



**ANTELOPE VALLEY AIR QUALITY MANAGEMENT
DISTRICT**

**GOVERNING BOARD
REGULAR MEETING**

AGENDA

TUESDAY, SEPTEMBER 19, 2017
10:00 A.M.

LOCATION

AVAQMD District Office
43301 Division Street, Suite 206
Lancaster, CA 93535
661-723-8070

BOARD MEMBERS

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

Call to Order – 10:00 a.m.

Pledge of Allegiance.

Roll Call.

1. AIRE AWARD

Presentation of the 2016-2017 William J. "Pete" Knight Memorial AIRE Award. (No backup materials). Presenter: Bret Banks.

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.

2. 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, staff member or member of the public requests an item be held for discussion under DEFERRED ITEMS.

3. Approve Minutes from Regular Governing Board Meeting of August 15, 2017.
Presenter: Crystal Goree.
4. Monthly Activity Report. Receive and File. Presenter: Bret Banks.
5. Monthly Grant Fund Summary. Receive and File. Presenter: Bret Banks.
6. Approve payment to MDAQMD in the total amount of \$109,804.44, subject to availability of funds, for services provided during the month of July 2017.
Presenter: Bret Banks.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

PUBLIC HEARINGS

7. Conduct a continued public hearing to consider the amendment of Rule 462 – *Organic Liquid Loading*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 462 – *Organic Liquid Loading* and directing staff actions. Presenter: Barbara Lods.

NEW BUSINESS

8. Receive, file and direct staff action regarding the report provided by Larry Rottman of Rottman Drilling Company. Presenter: Bret Banks.
9. Appoint a Board member, one from each organization: the City of Lancaster, Los Angeles County 5th District representative and the City of Palmdale to create an Executive Committee of the Governing Board to serve for the remainder of calendar year 2017. Presenter: Bret Banks.
10. Authorize the District staff proposed revised language to the District's Carl Moyer Program Policies and Procedures Manual, Section X "Application Review/Evaluation/Project Selection" pursuant to the current Carl Moyer Program Guidelines and as to approved form by the Office of District Counsel. Presenter: Bret Banks.
11. 1) Award an amount not to exceed \$17,218 in Mobile Source Emission Reductions Program (AB 923) funds to the City of Palmdale toward the purchase and installation of Electric Vehicle Charging Stations in part with Southern California Edison's Charge Ready Program Pilot Project; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.
12. 1) Award an amount not to exceed \$16,000 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Schools Transportation Agency for a Compressed Natural Gas (CNG) tank replacements; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.
13. 1) Award an amount not to exceed \$9,253 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to Antelope Valley Fair Association to replace older gasoline-powered carts with new electric carts; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.
14. 1) Amend grant award of up to \$37,748 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to American Plumbing Services to be funded solely with Mobile Source Emissions Reduction Program (AB 2766) funds; and 2) Amend the replacement of an older light-heavy duty diesel vehicle with new, Compressed Natural Gas (CNG) engine technology to be with B20 biofuel engine technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

ADMINISTRATIVE ITEMS

15. Reports:

Governing Board Counsel.

Executive Officer/APCO, Staff.

16. Board Member Reports and Suggestions for Future Agenda Items.

Adjourn to Regular Governing Board Meeting of Tuesday, October 17, 2017.

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, time restrictions may be placed on oral testimony regarding the above proposals. You may wish to make your comments in writing to assure that you are able to express yourself adequately.

In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact the Administrative Secretary during regular business hours at 661-723-8070, ext. 1. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.

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 the District Office at 43301 Division Street, Suite 206, Lancaster, CA 93535 or by contacting the Administrative Secretary at 661-723-8070, ext. 1 or by email at cgoree@avaqmd.ca.gov

Mailed & Posted on: Wednesday, 9/13/17.

Crystal Goree, Administrative Secretary

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

******NOTICE OF REGULAR MEETING******

NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (District) will conduct a Regular Meeting on Tuesday, September 19, 2017 at 10:00 a.m.

SAID MEETING will be conducted in the Antelope Valley Air Quality Management District Offices Conference Room, 43301 Division Street, Suite 206, Lancaster, California, 93535. Interested persons may attend and submit oral and/or written comments/statements at the meeting. It is requested that written comments/statements be submitted prior to the meeting.

A copy of the Agenda will be duly posted and may also be reviewed at the office of the Antelope Valley Air Quality Management District, 43301 Division Street, Suite 206, Lancaster, California 93535.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

**CRYSTAL GOREE
ADMINISTRATIVE SECRETARY
PHONE: (661) 723-8070, Ext. 1.**

Mailed and Posted: **Wednesday, 9/13/17**
DATE

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, AUGUST 15, 2017
ANTELOPE VALLEY DISTRICT OFFICE
LANCASTER, CA**

MINUTES

Board Members Present:

Marvin Crist, Chair, City of Lancaster
Ron Hawkins, Vice Chair, Los Angeles County
Steve Hofbauer, City of Palmdale
Austin Bishop, City of Palmdale
Vern Lawson, Los Angeles County
Ken Mann, City of Lancaster
Newton Chelette, Public Member

CALL TO ORDER

Chair Crist called the meeting to order at 10:00 a.m. Board Member **BISHOP** led the Pledge of Allegiance. Roll call was taken.

PUBLIC COMMENT

Agenda Item #1

None.

CONSENT CALENDAR

Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of June 20, 2017. Presenter: Crystal Goree.

Upon Motion by **CHELETTE**, Seconded by **HOFBAUER**, and carried unanimously, the Board **Approved** Minutes from Regular Governing Board Meeting of July 18, 2017.

Agenda Item #3 – Monthly Activity Report. Receive and file. Presenter: Bret Banks.

Upon Motion by **CHELETTE**, Seconded by **HOFBAUER**, and carried unanimously, the Board Received and Filed Monthly Activity Report.

Agenda Item #4 – Monthly Grant Fund Summary. Receive and file.

Presenter: Bret Banks.

Upon Motion by **CHELETTE**, Seconded by **HOFBAUER**, and carried unanimously, the Board Received and Filed Monthly Grant Fund Summary.

Agenda Item #5 - Approve payment to MDAQMD in the total amount of \$105,798.62, subject to availability of funds, for services provided during the month of June 2017. Presenter: Jean Bracy.

Upon Motion by CHELETTE, Seconded by HOFBAUER, and carried unanimously, the Board approved payment to MDAQMD in the total amount of \$105,798.62, subject to availability of funds, for services provided during the month of June 2017.

ITEMS FOR DISCUSSION

DEFERRED

None.

PUBLIC HEARINGS

Agenda Item #6 - Conduct a public hearing to consider the amendment of Rule 462 – Organic Liquid Loading: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption amending Rule 462 – Organic Liquid Loading and directing staff actions.

Presenter: Barbara Lods.

Chair Crist opened Public Hearing. Barbara Lods shared background information and staff report. Chair Crist solicited public comment. There was no public comment. Chair Crist received staff report and Continued Public Hearing to our next regularly scheduled meeting of September 19, 2017.

NEW BUSINESS

Agenda Item #7 - 1) Award an amount not to exceed \$50,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Antelope Valley Fair Association for the purchase of a clean diesel pickup truck capable of operating on B20 biofuel; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form. Presenter: Bret Banks.

Bret Banks shared background information and staff recommendation. Board Member BISHOP recused himself. Chair Crist directed Bret Banks to obtain sponsorship for the Antelope Valley Fair, provide the Fair with the AVAQMD banner to be placed at the Fair in acknowledgment of AVAQMD's sponsorship. Upon amended motion by MANN, Seconded by HAWKINS, and approved, the Board awarded an amount not to exceed \$50,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Antelope Valley Fair Association for the purchase of a clean diesel pickup truck capable of operating on B20 biofuel; authorized the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form; and stipulating that the Antelope Valley Fair acknowledge a sponsorship from the Air Quality Management District.

Agenda Item #S -1 - 1) Award an amount not to exceed \$33,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Los Angeles County Sheriff's Department for the purchase of one (1) Polaris 900 Ranger Crew and one (1) Polaris 570 Ranger; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form.

Presenter: Bret Banks.

