy. This fee equivalency strategy established a “Tracking Account” for those Districts that are located wholly, or in part, in the FONA (AVAQMD and Mojave Desert Air Quality Management District (MDAQMD)). The “Tracking Account” is credited with actual expenditures of qualified programs designed to fund projects which: are surplus to the SIP for the Federal one-hour ozone standard; have been certified by the APCO, CARB, and the

USEPA as being surplus to the SIP; and are designed to result in direct, or to facilitate future, Volatile Organic Compound (VOC) or Oxides of Nitrogen (NO_x) reductions within the District from uses as approved by USEPA. The annual applicable expenditures made within the portions of the two districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Equivalency Tracking Account” for that calendar year. The annual applicable penalties made within the portions of the two districts within the FONA during a calendar year shall be referred to as the “Combined FONA Penalties” for that calendar year. The equivalency determination shall be made by subtracting the Combined FONA Penalty from the Combined FONA Equivalency Tracking Account. Any remaining balance greater than zero of the Combined FONA Equivalency Tracking Account shall be carried over to subsequent years. If the balance of the Combined AQMA Equivalency Tracking Account is less than zero, the APCO shall determine the penalty owed by each facility as a pro rata share.

Rules 315.1 and 315.2 include the 2011 tracking account penalty imposition methodology for the 1997 and 2008 8-hour ozone NAAQS, respectively. No facility otherwise subject to these rules shall be required to remit a FCAA Section 185 penalty for more than one Federal ozone standard for any specific calendar year. A facility applicable FCAA Section 185 penalty for any calendar year shall be the largest of all such applicable penalties. No penalties will be imposed unless and until a formal finding of failure to attain the relevant standard has been officially made by USEPA.

2. Incremental Cost Effectiveness

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control VOCs, NO_x or oxides of sulfur.

Proposed adopted Rules 315.1 and 315.2 are not subject to incremental cost effectiveness calculations because these rules do not impose BARCT or “all feasible measures.”

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed adoption of Rule 315.1 and Rule 315.2 was determined.

1. The proposed adoption of Rules 315.1 and Rule 315.2 meets the CEQA definition of “project”. They are not “ministerial” actions.

2. The proposed adoption of Rules 315.1 and Rule 315.2 is exempt from CEQA review because Rule 315.1 and Rule 315.2 are penalty rules. There is no

potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts. Therefore, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D.”

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The proposed adoption of Rules 315.1 and Rule 315.2 does not have any potential environmental impacts because the rule merely imposes a penalty on major facilities within ozone non-attainment areas that fail to meet the severe or extreme ozone attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a baseline amount. Therefore, the rule does not have any impact upon emissions of air contaminants.

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) and (2)(b), as well as Appendix “B.”

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

These rules are applicable to any facility within the FON¹ which emits or has the potential to emit NO_x or VOCs in an amount sufficient to make it a Major Facility as defined in District Rule 1301.

B. EMISSIONS

The proposed rules do not regulate emissions or impose control requirements. Therefore, there will be no direct impact upon emissions.

Rules 315.1, and Rule 315.2 specify calculations that involve specific facility calendar year inventories of actual NO_x and VOC emissions. The proposed rules include a requirement for the APCO to request each applicable facility provide an emissions inventory in writing each year. This provision does not create an additional emission inventory method or process, each applicable facility is by definition a federal major source and is therefore subject to all recordkeeping and reporting requirements, including

¹ Formerly the SEDAB Modified AQMA
AVAQMD Rule 315.1 and Rule 315.2
Staff Report D1a, 03/30/2022

the semi-annual and annual emissions reporting specified in existing federal operating permits as required by District Rule 1203(D). Most applicable facilities are also subject to multiple state annual emission inventory requirements. Each facility annual emission inventory is currently reviewed by the District and State personnel, including myriad quality control and quality assurance reviews. Facility annual emission inventories are used for all regulatory purposes, including permit condition compliance, emissions level triggers, New Source Review, state fees, and local, regional and state planning.

The proposed Rule 315.1 and Rule 315.2 include a non-attainment area fee equivalency strategy, as provided by Section 172(e) of the Federal Clean Air Act. Section 172(e) allows for alternative programs that are no less stringent than the mandated Section 185 program. Under USEPA guidance, such programs may be either “fee equivalent” or “emissions equivalent” or a combination of both strategies. This rule amendment proposed a “fee equivalent” program which recognizes funding from fee programs that are surplus to the SIP and are used for air quality improvement projects in the AVAQMD. USEPA guidance requires fees collected under such program be directed towards the reduction of NO_x or VOC emissions. Such funds will be accumulated into a fee equivalency “tracking account” and used to offset the burden otherwise required under the Section 185 penalty collection approach. This “fee equivalency” approach must be used to facilitate pollution reduction efforts, whereas the Federal Clean Air Act does not specify how Section 185 penalty revenues are to be used. Therefore, this “fee equivalent” strategy will have a greater potential for an air quality benefit than the Section 185 penalty.

C. CONTROL REQUIREMENTS

The proposed adoption of Rule 315.1 and 315.2 does not impose any control requirements.

D. PROPOSED RULE SUMMARY

Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* is a new Rule that defines District authority regarding implementation of the mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (42 U.S.C § 7511d) within the District portion of the Western Mojave Desert 8-hour FONA for the 1997 8-hour ozone NAAQS (0.08 ppm).

Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)* is a new Rule that defines District authority regarding implementation of the mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (42 U.S.C § 7511d) within the District portion of the Western Mojave Desert 8-hour FONA for the 2008 8-hour ozone NAAQS (0.075 ppm).

E. SIP HISTORY

1. SIP History.

Rule 315 – *Federal Clean Air Act Section 185 Penalty (1979 Standard)*, which is not proposed for amendment in this action, was submitted for inclusion in the SIP in 2011. No EPA actions have been taken since the submittal.

Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* is a new rule and will be submitted to EPA for inclusion in the SIP.

Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)* is a new rule and will be submitted to EPA for inclusion in the SIP.

2. SIP Analysis.

The AVAQMD will also be requesting CARB to submit Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)*, and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)* as new rules for inclusion in the AVAQMD SIP.

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Appendix “A” Rule 315.1 and Rule 315.2 Iterated Revisions

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.
2. ~~Lined out text~~ identifies language which is being deleted.
3. Normal text identifies the current language of the rule which will remain by the adoption of the proposed rules.
4. *[Bracketed italicized text]* is explanatory material that is not part of the proposed language. It is removed once the proposed amendments are adopted.

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Rule 315.1 Federal Clean Air Act Section 185 Penalty (1997 Standard)

(A) General

(1) Purpose

The purpose of this Rule is to implement the mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (FCAA) (42 U.S.C. §7511d) within the District portion of the Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area (FONA) for the 1997 8-hour ozone (0.08 ppm) National Ambient Air Quality Standards (NAAQS).

(2) Applicability

- (a) This Rule is applicable to any Major Facility within the District portion of the FONA.
- (b) This Rule shall become applicable if and when the FONA is determined to have failed to attain the 1997 8-hour ozone NAAQS, not before the applicable attainment date (2019).
- (c) This Rule shall cease to be applicable when the EPA takes a final action to terminate the anti-backsliding requirement associated with the Section 185 penalty for the 1997 8-hour ozone NAAQS.

(3) Exemption

- (a) No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the Facility emits verified Actual Emissions equal to or less than 80 percent of its Baseline Emissions.
- (b) No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the District has demonstrated fee equivalency for the FONA in accordance with the procedures contained in Section (E) below.

- (c) No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty for more than one Federal ozone standard for any specific calendar year. A Facility's applicable FCAA Section 185 penalty for any calendar year shall be the largest of all such applicable penalties.

(B) Definitions

For the purposes of this Rule the definitions contained in District Rule 102 – *Definition of Terms* shall apply unless otherwise defined below.

- (1) “Actual Emissions” - Actual total Facility calendar year emissions to Atmosphere of each of Oxides of Nitrogen (NO_x) and Volatile Organic Compounds (VOC) reported to the District through a verified emission inventory. Fugitive Emissions from a Facility shall not be included in the calculation unless the Facility belongs to one of the twenty-seven major source categories listed under the definition of “major source” in 40 CFR 51.165(a)(1)(iv)(C).
- (2) “Baseline Emissions” - Baseline emissions are calculated for each of NO_x and VOC Facility emissions to the Atmosphere for which the source is classified as a Major Facility, in accordance with Section (D) below.
- (3) “Major Facility” - Any Facility which emits or has the Potential to Emit (PTE) NO_x or VOC in an amount greater than or equal to 25 tons per year. The Fugitive Emissions of a Facility shall not be included in the determination of whether a Facility is a Major Facility unless the Facility belongs to one of the twenty-seven (27) categories of Facilities as listed in 40 CFR 51.165(a)(1)(iv)(C).
- (4) “State Implementation Plan (SIP)” - The federally approved body of Regulations representing control strategies to minimize air pollution adopted by state and local air pollution control agencies in compliance with Section 110 of the FCAA, 42 U.S.C. §7410.
- (5) “Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area” (FONA) - That portion of the State of California as described in 40 CFR 81.305 (1997 8-Hour Ozone NAAQS).