Bret Banks shared background information and staff recommendation. Chair Crist noted correction of the award in the amount not to exceed \$35,000. Upon Motion by **HOFBAUER**, Seconded by **BISHOP** and approved as amended, the board awarded an amount not to exceed \$35,000 in Mobile Source Emissions Reduction Program funds (AB 2766) to the Los Angeles County Sheriff's Department for the purchase of one (1) Polaris 900 Ranger Crew and one (1) Polaris 570 Ranger; and authorized the Executive Director/APCO and staff to negotiate target time frames, technical project details, and execute an agreement, approved as to legal form.

ADMINISTRATIVE ITEMS

Agenda Item #8 - Reports

Governing Board Counsel – None.

Executive Director/APCO – Bret Banks provided a brief update on Region IX EPA Public Meeting held in Lancaster on August 5, 2017 regarding the pending PSD permit for the Palmdale Energy Project, stating that Region IX EPA will hold a Public Hearing on the PSD permit for the Palmdale Energy Project scheduled for September.

Mr. Banks provided an update on Calandri Sonrise Farms' new onion harvesting equipment, an AVAQMD Carl Moyer Grant project, stating that the equipment significantly reduces emissions.

Agenda Item #9 – Board Member Reports and Suggestions for Future Agenda Items.

Board Member Lawson commented on Northrop Grumman's intent to hire more employees, and inquired as to whether or not the District has received any new permit applications. Vickie Rausch, District Engineer, responded, stating that Northrop Grumman has submitted permit applications and the District has created draft permits and that no Title V permit applications have been received at this time.

Board Member Hofbauer thanked Bret for assisting with a weekend neighborhood complaint regarding illegal spray paint operations.

Board Member Hawkins shared information regarding the A.V. Valley Fever Alliance's First Annual Valley Fever Walk, held at Apollo Park, August 12, 2017. Board Member Hawkins requested that District staff invite representatives from the Alliance group to make a presentation at an upcoming meeting to provide information and awareness on Valley Fever.

Chair Crist requested that District staff include Valley Fever information on our District's website.

Chair Crist provided an update on the District grant project for the purchase of electric commercial grade lawnmowers, stating that they have been delivered and will be on display during the Antelope Valley Fair.

The meeting was adjourned at 10:20 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, September 19, 2017.

Item #4 - Monthly Activity Report – August

2017

	<u>Aug 2017</u>	<u>Aug 2016</u>	<u>YTD (7/1/18)</u>
Complaints	1	4	3
Complaint Investigations	1	4	3
Asbestos Notifications	5	14	11
Asbestos Inspections	0	0	0
Permit Inspections	153	65	210
Permit Inspections in Compliance (%)	100	98	100
Notice of Violation (NOV)	0	4	1

*Outstanding NOVs

- AV00000187, Issued 02/2016
- AV00000207, Issued 06/2017
- AV00000208, Issued 07/2017

Number of Active Companies: 276
Number of Active Facilities: 508
Number of Active Permits: 1,057

Project Comment Letters – August 2017

Attached

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		09/19/2017				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
7/31/2017	Palmdale	Antelope Valley Recycling and Disposal Facility	CUP 98-12 Major Mod-increase daily refuse from 1800 to 3600 per day	Submit detailed information to the District	8/11/2017	8/8/2017
8/10/2017	Lancaster	Circle K (prev proposed as 7-Eleven)	CUP 17-25 (prev CUP 16-03) only change is proposed Circle K, previously 7 Eleven	Dust, CARB Equip and obtain ATC	9/8/2017	8/9/2017
8/14/2017	Palmdale	Pacific Communities	TTM 54209 Time Extension-27.49 acres on the northeast corner of Avenue R & 35th Street East and E Avenue R	No Comment	8/19/2017	8/21/2017

ITEM #5 - MONTHLY GRANT FUND SUMMARY

AB 2766 (\$4 DMV Fee) Annual Allocation for Mobile Projects \$407,605.00

AB 923 (\$2 DMV Fee) Annual Allocation for Mobile Projects \$581,000.00

AB 2766 & AB 923 CURRENT BALANCES

AB 2766 PROJECT & ADMIN. FUNDS

Action Date	Project Name	Approved Action
Apr-14	Antelope Valley Fair Assoc. CNG Bus Engine Repair AV0414#10	-11193.96 paid
Apr-14	AFV Program Add'l Funds AV0414#11	-101524.52 paid
Jun-14	AFV Program Add'l Funds AV0414#11	-24742.69 paid
May-14	Antelope Valley Mall Electric Infrastructure AV0514#13	-45817.00 paid
Jul-14	Antelope Valley HSD AV0714#9	-13500.00 paid
Jul-14	City of Palmdale Electric Infrastructure AV0714#10	-49729.00 paid
Aug-14	AFV Program Add'l Fnds AV0414#11	-14425.00 paid
Aug-14	AVEK Water Agency AV0814#9	-12000.00 paid
Aug-14	Yates Trucking Inc. AV0814#10	-15761.00 paid
Dec-14	City of Lancaster Traction Seal Project AV1214#9	-200000.00 paid
Jan-15	R & R Pipeline, Inc. Grant Funds Returned	20700.00 rec'd
Jan-15	AFV Program Add'l Funds AV0414#11	-17000.00 paid
Mar-15	Projected AFV applications for 2015	-60000.00 paid
Apr-15	Return of Truck Retrofit Funds	6718.00 rec'd
Jun-15	AVTA - Public Transit Programs AV0615#11 /0715#S-1	-178000.00 paid
Oct-15	AFV Program Add'l Funds AV0414#11	-14000.00 paid
Feb-16	LA County Sheriff's Alt. Patrol Project AV0216#9	-50000.00 paid
Mar-16	AVC Equipment Replacement AV0314#14	-1886.00 paid
Mar-16	AVLAW, LLC EV Charging Repair AV0316#11	-2117.00 paid
Apr-16	AV Produce TRU Replacement Project AV0416#12	-16203.00 paid
Apr-16	LA County Sheriff's Bio Diesel Truck Project AV0416#11	-50000.00 paid
Jul-16	City of Palmdale Electric Infrastructure ADA Req AV0716#10	-59700.00 paid
Aug-16	AFV Program Add'l Funds AV0816#9	-34500.00 paid
Aug-16	AVC Free Fare Pilot Program for Students AV0816#7	-30000.00 paid
Sep-16	LA Cty Sheriff's Bike Patrol Proj. Palmdale/Lancaster AV0916#11	-35143.00 paid
Sep-16	AVTA - Public Transit Programs AV0916#8	120000.00 paid
Dec-16	A-Z Engine Systems Repair AV1216#12	3756.00 paid
Feb-17	AFV Program Add'l Funds AV0117#8	-40000.00 paid
Mar-17	VAVR Program - Projects to EES AV0317#9	-60000.00 paid
May-17	American Plumbing Services AV0517#8	-37748.00 pending
May-17	AV Fair Assoc. Forklift Replacement Project AV0517#9	-24370.00 pending
Jun-17	Electric Commerical Grounds Keeping Pilot Program AV0617#13	-127500.00 pending
Jul-17	Hemme Hay & Feed Off-road/On-road Vehicle Project AV0717#	-\$134,310.00 pending
Aug-17	AV Fair Assoc. B20 Truck Project AV0817#7	-\$50,000.00 pending
Aug-17	LA County Sheriff's/AV Boosters Off-road Utility Equipment AV0817#S-	-\$33,000.00 pending

AB 2766 PROJECTS CURRENT BALANCE

\$32,010.88

AB 2766 PROJECTS PENDING APPROVAL

Sept.17 AV Fair Assoc. ERP Electric Carts AV0917#?