(C) Requirements

- (1) Verification of Actual Emissions

By June 1, on an annual (calendar year) basis, any Facility subject to the provisions of this Rule shall submit a verified inventory of Actual Emissions for the previous calendar year in accordance with Rule 107 – *Certification of Submissions and Emission Statements* and FCAA Section 182(a)(3)(B).

(D) Calculations

- (1) Baseline Emissions for a Facility shall be calculated as specified below:
 - (a) For a Facility that began operation prior to 2019, the Baseline Emissions shall be the lower of:
 - (i) The Actual Emissions during 2019; or
 - (ii) The amount of emissions allowed by permit condition.
 - (b) For a Facility that began operation during 2019, the Baseline Emissions shall be the lower of:
 - (i) The amount of emissions allowed by permit condition; or
 - (ii) The Actual Emissions from the operation period extrapolated over calendar year 2019 using the inverse of the fraction of the duration of actual operation in days over 365.
 - (c) For a Facility that begins operation after 2019, the Baseline Emissions shall be the amount allowed under the applicable implementation plan.
- (2) Penalty Determination

(a) The penalty for a Facility shall be \$5,000, adjusted pursuant to subsection (D)(2)(b), per ton of Actual Emissions during a calendar year that exceed 80 percent of the Baseline Emissions, as specified below:

$$P = 5000 \times [E_a - (0.8 \times E_b)] \times (1 + C)$$

Where:

- P = Penalty (in dollars)
- E_a = Actual Emissions
- E_b = Baseline Emissions
- C = Percent change in the Consumer Price Index since 1990 as determined by subsection (D)(2)(b)

(b) The change in the Consumer Price Index shall be determined in accordance with the provisions of 42 U.S.C. §7511d(b)(3) (Federal Clean Air Act §185(b)(3)) and 42 U.S.C. §7661a(b)(3)(B)(v) (Federal Clean Air Act §502(b)(3)(B)(v)).

(E) Equivalency Determination

- (1) Federal Clean Air Act Section 185 Equivalency “Tracking Account”

- (a) The APCO shall establish and maintain a FCAA Section 185 Equivalency “Tracking Account.” Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning the first calendar year in which fees are due on qualified programs that are designed to fund projects which:
 - (i) Are surplus to the SIP for the 1997 8-hour ozone NAAQS;
 - (ii) Have been certified in writing by the APCO, the Executive Officer of the California Air Resources Board (CARB) and United States Environmental Protection Agency (USEPA) as being surplus to the SIP; and
 - (iii) Are designed to result in direct, or to facilitate future, NO_x or VOC reductions within the District as approved by USEPA.
 - (b) Expenditures credited to the FCAA Section 185 Equivalency “Tracking Account” need not actually be held by or disbursed by the District provided the source of the expenditures is an eligible project in a qualified program.
 - (c) Expenditures shall be credited on a dollar for dollar basis and shall not be discounted due to the passage of time.
 - (d) If expenditures credited for a given year are greater than those necessary for the demonstration of equivalency for that year the surplus may accumulate and be used as needed to demonstrate equivalency in subsequent years.
- (2) FONA Accounting
- (a) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of applicable expenditures for the previous calendar year, as defined in subsection (E)(1)(a), made within the portions of the FONA that are under the jurisdiction of the District to the APCO of MDAQMD.
 - (b) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty obligation for the previous calendar year, as determined in subsection (D)(2), for sources within the portions of the FONA that are under the jurisdiction of the District to the APCO of MDAQMD.
 - (c) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty fees collected for the previous calendar year within the portions of the FONA that are under the jurisdiction of the District to the APCO of the MDAQMD.
 - (d) The annual applicable expenditures made within the portions of the two (2) districts that are within the FONA together during a given calendar

year shall be referred to as the “Combined FONA Equivalency Tracking Account” for that calendar year.

- (e) The annual applicable penalty obligations determined within the portions of the two (2) districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Penalty” for that calendar year.

(3) Equivalency Determination

- (a) By August 1, on an annual basis, the APCO will make a determination of equivalency according to the following formula:

$$B_f = (B_i + E) - AP$$

Where:

- B_i = The initial balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account as existing at the beginning of the calendar year for which the equivalency determination is being made.
- E = The expenditures credited to the FCAA Section 185 Combined FONA Equivalency Tracking Account during the calendar year for which the equivalency determination is being made.
- AP = The Combined FONA Penalty amount determined by the APCO pursuant to subsections (E)(2)(b) and (E)(2)(e) above.
- B_f = The balance of the FCAA Combined FONA Equivalency Tracking Account to be carried over into the subsequent calendar year as B_1 if such amount is greater than zero. The remaining penalty to be allocated to applicable Facilities pursuant to subsection (E)(4) below if such amount is less than zero.