Pending Action

-\$9,253.00

AB 2766 PROJECTS BALANCE PENDING APPROVAL

\$22,757.88

AB 923 PROJECT & ADMIN. FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Jan-15	AVSTA CNG School Bus Purchase AV0115#7	-100000.00 paid
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-78372.75 paid
Apr-15	2016 Lawn Mower Exchange Program	-11200.00 paid
May-15	Gene Wheeler Farms ERP Project #2 AV0515#10	-142010.00 paid
Aug-15	VAVR Program - Projects & Admin. to EES AV0815#6	-60000.00 paid
Nov-15	Calandri SonRise Farms Repower Project #4 AV1115#9	-116471.00 paid
Jan-16	Antelope Valley Farming ERP Project #1 AV0116#8	-181530.00 paid
Mar-16	Ebee Streetlight EV Charging Project AV0316#10	-25000.00 pending
Apr-16	VAVR Program - Admin to EES AV0416#10	-60000.00 paid
Apr-16	2016 Lawn Mower Exchange Program	-11200.00 paid
Aug-16	Calandri SonRise Farms Harvesting Project AV0816#8	-406,065.00 partial paid
Oct-16	Antelope Valley Farming ERP Project #2 AV1016#10	-12,940.38 paid
Dec-16	AVSTA CNG Tank Replacement AV1216#11	-63,377.00 paid
Dec-16	SCE Charge Ready Pilot Project AV1216#10	-48,819.20 pending
Feb-17	City of Palmdale Vanpool/Infrastructure Project AV0117#12	-164,928.00 pending
Feb-17	City of Lancaster Vanpool/Infrastructure Project AV0117#11	-61,925.00 pending
Mar-17	2017 Lawn Mower Exchange Program AV0317#10	-10,730.00 pending
Jul-17	Palmdale Water District EV Charging Project AV0717#9	-18520.00 pending

AB 923 PROJECTS CURRENT BALANCE

<i>Action Date</i>	<i>Project Name</i>	<i>Pending Action</i>
Aug-17	City of Palmdale/SCE EV Charging Project AV0917#	-17218.00
Aug-17	AVSTA CNG Tank Replacement AV0917#?	-16000.00

AB 923 PROJECTS BALANCE PENDING APPROVAL

\$228,320.87

\$195,102.87

CARL MOYER PROGRAM PROJECT FUNDS

Mar-15 Carl Moyer Prog. Funds Year 17 Awarded to AVAQMD	637511.00 recv'd
Mar-15 Carl Moyer Interest (FY 13-14) added to Year 16	834.45 recv'd
Apr-15 Calandri SonRise Farms ERP Project #3 AV0415#8	-284211.25 paid
Apr-15 High Desert Dairy ERP Project #3 AV0415#7	-134239.00 paid
Nov-15 Bill's Landscaping ERP Project #1 AV1115#7	-78873.00 paid
Nov-15 Gall Brothers Engineering ERP Project #1 AV1115#8	-138715.00 paid
Feb-16 MDAQMD Year 16 Transfer AV0216#7	324480.00 recv'd
Mar-16 High Desert Dairy ERP Project #4 AV0316#8	-139,224.00 paid
Mar-16 Calandri SonRise Farms ERP Project #5 AV0316#9	-83,983.00 paid
Mar-15 Carl Moyer Prog. Funds Year 18 Awarded to AVAQMD	659588.00 recv'd
Apr-16 Lane Ranch & Co. ERP Project AV0416#8	-99,989.56 paid
Apr-16 Bill's Landscaping ERP Project #2 AV0416#9	-79,916.00 paid
Jun-16 Calandri SonRise Farms Forklift Project #6 AV0616#8	-60,985.00 paid
Jun-16 Antelope Valley Fair Assoc. Forklift Project AV0616#9	-51,460.00 paid
Jul-16 Bolthouse ERP Project AV0716#11	-18,927.00 paid
Jul-16 South Pac Industries ERP Project AV0716#9	-181,114.00 paid
Sep-16 High Desert Dairy ERP Project #4 AV0916#9	-158,663.00 paid
Sep-16 Gall Brothers Engineering ERP Project #2 AV0916#10	-77,896.00 paid
Oct-16 Antelop Valley Farming ERP Project #2 AV1016#10	-34,943.62 paid
Apr-17 Carl Moyer Prog. Funds Year 19 Tentative Allocation	669,301.00 pending
May-17 AV Fair Assoc. AV0517#9	-15,130.00 pending
Jun-17 High Desert Dairy ERP Project #6 AV0617#	-170,159.00 pending

CARL MOYER PROJECTS CURRENT BALANCE

\$485,507.00

No Pending Projects

CARL MOYER PROJECTS BALANCE PENDING APPROVAL

\$485,507.00

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

AGENDA ITEM 6

DATE: September 19, 2017

RECOMMENDATION: Approve payment to MDAQMD in the total amount of \$109,804.44, subject to availability of funds, for services provided during the month of July 2017.

SUMMARY: The District contracts for services with MDAQMD; invoices for services are presented for payment.

CONFLICT OF INTEREST: None

BACKGROUND: Key expenses are staff; six positions are assigned to the local office. This is the first billing for FY 18 and indicates the realignment of staff hours based on estimated performance in FY 17. Operating expenses are paid directly and are usually accounted in the Financial Report. In this report, those expenses are noted below. June 30 Financial Reports are preliminary until the annual fiscal audit is complete. Staff will be available to answer questions as needed.

This payment request represents services rendered for July 2017 in the amount of \$109,804.44, including amounts accrued for services rendered or supplies purchased but not yet billed or paid this fiscal year. During July expenses were paid for preliminary work performed on the annual fiscal audit.

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 September 5, 2017.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY 17. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Bret Banks, Executive Director/APCO

cc: Jean Bracy
Laquita Cole
Michelle Powell



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **7/31/2017**
 Invoice Number **41674**

INVOICE

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

FY18	Amount
Professional Services	4,653.01
Program Staff	91,666.67
Overhead	13,484.76
<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>	
<p>MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK</p>	Invoice Total 109,804.44
	Amount Paid 0.00
	Balance Due 109,804.44

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

AGENDA ITEM 7

DATE: September 19, 2017

RECOMMENDATION: Conduct a continued public hearing to consider the amendment of Rule 462 – *Organic Liquid Loading*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 462 – *Organic Liquid Loading* and directing staff actions.

SUMMARY: Rule 462 is proposed for amendment to address a vapor leak measurement issue identified by USEPA; clarify rule definitions and requirements; and improve rule enforceability.

BACKGROUND: The Antelope Valley Air Pollution Control District (AVAPCD) was created by statute on July 1, 1997, with a jurisdiction of the Los Angeles County portion of the South Coast Air Quality Management District (SCAQMD) that was not within the South Coast Air Basin. SCAQMD rules in effect in the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was formed pursuant to statute (Health & Safety Code §§41300 et seq.) to replace the AVAPCD. The rules of the AVAPCD also remain in effect until the AVAQMD Governing Board supersedes or amends them.

The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Technique Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of Volatile Organic Compounds (VOCs) and Oxides of Nitrogen (NO_x) which are ozone precursors. The District adopted the *8-Hour Reasonably Available Control Technology – State Implementation Plan Analysis (RACT SIP Analysis)* in July 2015 for the 2008, 75 ppb ozone National Ambient Air Quality Standards (NAAQS). This document committed to amending Rule 462 to address a vapor leak measurement issue previously identified by USEPA, remove compliance dates that are no longer applicable and clarify rule definitions and requirements.

Cc: Barbara Lods

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

AGENDA ITEM 7

PAGE 2

This rule is subject to the CTG's titled *Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals*, (EPA-450/2-77-026, October 1977), *Control of Volatile Organic Compound Leaks from Gasoline Tank Trucks and Vapor Collection Systems* (EPA-450/2-78-051, December 1978) and *Control of Volatile Organic Emissions from Bulk Gasoline Plants* (EPA-450/2-77-035, December 1977). The AVAQMD is now proposing to amend Rule 462 – *Organic Liquid Loading* to reflect current federal RACT.

Rule 462 was originally adopted on 01/09/76 by the So. Cal. APCD and subsequently amended by the SCAQMD on 05/05/78, 10/14/79, 04/04/86, 12/07/90 and 06/09/95. The 06/09/95 version of Rule 462 as amended by the SCAQMD is the version in the AVAQMD rule book.

SCAQMD submitted the 06/09/95 version of Rule 462 for inclusion to the SIP. USEPA finalized a limited approval/limited disapproval on 11/13/97 (62 FR 60784) for Rule 462. This FR notice specifically excludes the AVAQMD from the SCAQMD approval. Pursuant to USEPA guidance, since final action had not been taken on the rule for the AV portion of the jurisdiction at the time of separation from SCAQMD the 06/09/95 version is not considered "sip pending". Therefore, the last SIP approved version of Rule 462 would be the 10/14/1979 SCAQMD amendment (47 FR 29668, 07/08/82) as there was no action shown for the 04/04/86 version, and no final action on the 12/07/1990 version.