(4) Partial Equivalency Determination and Calculation of Penalty

- (a) If the balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account is less than zero in any particular year, then the APCO shall determine the penalty amount owed by each Facility as follows:

$$P_{ry} = P_y \times \left(\frac{|B_{fy}|}{AP_y} \right)$$

Where:

- P_{ry} = Residual penalty for calendar year y
- P_y = Penalty amount for calendar year y as calculated in subsection (D)(2)
- $|B_{fy}|$ = Absolute value of negative balance of equivalency tracking account for calendar year y as calculated in subsection (E)(3)
- AP_y = Sum of Combined FONA P_y as calculated in subsection (D)(2)

- (b) No later than August 15, on an annual basis as required, the APCO shall thereafter notify the Facility by mail of the penalty amount due and payable as calculated on a Facility basis in subsection (E)(4)(a), and selected as required in accordance with subsection (A)(3)(c), with the penalty due within 30 days. If the penalty is not paid by the due date specified in the notice, the subject Facility permits will be suspended and a suspension notification will be made by mail within 15 days of the due date. A suspended permit may be reinstated by payment of the applicable penalty.

(F) Reporting Requirements

- (1) Commencing in 2020, and on or before the last day of each calendar year thereafter, the APCO shall file a report for the prior year accounting with CARB and USEPA that contains the following:
- (a) A listing of all Facilities subject to this Rule and the potential penalty obligation as calculated pursuant to Section (D) above for the prior calendar year;
- (b) The Combined FONA Penalty for the prior calendar year;
- (c) The balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account, if any, at the beginning of the prior calendar year;

- (d) A listing of all qualified programs, program descriptions, description of funding, certification of eligibility for each program, and expenditures associated with each program that were credited into the FCAA Section 185 Combined FONA Equivalency Tracking Account during the prior calendar year;
- (e) The results of the calculation pursuant to subsection (E)(3)(a) above; and
- (f) The results of the remaining penalty allocation calculation pursuant to subsection (E)(4)(a) if any.

See SIP Table at www.avaqmd.ca.gov

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Rule 315.2

Federal Clean Air Act Section 185 Penalty (2008 Standard)

(A) General

(1) Purpose

The purpose of this Rule is to implement the mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (FCAA) (42 U.S.C. §7511d) within the District portion of the Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area (FONA) for the 2008 8-hour ozone National Ambient Air Quality Standards (NAAQS) (0.075 ppm).

(2) Applicability

- (a) This Rule is applicable to any Major Facility within the District portion of the FONA.
- (b) This Rule shall become applicable if and when the FONA is determined to have failed to attain the 2008 8-hour ozone NAAQS, not before the applicable attainment date (2027).
- (c) This Rule shall cease to be applicable when the FONA is designated as attaining (or no longer nonattainment for) the 2008 8-hour ozone NAAQS.

(3) Exemption

- (a) No facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the facility emits verified Actual Emissions equal to or less than 80 percent of its Baseline Emissions.
- (b) No facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year in which the District has demonstrated fee equivalency in accordance with the procedures contained in Section (E) below.
- (c) No facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty for more than one Federal ozone standard for any specific calendar year. A facility applicable FCAA Section 185 penalty for any calendar year shall be the largest of all such applicable penalties.

(B) Definitions

For the purposes of this Rule the definitions contained in District Rule 102 – *Definition of Terms* shall apply unless otherwise defined below.

- (1) “Actual Emissions” - Actual total facility calendar year emissions to Atmosphere of each of Oxides of Nitrogen (NO_x) and Volatile Organic Compounds (VOC) reported to the District through a verified emission inventory. Fugitive emissions from a facility shall not be included in the calculation unless the facility belongs to one of the twenty-seven major source categories listed under the definition of “major source” in 40 CFR 51.165(a)(1)(iv)(C).
- (2) “Baseline Emissions” - Baseline emissions are calculated for each of NO_x and VOC Facility emissions to the Atmosphere for which the source is classified as a Major Facility, in accordance with Section (D) below.
- (3) “Major Facility” - Any facility which emits or has the Potential to Emit (PTE) NO_x or VOC in an amount greater than or equal to 25 tons per year. The fugitive emissions of a facility shall not be included in the determination of whether a facility is a Major Facility unless the facility belongs to one of the twenty-seven (27) categories of facilities as listed in 40 CFR 51.165(a)(1)(iv)(C).
- (4) “State Implementation Plan (SIP)” - The federally approved body of Regulations representing control strategies to minimize air pollution adopted by state and local air pollution control agencies in compliance with Section 110 of the FCAA, 42 U.S.C. §7410.
- (5) “Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area” (FONA) - That portion of the State of California as described in 40 CFR 81.305 (2008 8-Hour Ozone NAAQS).