The proposed amendment of Rule 462 – *Organic Liquid Loading* addresses the 2015 *RACT SIP Analysis* commitment to amend Rule 462 and also addresses a vapor leak measurement issue identified by USEPA; clarifies rule definitions and requirements; and improves rule enforceability. The proposed amendments are based on the CTGs, and South Coast Air Quality Management District Rule 462 – *Organic Liquid Loading* (Amended May 14, 1999, 64 FR 39037, 07/21/99, deemed to be RACT by USEPA). A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the Amendment of Rule 462 pursuant to the requirements of CEQA.

This item was noticed for the August 15, 2017 Governing Board meeting. The item was continued to the September 19, 2017 meeting to address substantive comments from USEPA and CARB.

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

REVIEW BY OTHERS: This item was reviewed as to legal form by Karen Nowak, District Counsel and by Bret Banks, Executive Director/APCO on or before July 31, 2017.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Barbara Lods, Air Quality Specialist

RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 462-ORGANIC LIQUID LOADING AND DIRECTING STAFF ACTIONS.

On, September 19, 2017, on motion by Member Board Member Name, seconded by Member Board Member Name, 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, the Antelope Valley Air Pollution Control District (AVAPCD) was created by statute on July 1, 1997, with a jurisdiction of the Los Angeles County portion of the South Coast Air Quality Management District (SCAQMD) that was not within the South Coast Air Basin; and

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

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

WHEREAS, the rules of the AVAPCD also remain in effect until the AVAQMD Governing Board supersedes or amends them; and

WHEREAS, the Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Technique Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of Volatile Organic Compounds (VOCs) and Oxides of Nitrogen (NO_x) which are ozone precursors.; and

WHEREAS, the District adopted the *8-Hour Reasonably Available Control Technology – State Implementation Plan Analysis (RACT SIP Analysis)* in July 2015 for the 2008, 75 ppb ozone National Ambient Air Quality Standards (NAAQS).; and

WHEREAS, this document committed to amending Rule 462 to address a vapor leak measurement issue previously identified by USEPA, remove compliance dates that are no longer applicable and clarify rule definitions and requirements; and

RESOLUTION _____

1 **WHEREAS**, this rule is subject to the CTG’s titled *Control of Hydrocarbons from Tank Truck*
2 *Gasoline Loading Terminals*, (EPA-450/2-77-026, October 1977), *Control of Volatile Organic Compound*
3 *Leaks from Gasoline Tank Trucks and Vapor Collection Systems* (EPA-450/2-78-051, December 1978)
4 and *Control of Volatile Organic Emissions from Bulk Gasoline Plants* (EPA-450/2-77-035, December
5 1977); and

6 **WHEREAS**, the AVAQMD is now proposing to amend Rule 462 – Organic Liquid Loading to
7 reflect current federal RACT; and

8 **WHEREAS**, rule 462 was originally adopted on 01/09/76 by the So.Cal.APCD and subsequently
9 amended by the SCAQMD on 05/05/78, 10/14/79, 04/04/86, 12/07/90 and 06/09/95; and

10 **WHEREAS**, the 06/09/95 version of Rule 462 as amended by the SCAQMD is the version in the
11 AVAQMD rule book; and

12 **WHEREAS**, SCAQMD submitted the 06/09/95 version of Rule 462 for inclusion to the SIP; and

13 **WHEREAS**, USEPA finalized a limited approval/limited disapproval on 11/13/97 (62 FR 60784)
14 for Rule 462; and

15 **WHEREAS**, this FR notice specifically excludes the AVAQMD from the SCAQMD approval;
16 and

17 **WHEREAS**, pursuant to USEPA guidance, since final action had not been taken on the rule for
18 the AV portion of the jurisdiction at the time of separation from SCAQMD the 06/09/95 version is not
19 considered “sip pending”; and

20 **WHEREAS**, therefore, the last SIP approved version of Rule 462 would be the 10/14/1979
21 SCAQMD amendment (47 FR 29668, 07/08/82) as there was no action shown for the 04/04/86 version,
22 and no final action on the 12/07/1990 version; and

23 **WHEREAS**, the proposed amendment of Rule 462 – *Organic Liquid Loading* addresses the 2015
24 *RACT SIP Analysis* commitment to amend Rule 462; and

25 **WHEREAS**, the proposed amendments are based on the CTGs, and South Coast Air Quality
26 Management District Rule 462 – *Organic Liquid Loading* (Amended May 14, 1999, 64 FR 39037,
27 07/21/99) deemed to be RACT by USEPA; and

28 //

RESOLUTION _____

1 **WHEREAS** the District has the authority pursuant to California Health and Safety Code (H&S
2 Code) §40702 to adopt, amend or repeal rules and regulations; and

3 **WHEREAS**, the proposed amendments to Rule 462 are clear in that they are written so that the
4 persons subject to the rule can easily understand the meaning; and

5 **WHEREAS**, the proposed amendments to Rule 462 are in harmony with, and not in conflict with
6 or contradictory to any state law or regulation, federal law or regulation, or court decisions; and

7 **WHEREAS**, they do not interfere with any federal applicable requirement concerning attainment
8 or Reasonable Further Progress (RFP) pursuant to the Federal Clean Air Act (FCAA); and

9 **WHEREAS**, the proposed amendments do not impose the same requirements as any existing state
10 or federal regulation because the proposed amendment to Rule 462 does not impose the same
11 requirements as an existing state or federal law or regulation; and

12 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H&S Code
13 §40725, concerning the proposed amendments to Rule 462; and

14 **WHEREAS**, this item was noticed for the August 15, 2017 Governing Board meeting; and

15 **WHEREAS**, the item was continued to the September 19, 2017 meeting to address substantive
16 comments from USEPA and CARB, and

17 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the
18 proposed amendments to Rule 462, completed in compliance with the California Environmental Quality
19 Act (CEQA), has been presented to the AVAQMD Board; each member having reviewed, considered and
20 approved the information contained therein prior to acting on the proposed amendments to Rule 462, and
21 the AVAQMD Board having determined that the proposed amendments will not have any potential for
22 resulting in any adverse impact upon the environment; and

23 **WHEREAS**, the Board has considered the evidence presented at the public hearing; and

24 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds
25 that the proposed amendments to Rule 462 – *Organic Liquid Loading* are necessary, authorized, clear,
26 consistent, non-duplicative and properly referenced; and

27 //

28 //

RESOLUTION _____

1 **BE IT FURTHER RESOLVED**, that the Governing Board of the AVAQMD hereby makes a
2 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of
3 Exemption for the proposed amendments to Rule 462; and

4 //

5 //

6 **BE IT FURTHER RESOLVED**, that the Board of the AVAQMD does hereby adopt, pursuant to
7 the authority granted by law, the proposed amendments to Rule 462, as set forth in the attachments to this
8 resolution and incorporated herein by this reference; and

9 **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,
10 that the Clerk of the Board is directed to file the Notice of Exemption in compliance with the provisions
11 of CEQA.

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

14 AYES: MEMBER:
15 NOES: MEMBER:
16 ABSENT: MEMBER:
17 ABSTAIN: MEMBER:

18
19 STATE OF CALIFORNIA)
20 COUNTY OF LOS ANGELES) SS:
21)

22 I, Crystal Goree, Administrative Secretary of the Antelope Valley Air Quality Management
23 District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the
24 same appears in the Official Minutes of said Governing Board at its meeting of September 19, 2017.

25 _____
26 Administrative Secretary of the Governing Board,
27 Antelope Valley Air Quality Management District.
28

RULE 462

Organic Liquid Loading

(A) General

(1) Purpose

- (a) This rule is intended to control emissions of Volatile Organic Compounds (VOC) from Facilities that load Organic Liquids with a vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual loading conditions into any tank truck, trailer, or railroad tank car.

(2) Applicability

- (a) The provisions of this rule shall apply to all Organic Liquid loading facilities that are defined as Class “A”, “B” or “C” facilities pursuant to Section (B) of this rule.

(B) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) “Background” - The ambient concentration of organic vapors in the air measured according to the EPA Method 21.
- (2) “Class “A” Facility” - Any Facility which loads 20,000 gallons (75,700 liters) or more on any one day of Organic Liquids into any tank truck, trailer, or railroad tank car.
- (3) “Class “B” Facility” - Any Facility which:
 - (a) was constructed before January 9, 1976 and loads more than 4,000 gallons (15,140 liters) but not more than 20,000 gallons (75,700 liters) of Gasoline on any one day into any tank truck, trailer, or railroad tank car.
 - (b) was constructed before January 9, 1976 and loads not more than 4,000 gallons (15,140 liters) of Gasoline on any one day, but more than 500,000 gallons (1,892,500 liters) of Gasoline in any one calendar year, into any tank truck, trailer, or railroad tank car.

- (c) was constructed after January 9, 1976 and loads not more than 20,000 gallons (75,700 liters) of Gasoline on any one day into a tank truck, trailer or railroad tank car.
- (4) “Class “C” Facility” - Any Facility existing before January 9, 1976 which loads not more than 4,000 gallons (15,140 liters) of Gasoline on any one day and not more than 500,000 gallons in any one calendar year, into any tank truck, trailer, or railroad tank car.
- (5) “Exempt Compounds” - Those compounds listed in 40 CFR 51.100(s).
- (6) “Facility” - An Organic Liquid or Gasoline loading rack or set of such racks that load Organic Liquid or Gasoline into tanks, trailers or railroad cars, which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person or persons under common control.
- (7) “Facility Vapor Leak” - The escape of organic vapors from a source other than a tank truck, trailer or railroad tank car in excess of 3,000 ppm as methane above Background when measured according to EPA Method 21. A Facility Vapor Leak source does not include liquid spillage or condensate resulting from "Liquid Leaks".
- (8) “Gasoline” - Any petroleum distillate or petroleum distillate/alcohol blend or alcohol, except any liquefied petroleum gas (LPG), which has a vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual loading conditions and is used as a fuel for internal combustion engines.
- (9) “Liquid Leak” - The dripping of liquid organic compounds at a rate in excess of three drops per minute from any single leak source other than the liquid fill line and vapor line of disconnect operations.
- (10) “Liquid Leak from Disconnect Operations” - Defined as:
- (a) more than two milliliters of liquid drainage per disconnect from a top loading operation; or
 - (b) more than ten milliliters of liquid drainage per disconnect from a bottom loading operation.
- Such liquid drainage shall be determined by computing the average drainage from three consecutive disconnects at any one loading arm.
- (11) “Organic Liquid” - Any liquid compound containing the element carbon that has a vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual loading conditions excluding liquefied petroleum gases (LPG), methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and Exempt Compounds.

- (12) “Submerged Fill Loading” - A type of Organic Liquid loading operation where the discharge opening is completely submerged when the liquid level above the bottom of the Transport Vessel is eight centimeters (3.2 inches) or higher.
- (13) “Switch Loading” - The transfer of Organic Liquids with a vapor pressure of less than 1.5 psia (77.5 mm Hg) under actual loading conditions into any tank truck, trailer or railroad tank car that was loaded with an Organic Liquid with a vapor pressure of 1.5 psia (77.5 mm Hg) or greater, immediately preceding the transfer.
- (14) “Transfer Equipment” - Shall consist of all the components of the liquid loading line between the liquid pump and the transporting vessel, and the vapor return line from the transporting vessel to the storage tank, or to and including the Vapor Recovery System.
- (15) “Transport Vessel” - A tank truck, trailer or railroad tank car that is equipped to receive and transport Organic Liquid.
- (16) “Transport Vessel Vapor Leak” - The escape of organic vapors from a Transport Vessel in excess of 100 percent of the lower explosive limit when monitored according to the CARB Vapor Recovery Test Procedure TP 204.3 – *Determination of Leak(s)*.
- (17) “Vapor Disposal System” - The control equipment designed and operated to reduce VOC emissions into the atmosphere.
- (18) “Vapor Recovery System” - A vapor gathering system which is capable of collecting and returning discharged hydrocarbon vapors and gases during loading of Organic Liquids into Transport Vessels, back to a stationary storage container, or into an enclosed process system.
- (19) “Volatile Organic Compound (VOC)” - Any volatile compound containing the element carbon, excluding methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and Exempt Compounds.

(C) Requirements

- (1) Loading Requirements at Class “A” Facilities
 - (a) Each Class “A” Facility shall be equipped with a CARB certified Vapor Recovery System and/or disposal system.
 - (b) Each vapor recovery and/or disposal system at a Class “A” Facility shall be equipped with a continuous monitoring system (CMS) that is installed, operated, and maintained according to the manufacturer's specifications and is approved by the Executive Officer or designee.

- (c) The transfer of Organic Liquids shall be accomplished in such a manner that the displaced organic vapors and air are vented, under design conditions, to the vapor recovery and/or disposal system.
 - (d) Each vapor recovery and/or disposal system shall reduce the emissions of VOCs to 0.08 pound or less per thousand gallons (10 grams per 1,000 liters) of Organic Liquid transferred.
 - (e) Any Class “A” Facility transferring Gasoline into any truck, trailer, or railroad tank car shall be designed and operated for bottom loading only.
 - (f) The Transfer Equipment shall be operated and maintained so that there are no overfills, Facility Vapor Leaks, Liquid Leaks, or Liquid Leaks from disconnect operations.
 - (g) The backpressure in the vapor recovery and/or disposal system shall not exceed 18 inches of water column pressure.
- (2) Loading Requirements at Class “B” Facilities
- (a) Each Class “B” Facility shall be equipped with a CARB certified Vapor Recovery System.
 - (b) Such system shall be designed and operated to recover at least 90 percent of the displaced vapors.
 - (c) The backpressure in the Vapor Recovery System shall not exceed 18 inches of water column pressure.
 - (d) Any Class “B” Facility transferring Gasoline into any truck, trailer, or railroad tank car, shall be designed for bottom loading only.
 - (e) The Transfer Equipment shall be operated and maintained so that there are no overfills, Facility Vapor Leaks, Liquid Leaks, or Liquid Leaks from disconnect operations.
- (3) Loading Requirements at Class “C” Facilities
- (a) Each Class “C” Facility shall be equipped and operated for Submerged Fill Loading or bottom fill loading. All Gasoline or equivalent vapor pressure Organic Liquids shall be transferred in this manner.
 - (b) The Transfer Equipment shall be operated and maintained so that there are no overfills, Liquid Leaks, or Liquid Leak from disconnect operations.

- (4) Loading Requirements for Transport Vessels
- (a) No person shall allow loading or unloading of Organic Liquid or other use or operation of any Transport Vessel unless the vessel has a valid certification of vapor integrity as defined by the applicable Air Resources Board Certification and Test Procedures, pursuant to Health and Safety Code Section 41962(g).
 - (b) Transport Vessel vapor leaks from dome covers, pressure vacuum vents or other sources shall be determined in accordance with the CARB Vapor Recovery Test Procedure TP-204.3 – *Determination of Leak(s)*.
 - (c) The Transport Vessel shall be operated so that there are no Transport Vessel Vapor Leaks or Liquid Leaks.
- (5) Switch Loading
- (a) Uncontrolled Switch Loading is prohibited except at Class “C” facilities.
- (6) Leak Inspection Requirements
- (a) The owner and operator of any Class “A”, “B”, or “C” Facility shall be required to perform an inspection of the vapor collection system, the Vapor Disposal System, and each loading rack handling Organic Liquids, for Facility Vapor Leaks or Liquid Leaks of VOC’s on one of the following schedules:
 - (i) Annual inspection using EPA Method 21 if monthly sight, sound, and smell are used as detection methods; or
 - (ii) Quarterly inspection if EPA Method 21 is used to monitor for Facility Vapor Leaks.
 - (b) Each detection of a leak shall be repaired or replaced within 72 hours. If the leaking component cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. The repaired or replacement component shall be reinspected the first time the component is in operation after the repair or replacement.
- (7) CARB Certification
- (a) Within 30 calendar days after completing construction of any new or modified vapor recovery and/or disposal system, the owner/operator of a Class “A” or Class “B” facility shall submit a written request to CARB for certification of the new or modified vapor recovery and/or disposal system.