(C) Requirements

- (1) Verification of Actual Emissions

By June 1, on an annual (calendar year) basis, any facility subject to the provisions of this Rule shall submit a verified inventory of Actual Emissions in accordance with Rule 107 – *Certification of Submissions and Emission Statements* and FCAA Section 182(a)(3)(B).

(D) Calculations

- (1) Baseline Emissions for a facility shall be calculated as specified below:

- (a) For a facility that began operation prior to 2027, the Baseline Emissions shall be the lower of:
 - (i) The Actual Emissions during 2027; or
 - (ii) The amount of emissions allowed by permit condition.
- (b) For a facility that began operation during 2027, the Baseline Emissions shall be the lower of:
 - (i) The amount of emissions allowed by permit condition; or
 - (ii) The Actual Emissions from the operation period extrapolated over calendar year 2027 using the inverse of the fraction of the duration of actual operation in days over 365.
- (c) For a facility that begins operation after 2027, the Baseline Emissions shall be the amount allowed under the applicable implementation plan.

(2) Penalty Determination

- (a) The penalty for a facility shall be \$5,000, adjusted pursuant to subsection (D)(2)(b), per ton of Actual Emissions during a calendar year that exceed 80 percent of the Baseline Emissions, as specified below:

$$P = 5000 \times [E_a - (0.8 \times E_b)] \times (1 + C)$$

Where:

P	=	Penalty (in dollars)
E _a	=	Actual Emissions
E _b	=	Baseline Emissions
C	=	Percent change in the Consumer Price Index as determined by subsection (D)(2)(b)

- (b) The change in the Consumer Price Index shall be determined in accordance with the provisions of 42 U.S.C. §7511d(b)(3) (Federal Clean Air Act §185(b)(3)) and 42 U.S.C. §7661a(b)(3)(B)(v) (Federal Clean Air Act §502(b)(3)(B)(v)).

(E) Equivalency Determination

(1) Federal Clean Air Act Section 185 Equivalency “Tracking Account”

- (a) The APCO shall establish and maintain a FCAA Section 185 Equivalency “Tracking Account.” Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning the first calendar year in which fees are due on qualified programs that are designed to fund projects which:

- (iv) Are surplus to the SIP for the 2008 8-hour ozone NAAQS;
 - (v) Have been certified in writing by the APCO, the Executive Officer of the California Air Resources Board (CARB) and United States Environmental Protection Agency (USEPA) as being surplus to the SIP; and
 - (vi) Are designed to result in direct, or to facilitate future, NO_x or VOC reductions within the District as approved by USEPA.
- (b) Expenditures credited to the FCAA Section 185 Equivalency “Tracking Account” need not actually be held by or disbursed by the District provided the source of the expenditures is an eligible project in a qualified program.
 - (c) Expenditures shall be credited on a dollar for dollar basis and shall not be discounted due to the passage of time.
 - (d) If expenditures credited for a given year are greater than those necessary for the demonstration of equivalency for that year the surplus may accumulate and be used as needed to demonstrate equivalency in subsequent years.
- (2) FONA Accounting
- (a) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of applicable expenditures for the previous calendar year, as defined in subsection (E)(1)(a), made within the portions of the FONA that are under the jurisdiction of the District, to the MDAQMD APCO.
 - (b) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty obligation for the previous calendar year, as determined in subsection (D)(2), for sources within the portions of the FONA that are under the jurisdiction of the District, to the MDAQMD APCO.
 - (c) By July 1, on an annual basis, the AVAQMD APCO shall submit an accounting of the applicable penalty fees collected for the previous calendar year within the portions of the FONA that are under the jurisdiction of the District to the MDAQMD APCO.
 - (d) The annual applicable expenditures made within the portions of the two (2) Districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Equivalency Tracking Account” for that calendar year.
 - (e) The annual applicable penalty obligations determined within the portions of the two (2) districts that are within the FONA together during a given

calendar year shall be referred to as the “Combined FONA Penalty” for that calendar year.

(3) Equivalency Determination

- (a) By August 1, on an annual basis, the APCO will make a determination of equivalency according to the following formula:

$$B_f = (B_i + E) - AP$$

Where:

- B_i = The initial balance of the FCAA Section 185 “Combined FONA Equivalency Tracking Account” as existing at the beginning of the calendar year for which the equivalency determination is being made.
- E = The expenditures credited to the FCAA Section 185 “Combined FONA Equivalency Tracking Account” during the calendar year for which the equivalency determination is being made.
- AP = The Combined FONA Penalty amount determined by the APCO pursuant to subsections (E)(2)(b) and (E)(2)(e) above.
- B_f = The balance of the FCAA “Combined FONA Equivalency Tracking Account” to be carried over into the subsequent calendar year as B_1 if such amount is greater than zero. The remaining penalty to be allocated to applicable Facilities pursuant to subsection (E)(4) below if such amount is less than zero.