(D) Compliance Determination/Test Methods

- (1) Compliance with the emission limit of organic vapors as specified in (C)(1)(d) shall be determined according to EPA Method 25A, 25B or SCAQMD Method 501.1, as applicable.
- (2) Continuous Monitoring System required pursuant to (C)(1)(b) shall be in compliance with Code of Federal Regulation Title 40 Part 63 Subpart R Section 63.427 and Code of Federal Regulations Title 40 Part 60 Appendix B, as applicable.
- (3) Compliance with the vapor recovery efficiency as specified in (C)(2)(b) shall be determined according to CARB Vapor Recovery Certification Procedure CP-202 – *Certification Procedure for Vapor Recovery Systems of Bulk Plants*.
- (4) Determination of Facility Vapor Leaks as defined in (B)(7) shall be conducted according to EPA Method 21.
- (5) Any other alternative test method approved in writing by the Executive Officer, CARB, and USEPA may be used only when none of the test methods identified in this section are applicable.
- (6) When more than one test method or set of test methods are specified for any testing, a violation of any requirements of this rule established by any one of the specified test methods or set of methods shall constitute a violation of the rule.

(E) Recordkeeping

- (1) The owner and operator of any Class “A”, “B”, or “C” Facility, in order to verify the classification of such Facility, shall maintain a daily log of the throughput and a summary of the throughput for the calendar year to date, of the liquid organic compounds subject to the provisions of this rule. A log showing daily compliance shall suffice to satisfy this requirement.
- (2) The owner and operator of any Class “A”, “B”, or “C” Facility shall maintain records for verification of compliance with the requirements in paragraph (C)(6). The records shall include, but are not limited to, inspection dates, description of leaks detected, repair/replacement dates, and reinspection dates.
- (3) All records shall be maintained at the Facility for at least two years and shall be available to the Executive Officer or designee upon request.

(F) Distribution of Responsibilities

- (1) The owner and operator of any Class “A”, “B”, or “C” Facility shall be responsible and liable for complying with the provisions of paragraphs (C)(1), (C)(2), (C)(3), and (C)(6) and sections (D) and (E) of this rule, and for maintaining the equipment at the Facility in such condition that it can comply with the requirements of this rule if properly operated. If employees of the owner or operator of the Facility supervise or affect the transfer operation, the owner or operator of the Facility shall be responsible for ensuring that the transfer operation complies with all requirements of this rule and that the Transfer Equipment is properly operated.
- (2) The owner, operator, and driver of a Transport Vessel shall be responsible and liable for complying with paragraphs (C)(4) and (C)(5) of this rule.

(G) Exemptions

- (1) The provisions of subparagraphs (C)(1)(f), (C)(2)(e) and (C)(3)(b) shall not apply to components found in violation of Facility Vapor Leaks or Liquid Leaks either of which is detected and recorded originally by the owner or operator, provided the repair or replacement of applicable equipment is completed within the specified period as given in subparagraph (C)(6)(b).
- (2) The provisions of subparagraphs (C)(1)(a) and (C)(1)(b) shall not apply to vapor recovery and/or disposal systems which vent displaced hydrocarbon vapors to an adjacent refinery flare or other combustion device that receives gaseous streams from other refinery sources.

See SIP table at:

[http://avaqmd.ca.gov/files/aa5e9c334/AVAQMD%20State%20Implementation%20Plan%20\(SIP\)%20Table.pdf](http://avaqmd.ca.gov/files/aa5e9c334/AVAQMD%20State%20Implementation%20Plan%20(SIP)%20Table.pdf)

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Antelope Valley
Air Quality Management District



Draft
Staff Report
Proposed Amendments to
Rule 462 – *Organic Liquid Loading*

For amendment on
September 19, 2017

43301 DIVISION ST., SUITE 206,
LANCASTER, CALIFORNIA 93535-4649
PHONE (661) 723-8070
FAX (661) 723-345

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STAFF REPORT
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STAFF REPORT

Rule 462– *Organic Liquid Loading*

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

The Antelope Valley Air Pollution Control District (AVAPCD) was created by statute on July 1, 1997, with a jurisdiction of the Los Angeles County portion of the South Coast Air Quality Management District (SCAQMD) that was not within the South Coast Air Basin. SCAQMD rules in effect in the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was formed pursuant to statute (Health & Safety Code §§41300 et seq.) to replace the AVAPCD. The rules of the AVAPCD also remain in effect until the AVAQMD Governing Board supersedes or amends them.

The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Technique Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of Volatile Organic Compounds (VOCs) and Oxides of Nitrogen (NO_x) which are ozone precursors. The District adopted the *8-Hour Reasonably Available Control Technology – State Implementation Plan Analysis (RACT SIP Analysis)* in July 2015 for the 2008, 75 ppb ozone National Ambient Air Quality Standards (NAAQS). This document committed to amending Rule 462 to address a vapor leak measurement issue previously identified by USEPA, remove compliance dates that are no longer applicable and clarify rule definitions and requirements. This rule is subject to the CTG’s titled *Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals*, (EPA-450/2-77-026, October 1977), *Control of Volatile Organic Compound Leaks from Gasoline Tank Trucks and Vapor Collection Systems* (EPA-450/2-78-051, December 1978) and *Control of Volatile Organic Emissions from Bulk Gasoline Plants* (EPA-450/2-77-035, December 1977). The AVAQMD is now proposing to amend Rule 462 – *Organic Liquid Loading* to reflect current federal RACT.

Rule 462 was originally adopted on 01/09/76 by the So.Cal.APCD and subsequently amended by the SCAQMD on 05/05/78, 10/14/79, 04/04/86, 12/07/90 and 06/09/95. The 06/09/95 version of Rule 462 as amended by the SCAQMD is the version in the AVAQMD rule book.

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This item was noticed for the August 15, 2017 Governing Board meeting. The item was continued to the September 19, 2017 Governing Board meeting to address substantive comments from USEPA and CARB.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD or District) amend proposed Rule 462 – *Organic Liquid Loading* and approve the appropriate California Environmental Quality Act (CEQA) documentation. This action is necessary satisfy 42 U.S.C. §§7511a (FCAA) §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally amendments to Rule 462 – *Organic Liquid Loading*. 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
- Nonduplication
- 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:

N/A Elements as set forth in applicable Federal law or regulations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

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

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

- Environmental impacts of compliance.
- N/A Mitigation of impacts.
- N/A Alternative methods of compliance.

OTHER:

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

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed amendments of Rule 462. These are actions that need to be performed and/or information that must be provided in order to amend the rule 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 Board in making these findings.

a. Necessity:

The proposed amendments to Rule 462 are necessary to address a vapor leak measurement issue identified by USEPA; clarify rule definitions and requirements; and improve rule enforceability.

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 amendments to Rule 462 are clear in that they are written so that the persons subject to the rule can easily understand the meaning.

d. Consistency:

The proposed amendments to Rule 462 are in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions. They do not interfere with any federal applicable requirement concerning attainment or Reasonable Further Progress (RFP) pursuant to the Federal Clean Air Act (FCAA).

e. Nonduplication:

The proposed amendments to Rule 462 do not impose the same requirements as any existing state or federal law or regulation

because the District is amending this rule in response to federal VOC RACT requirements.

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 amendments to Rule 462 was published on July 14, 2017 for the August 15, 2017 Governing Board meeting. The item was then continued to the September 19, 2017 meeting to address substantive comments from USEPA and CARB. 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 amendments to Rule 462 and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The FCAA requires areas designated non-attainment and classified moderate and above to implement RACT for sources subject to CTG documents issued by USEPA and for “major sources” of VOCs and NO_x that are ozone precursors. Because the District has an existing SIP rule for this CTG category, the District committed to adopting an updated RACT rule for organic liquid loading as part of the *RACT SIP Analysis*. The AVAQMD is proposing to update Rule 462 – *Organic Liquid Loading* to reflect current federal RACT as determined by comments from USEPA, CTG requirements, other related national rules and guidance, and the rules of other California air districts with nonattainment designations. USEPA approved SCAQMD Rule 462 – *Organic Liquid Loading* amended May 14, 1999 as a RACT rule on July 21, 1999 (64 FR 39037) and this rule was used as a basis for amendment.

b. Public Notice and Comment:

Notice for the public hearing for the proposed amendments to Rule 462 was published on July 14, 2017 for the August 15, 2017 Governing Board meeting. The item was then continued to the

September 19, 2017 meeting to address substantive comments from USEPA and CARB. 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:

Copies of the proposed amendments to Rule 462 and the accompanying draft staff report were made available to the public on July 14, 2017.

d. Notice to Specified Entities:

Copies of the proposed amendments to Rule 462 and the accompanying draft staff report were sent to all affected agencies. The proposed amendments were sent to the California Air Resources Board (CARB) and U.S. Environmental Protection Agency (USEPA) on July 14, 2017.

e. Public Hearing:

A public hearing to consider the proposed amendments to Rule 462 was set for August 15, 2017. The item was then continued to the September 19, 2017 meeting to address substantive comments from USEPA and CARB.

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 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 FCAA requires areas designated non-attainment for ozone and classified moderate and above to adopt and maintain RACT rules to control the emissions of VOCs and NO_x for categories which the USEPA has adopted a CTG and for all categories where there are major stationary sources of air pollution (42 U.S.C. §7511a(b)(2), FCAA 182(b)(2)). For purposes of the FCAA, the District has been designated non-attainment for ozone and classified severe-17.

The AVAQMD committed to amending Rule 462 – *Organic Liquid Loading* as part of the recently adopted *RACT SIP Analysis*.

C. ECONOMIC ANALYSIS

1. General

Rule 462 is equivalent to a rule that was determined by USEPA to be RACT¹, so a cost effectiveness analysis is not necessary, as SCAQMD determined the proposed amendments address a SIP approval issue and enhance rule enforceability. As a result, no cost impacts are expected from the proposed amendments.²

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 (CCAA) requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds (VOCs), oxides of nitrogen (NO_x) or oxides of sulfur (SO_x). This requirement does not apply to the proposed amendments to Rule 462 since it does not require BARCT or “all feasible measures.”

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed amendments to Rule 462 was determined.

¹ South Coast Air Quality Management District Rule 462 – *Organic Liquid Loading* (Amended May 14, 1999, 64 FR 39037, 07/21/99)

² South Coast Air Quality Management District Rule 462 Staff Report dated 05/14/1999, CEQA and Socioeconomic Analysis

1. The proposed amendments to Rule 462 meet the CEQA definition of “project”. They are not “ministerial” actions.

2. The proposed amendments to Rule 462 are exempt from CEQA review because they will not create any adverse impacts on the environment. This rule has been strengthened by removing a vapor leak measurement distance, clarifying rule definitions and requirements and improving rule enforceability. Because there is no potential that the amendments 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”.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The District does not anticipate any potential environmental impacts of compliance with the proposed amendments to Rule 462, as the amendments will address a vapor leak measurement issue identified by USEPA, impose additional controls and clarify rule requirements and improve rule enforceability.

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

This rule applies to all Organic Liquid loading facilities that are defined as Class “A”, “B” or “C” facilities pursuant to Section (B) of this rule.

B. EMISSIONS

As an administrative action, this rule amendment would not have any direct impact on the issuance of air contaminants. This rule has been strengthened by removing a vapor leak measurement distance, clarifying rule definitions and requirements and improving rule enforceability.

C. CONTROL REQUIREMENTS

Please see section (C) of the rule for control requirements. Control requirements consist of loading requirements for Class “A”, “B” and “C” facilities, transport vessels, switch loading, and leak inspection.

D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 462.

The rule formatting has been updated for consistency with other District rules.

Section (B) The following definitions have been updated:

- Exempt Compounds
- Facility Vapor Leak
- Submerged Fill Loading
- Transport Vessel Vapor Leak

Subsection (C)(1)(a) and (C)(2)(a) remove compliance dates that are no longer applicable

Subsection (C)(1)(g) added backpressure requirement derived from SCAQMD Rule 462.

Subsection (C)(6)(a)(i) added annual inspection using EPA Method 21 for leak detection

Subsection (C)(6)(a)(ii) added EPA Method 21 for consistency

Former Section (e) The Compliance Schedule has been removed as all compliance dates have passed and are no longer applicable. Any requirements contained in this section which may still be applicable have been moved to subsection (C).

Subsection (D) Remove compliance dates that are no longer applicable.

E. SIP HISTORY

1. SIP History.

Prior to 1975 the original air district for the Antelope Valley region was the Los Angeles County Air Pollution Control District that had a jurisdiction covering the entire county of Los Angeles. In 1975, the Southern California APCD was created. It was a joint powers authority that had a jurisdiction covering all of the counties of Los Angeles, Orange, Riverside and San Bernardino. The SCAQMD came into existence pursuant to statute on February 1, 1976 and originally covered only the areas within the South Coast Air Basin (SCAB). The legislation was thereafter amended to allow non-SCAB areas to “opt in.” Los Angeles County exercised this option and thus the Antelope Valley became a part of SCAQMD. On July 1, 1997 the AVAPCD replaced the SCAQMD as the agency with jurisdiction over the Los Angeles County portion of the Mojave Desert Air Basin (MDAB). On January 1, 2002 the AVAPCD was replaced by the AVAQMD. Pursuant to both statutory changes, the rule and regulations of the

predecessor district were retained until the Governing Board adopted, amended or rescinded them. At the first meeting of both the AVAPCD and the AVAQMD, the respective Governing Boards reaffirmed all the rules and regulations in effect at the time the agency changed.

The jurisdiction of the AVAPCD and the AVAQMD were specified in the statutes as the portion of the Los Angeles County contained within the MDAB. The MDAB was formerly known as the Southeast Desert Air Basin (SEDAB). In 1997 the SEDAB was split into the MDAB and the Salton Sea Air Basin. Descriptions of these air basins can be found in 17 Cal. Code Regs. §§60109 and 60144. Since USEPA adopts SIP revisions in California as effective within jurisdictional boundaries of local air districts, when the local air district boundaries change the SIP as approved by USEPA for that area up to the date of the change remains as the SIP in that particular area. Thus, upon creation of the AVAPCD on July 1, 1997 the AVAPCD acquired the SIP applicable to the Antelope Valley portion of the SCAQMD that was effective as of June 30, 1997. Likewise the AVAQMD acquired the SIP that was effective in the jurisdiction of the AVAPCD as of December 31, 2000. Therefore, the SIP history for this region is based upon the rules adopted, effective, and approved for the Antelope Valley by SCAQMD.

Rule 462 was originally adopted on 01/09/76 by the So.Cal.APCD and subsequently amended by the SCAQMD on 05/05/78, 10/14/79, 04/04/86, 12/07/90 and 06/09/95. The 06/09/95 version of Rule 462 as amended by the SCAQMD is the version in the AVAQMD rule book.

SCAQMD submitted the 06/09/95 version of Rule 462 for inclusion to the SIP. USEPA finalized a limited approval/limited disapproval on 11/13/97 (62 FR 60784) for Rule 462. This FR notice specifically excludes the AVAQMD from the SCAQMD approval. Pursuant to USEPA guidance, since final action had not been taken on the rule for the AV portion of the jurisdiction at the time of separation from SCAQMD the 06/09/95 version is not considered “sip pending.” Therefore, the last SIP approved version of Rule 462 would be the 10/14/1979 SCAQMD amendment (47 FR 29668, 07/08/82) as there was no action shown for the 04/04/86 version, and no final action on the 12/07/1990 version.

2. SIP Analysis.

The District will request CARB to submit the proposed amendments to Rule 462 – *Organic Liquid Loading* to USEPA for inclusion into the State Implementation Plan. This submission is necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors. The District will request that this version, upon approval, supersede the current SIP version as well as any potential outstanding SIP submissions made prior to the adoption date.

The proposed amendments to Rule 462 – *Organic Liquid Loading* are more stringent than the prior versions in the SIP as the amendments address a USEPA comment regarding a vapor leak measurement issue, impose additional controls and clarify rule requirements and improve rule enforceability

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Appendix “A”
Rule 462 – *Organic Liquid Loading* Iterated Version

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 unchanged by the adoption of the proposed amendments.
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 462

Organic Liquid Loading

(aA) General

(1) Purpose

- (a) This rule is intended to control emissions of ~~v~~Volatile ~~e~~Organic ~~e~~Compounds (VOC) from ~~f~~Facilities that load ~~e~~Organic ~~H~~Liquids with a vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual loading conditions into any tank truck, trailer, or railroad tank car.