(4) Partial Equivalency Determination and Calculation of Penalty

- (a) If the balance of the FCAA Section 185 “Combined FONA Equivalency Tracking Account” is less than zero in any particular year, then the APCO shall determine the penalty amount owed by each Facility as follows:

$$P_{ry} = P_y \times \left(\frac{|B_{fy}|}{AP_y} \right)$$

Where:

- P_{ry} = Residual penalty for calendar year y
- P_y = Penalty amount for calendar year y as calculated in subsection (D)(2)
- $|B_{fy}|$ = Absolute value of negative balance of equivalency tracking account for calendar year y as calculated in subsection (E)(3)
- AP_y = Sum of Combined FONA P_y as calculated in subsection (D)(2)

- (b) No later than August 15, on an annual basis as required, the APCO shall thereafter notify the Facility by mail of the penalty amount due and payable as calculated on a Facility basis in subsection (E)(4)(a) and in accordance with subsection (A)(3)(c), with the penalty due within 30 days. If the penalty is not paid by the due date specified in the notice, the subject facility permits will be suspended and a suspension notification will be made by mail within 15 days of the due date. A suspended permit may be reinstated by payment of the applicable penalty.

(F) Reporting Requirements

- (1) Commencing in 2028, and on or before the last day of each calendar year thereafter, the APCO shall file a report for the prior year accounting with CARB and USEPA that contains the following:
- (a) A listing of all facilities subject to this Rule and the potential penalty obligation as calculated pursuant to Section (D) above for the prior calendar year;
- (b) The Combined FONA Penalty for the prior calendar year;
- (c) The balance of the FCAA Section 185 “Combined FONA Equivalency Tracking Account”, if any, at the beginning of the prior calendar year;

- (d) A listing of all qualified programs, program descriptions, description of funding, certification of eligibility for each program, and expenditures associated with each program that were credited into the FCAA Section 185 “Combined FONAs Equivalency Tracking Account” during the prior calendar year;
- (e) The results of the calculation pursuant to subsection (E)(3)(a) above; and
- (f) The results of the remaining penalty allocation calculation pursuant to subsection (E)(4)(a) if any.

See SIP Table at www.avaqmd.ca.gov

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Appendix “B”
Public Notice Documents

1. Draft Proof of Publication – Antelope Valley Press, 03/18/2022

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NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on April 19, 2022 at 10:00 A.M. to consider the adoption of Rules 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)*.

SAID HEARING will be conducted in the Governing Board Chambers of the AVTA offices located at 42210 6th Street West, Lancaster, CA 93534 where all interested persons may be present and be heard. Copies of the staff report for the proposed adoption of Rules 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)* are on file and may be obtained from the AVAQMD Office located at 43301 Division Street, Suite 206, Lancaster, CA 93535. Written comments may be submitted to Bret Banks, Executive Director/APCO at the above office address or by email to bbanks@avaqmd.ca.gov. Written comments should be received no later than April 18, 2022 to be considered. If you have any questions you may contact Barbara Lods at (661)-723-8070 ext 23 or by email at blods@avaqmd.ca.gov for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a *Notice of Exemption* for this action.

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Appendix “C”
Public Comments and Responses

1. N/A

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Appendix “D”
California Environmental Quality Act
Documentation

1. Draft Notice of Exemption – Los Angeles County

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NOTICE OF EXEMPTION

TO: Los Angeles County Clerk
12400 E. Imperial Hwy, #1001
Norwalk, CA 90650

FROM: Antelope Valley
Air Quality Management District
43301 Division Street, Suite 206
Lancaster, CA 93535-4649

X AVAQMD Senior Executive Analyst

PROJECT TITLE: Adoption of Rules 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)*

PROJECT LOCATION – SPECIFIC: Los Angeles County portion of the Mojave Desert Air Basin.

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: Antelope Valley Air Quality Management District (AVAQMD) previously adopted Rule 315 – *Federal Clean Air Act Section 185 Penalty* in 2011 in order to implement the Section 185 penalty for the 1979 1-hour ozone standard within the AVAQMD portion of the Federal Ozone Nonattainment Area (FONA). The AVAQMD is now proposing to adopt Rule 315.1 – *Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 - *Clean Air Act Section 185 Penalty (2008 Standard)* in order to comply with the Section 185 penalty for the 1997 and 2008 standards.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Antelope Valley AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Antelope Valley AQMD

EXEMPT STATUS (CHECK ONE)

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

REASONS WHY PROJECT IS EXEMPT: The proposed rule action regarding Rule 315.1 and Rule 315.2 is exempt from CEQA review because the adoption will not create any adverse impacts on the environment. Because there is no potential that the adoption might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

LEAD AGENCY CONTACT PERSON: Bret Banks **PHONE:** (661) 723-8070

SIGNATURE: _____

TITLE: Executive Director **DATE:** 04/19/2022

DATE RECEIVED FOR FILING:

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Appendix “E” Bibliography

The following documents were consulted in the preparation of this staff report.

1. 42 U.S.C. 7511d (Federal Clean Air Act Section 185)
2. 42 U.S.C. 7511d (Federal Clean Air Act Section 172(e))
3. Guidance to Developing Fee Programs Required by the Clean Air Act Section 185 for the 1-hour Ozone NAAQS (January 5, 2010)
4. SCAQMD Rule 317 – Clean Air Act Non-Attainment Fees, Amended February 4, 2011
5. SCAQMD Proposed Amended Rule 317 Board Item Documents, February 4, 2011
6. SJVUAPCD Rule 3170 – Federally Mandated Ozone Nonattainment Fee, Amended May 19, 2011
7. SMAQMD Rule 307 Clean Air Act Fees, Adopted September 26, 2002
8. United States Court of Appeals, Section 185 EPA Guidance Opinion, July 1, 2011
9. Proposed MDAQMD Rule 315.1 and Rule 315.2, proposed for adoption on March 28, 2022

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NOTICE OF EXEMPTION

TO: Los Angeles County Clerk
12400 E. Imperial Hwy, #1001
Norwalk, CA 90650

FROM: Antelope Valley
Air Quality Management District
43301 Division Street, Suite 206
Lancaster, CA 93535-4649

X AVAQMD Senior Executive Analyst

PROJECT TITLE: Adoption of Rules 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)*

PROJECT LOCATION – SPECIFIC: Los Angeles County portion of the Mojave Desert Air Basin.

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: Antelope Valley Air Quality Management District (AVAQMD) previously adopted Rule 315 – *Federal Clean Air Act Section 185 Penalty* in 2011 in order to implement the Section 185 penalty for the 1979 1-hour ozone standard within the AVAQMD portion of the Federal Ozone Nonattainment Area (FONA). The AVAQMD is now proposing to adopt Rule 315.1 – *Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 - *Clean Air Act Section 185 Penalty (2008 Standard)* in order to comply with the Section 185 penalty for the 1997 and 2008 standards.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Antelope Valley AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Antelope Valley AQMD

EXEMPT STATUS (CHECK ONE)

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

REASONS WHY PROJECT IS EXEMPT: The proposed rule action regarding Rule 315.1 and Rule 315.2 is exempt from CEQA review because the adoption will not create any adverse impacts on the environment. Because there is no potential that the adoption might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

LEAD AGENCY CONTACT PERSON: Bret Banks **PHONE:** (661) 723-8070

SIGNATURE: _____
TITLE: Executive Director **DATE:** 04/19/2022

DATE RECEIVED FOR FILING:

The following page(s) contain the backup material for Agenda Item: 1) Allocate an amount not to exceed \$140,000 of Mobile Source Emission Reduction Program funds AB 2766 and AB 923 for the implementation of the District's 2022 Lawn and Garden Exchange Program; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman. Presenter: Julie McKeehan, Grants Analyst.

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #8

DATE: April 19, 2022

RECOMMENDATION: 1) Allocate an amount not to exceed \$140,000 of Mobile Source Emission Reduction Program funds AB 2766 and AB 923 for the implementation of the District's 2022 Lawn and Garden Exchange Program; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman.

SUMMARY: This item continues the implementation of the District's Annual Lawn and Garden Exchange Events and allocates an amount not to exceed \$140,000 towards a 2022 Lawn and Garden Exchange Program consisting of an approximate \$69,500 of Mobile Source Emission Reductions Program (AB 2766) and \$68,000 of (AB 923) Funds.

BACKGROUND: The District's Lawn and Garden Equipment Exchange Program began in 2009 as annual exchange events and was limited to lawn mowers only. The purpose of the Program is to bring public awareness to the pollution caused by gasoline-powered lawn mowers and encourage the use of zero-emissions lawn mowers through an incentive program. From 2016 to the present, the District continues to expand the Program by incorporating zero-emissions handheld lawn and garden tools such as leaf blowers, string trimmers, and hedge trimmers as they become commercially available. In 2018, in addition to annual exchange event(s), the Board approved to extend the Program to AV residents who missed the exchange event(s) for the opportunity to exchange anytime. The District's Program is in demand and supported throughout the community. Residents look forward to annual events for the opportunity to transition from gasoline to zero-emissions lawn and garden equipment with the help of incentives.

REASON FOR RECOMMENDATION: Governing Board approval is needed for the use of District funds.

cc: Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #8

PAGE 2

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 4, 2022.

FINANCIAL DATA: Sufficient funds are available from the District’s Mobile Source Emission Reductions Program (AB 2766 & AB 923) Funds.

PRESENTER: Julie McKeehan, Grants Analyst

The following page(s) contain the backup material for Agenda Item: 1) Award an amount not to exceed \$67,200 in Carl Moyer Program funds to EV Charging Solutions, Inc. for an Electric Vehicle Charging Station Project; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman.
Presenter: Julie McKeehan, Grants Analyst
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #9

DATE: April 19, 2022

RECOMMENDATION: 1) Award an amount not to exceed \$67,200 in Carl Moyer Program funds to EV Charging Solutions, Inc. for an Electric Vehicle Charging Station Project; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman.

SUMMARY: This item awards funding to EV Charging Solutions, Inc. toward establishing Electric Vehicle Charging Stations in Palmdale. The proposed project is thirteen (13) Level-II Charging Stations at 39000 Clock Tower Plaza Drive and one (1) Level II Charging Station at 40437 35th Street W. Total project costs are \$112,000; pursuant to grant guidelines, the project is eligible for sixty (60) percent of the costs.

BACKGROUND: AVAQMD received an application from EV Charging Solutions, Inc. working in collaboration with the City of Palmdale, for grant funding to establish Electric Vehicle Charging Stations within the City of Palmdale. The proposed charging site is identified as having a high traffic volume. Staff has evaluated the project for the use of Carl Moyer Program funds and finds the proposed project eligible for 60 percent of the costs. This project supports the District and State goals of encouraging the adoption of electric vehicle technology and expanding charging options to EV drivers within the region. Replacing gasoline powered vehicles with EV will assist in reducing locally generated mobile emissions and help to move California closer to the 2025 goal of putting 1.5 million zero-emission vehicles on the road.

REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Carl Moyer Program funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

cc: Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #9

PAGE 2

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or about April 4, 2022.

FINANCIAL DATA: Funds are granted from the District's Carl Moyer Program funds.

PRESENTER: Julie McKeehan, Grants Analyst

The following page(s) contain the backup material for Agenda Item: 1) Award an amount not to exceed \$254,355 in Carl Moyer Program funds to McCarthy Steel to replace an older diesel-powered heavy-duty forklift with a new all-electric zero-emissions heavy-duty forklift; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman. Presenter: Julie McKeehan, Grants Analyst.

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #10

DATE: April 19, 2022

RECOMMENDATION: 1) Award an amount not to exceed \$254,355 in Carl Moyer Program funds to McCarthy Steel to replace an older diesel-powered heavy-duty forklift with a new all-electric zero-emissions heavy-duty forklift; 2) Authorize the Executive Director/APCO the option to change the funding source if warranted or if other applicable sources become available; and 3) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel, and pending review by the Governing Board Chairman.

SUMMARY: This item awards an amount not to exceed \$254,355 in Carl Moyer Program funds to McCarthy Steel for the replacement of one (1) diesel-powered heavy-duty forklift with a new all-electric zero-emissions heavy-duty forklift that will be used in their daily handling of steel materials.

BACKGROUND: AVAQMD received an application from McCarthy Steel requesting grant funding towards replacement of an older diesel-powered heavy-duty forklift. McCarthy Steel proposes voluntary participation in the Carl Moyer Equipment Replacement Program. The proposed project will retire a 1988 Taylor 300 horsepower forklift used in their daily handling of steel materials and replace with a new zero-emissions all heavy-duty forklift. McCarthy Steel is compliant with the off-road regulation and is taking the opportunity to participate in the program for grant assistance to incorporate cleaner equipment into their fleet. The proposed project is estimated to reduce 2.09 tons of early emissions reductions for a proposed 6-year project term. Early fleet turnover provides emission reductions that help the Valley towards attainment of the national ambient air quality standards.

REASON FOR RECOMMENDATION: Governing Board approval is needed to fund Carl Moyer projects. Additionally, Governing Board authorization is needed for the Executive Director/APCO and staff to negotiate and execute an agreement with the grant recipient.

cc: Laquita Cole
Michelle Powell
Julie McKeehan

**MINUTES OF THE GOVERNING BOARD
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
LANCASTER, CALIFORNIA**

AGENDA ITEM #10

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REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 4, 2022.

FINANCIAL DATA: Project to be funded through the District's Carl Moyer Program funds.

PRESENTER: Julie McKeehan, Grants Analyst