(e2) Applicability

- (a) The provisions of this rule shall apply to all Organic Liquid loading facilities that are defined as Class “A”, “B” or “C” facilities pursuant to Section (B) of this rule. [Moved from (c) for rule format consistency]

(bB) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) “Background” - BACKGROUND is ~~t~~The ambient concentration of organic vapors in the air measured according to the EPA Method 21. ~~subsection 4.3.2.~~ [Updated in response to USEPA request.]
- (2) “Class “A” Facility” - CLASS "A" FACILITY is ~~a~~Any ~~f~~Facility which loads 20,000 gallons (75,700 liters) or more on any one day of ~~e~~Organic ~~H~~Liquids into any tank truck, trailer, or railroad tank car.
- (3) “Class “B” Facility” - CLASS "B" FACILITY is ~~a~~Any ~~f~~Facility which:
- (Aa) ~~which~~ was constructed before January 9, 1976 and loads more than 4,000 gallons (15,140 liters) but not more than 20,000 gallons (75,700 liters) of ~~g~~Gasoline on any one day into any tank truck, trailer, or railroad tank car.
- (Bb) ~~which~~ was constructed before January 9, 1976 and loads not more than 4,000 gallons (15,140 liters) of ~~g~~Gasoline on any one day, but more than 500,000 gallons (1,892,500 liters) of ~~g~~Gasoline in any one calendar year, into any tank truck, trailer, or railroad tank car.
- (Cc) ~~which~~ was constructed after January 9, 1976 and loads not more than 20,000 gallons (75,700 liters) of ~~g~~Gasoline on any one day into a tank truck, trailer or railroad tank car.

(4) ~~“Class ‘C’ Facility” - CLASS “C” FACILITY is a~~Any fFacility existing before January 9, 1976 which loads not more than 4,000 gallons (15,140 liters) of gGasoline on any one day and not more than 500,000 gallons in any one calendar year, into any tank truck, trailer, or railroad tank car.

(5) ~~“Exempt Compounds” - EXEMPT COMPOUNDS~~Those compounds listed in 40 CFR 51.100(s). ~~[Derived from AV Rule 1151 for consistency]~~are any of the following compounds that have been determined to be non-precursors of ozone:

~~(A) Group I (General)~~

- ~~trifluoromethane (HFC-23)~~
- ~~pentafluoroethane (HFC-125)~~
- ~~1,1,2,2-tetrafluoroethane (HFC-134)~~
- ~~tetrafluoroethane (HFC-134a)~~
- ~~1,1,1-trifluoroethane (HFC-143a)~~
- ~~1,1-difluoroethane (HFC-152a)~~
- ~~chlorodifluoromethane (HCFC-22)~~
- ~~dichlorotrifluoroethane (HCFC-123)~~
- ~~2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)~~
- ~~dichlorofluoroethane (HCFC-141b)~~
- ~~chlorodifluoroethane (HCFC-142b)~~
- ~~cyclic, branched, or linear, completely fluorinated alkanes~~
- ~~cyclic, branched, or linear, completely fluorinated ethers with no unsaturations~~
- ~~cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations~~
- ~~sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine~~

~~(B) Group II~~

- ~~methylene chloride~~
 - ~~1,1,1-trichloroethane (methyl chloroform)~~
 - ~~trifluoromethane (FC-23)~~
 - ~~trichlorotrifluoroethane (CFC-113)~~
 - ~~dichlorodifluoromethane (CFC-12)~~
 - ~~trichlorofluoromethane (CFC-11)~~
 - ~~dichlorotetrafluoroethane (CFC-114)~~
 - ~~chloropentafluoroethane (CFC-115)~~
- ~~The use of Group II compounds and/or carbon tetrachloride may be restricted in the future because they are toxic, potentially toxic, or upper atmospheric ozone depleters, or cause other environmental impacts. By January 1, 1996, chlorofluorocarbons (CFC), 1,1,1-trichloroethane (methyl chloroform), and carbon tetrachloride will be phased out in accordance with the Code of Federal Regulations Title 40, Part 82 (December 10, 1993).~~

(6) ~~“Facility” - FACILITY is a~~An eOrganic hLiquid or gGasoline loading rack or set of such racks that load eOrganic hLiquid or gGasoline into tanks, trailers or railroad cars, which are located on one or more contiguous properties within the District,

in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person or persons under common control.

- (7) “Facility Vapor Leak” - ~~FACILITY VAPOR LEAK is an~~The escape of organic vapors from a source other than a tank truck, trailer or railroad tank car in excess of 3,000 ppm as methane above ~~b~~Background when measured ~~at a distance of 2 centimeters from the source~~ according to EPA Method 21. A ~~f~~Facility ~~v~~Vapor ~~H~~Leak source does not include liquid spillage or condensate resulting from ~~H~~Liquid ~~H~~Leaks". *[Distance reference deleted to address a Limited Approval/Limited Disapproval in the NPRM issued 05/14/1997]*
- (8) “Gasoline” - ~~GASOLINE is a~~Any petroleum distillate or petroleum distillate/alcohol blend or alcohol, except any liquefied petroleum gas (LPG), which has a vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual loading conditions and is used as a fuel for internal combustion engines.
- (9) “Liquid Leak” - ~~LIQUID LEAK is a~~The dripping of liquid organic compounds at a rate in excess of three drops per minute from any single leak source other than the liquid fill line and vapor line of disconnect operations.
- (10) “Liquid Leak from Disconnect Operations” - ~~LIQUID LEAK FROM DISCONNECT OPERATIONS is d~~Defined as: (a) more than two milliliters of liquid drainage per disconnect from a top loading operation; or (b) more than ten milliliters of liquid drainage per disconnect from a bottom loading operation. Such- liquid drainage shall be determined by computing the average drainage from three consecutive disconnects at any one loading arm.
- (11) “Organic Liquid” - ~~ORGANIC LIQUID is a~~Any liquid compound containing the element carbon that has a vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual loading conditions excluding liquefied petroleum gases (LPG), methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and ~~e~~Exempt ~~e~~Compounds.
- (12) “Submerged Fill Loading” - ~~SUBMERGED FILL LOADING is a~~A type of ~~o~~Organic ~~H~~Liquid loading operations where the discharge opening is completely submerged when the liquid level above the bottom of the ~~T~~ransport ~~v~~Vessel is eight centimeters (3.2 inches) or higher. *[Additional language for clarity per CARB comment 08/11/17]*
- (13) “Switch Loading” - ~~SWITCH LOADING is a~~The transfer of ~~o~~Organic ~~H~~Liquids with a vapor pressure of less than 1.5 psia (77.5 mm Hg) under actual loading conditions ~~s~~ into any tank truck, trailer or railroad tank car that was loaded with an ~~o~~Organic ~~H~~Liquid with a vapor pressure of 1.5 psia (77.5 mm Hg) or greater, immediately preceding the transfer.
- (14) “Transfer Equipment” - ~~TRANSFER EQUIPMENT s~~Shall consist of all the components of the liquid loading line between the liquid pump and the

transporting vessel, and the vapor return line from the transporting vessel to the storage tank, or to and including the ~~v~~Vapor ~~r~~Recovery ~~s~~System.

- (15) ~~“Transport Vessel” - TRANSPORT VESSEL is a~~ tank truck, trailer or railroad tank car that is equipped to receive and transport ~~e~~Organic ~~l~~Liquid.
- (16) ~~“Transport Vessel Vapor Leak” - TRANSPORT VESSEL VAPOR LEAK is~~
~~an~~The escape of organic vapors from a ~~t~~Transport ~~v~~Vessel in excess of 100 percent of the ~~lower explosive limit LEL~~-when monitored according to the CARB Vapor Recovery Test Procedure TP 204.3 – *Determination of Leak(s)*.~~for Gasoline Vapor Leak Detection Using Combustible Gas Detector. [Derived from SCAQMD Rule 462 amended 05/14/1999]~~
- (17) ~~“Vapor Disposal System” - The VAPOR DISPOSAL SYSTEM is a~~ control equipment designed and operated to reduce VOC emissions ~~-into the atmosphere.~~
- (18) ~~“Vapor Recovery System” - VAPOR RECOVERY SYSTEM is a~~ vapor gathering system which is capable of collecting and returning discharged hydrocarbon vapors and gases during loading of ~~e~~Organic ~~l~~Liquids into ~~t~~Transport ~~v~~Vessels, back to a stationary storage container, or into an enclosed process system.
- (19) ~~“Volatile Organic Compound (VOC) - VOLATILE ORGANIC COMPOUND (VOC) is a~~Any volatile compound containing the element carbon, excluding methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and ~~e~~Exempt ~~e~~Compounds.

~~(c)~~ ~~Applicability~~

~~— The provisions of this rule shall apply to all the organic liquid loading facilities that are defined as Class A, B or C facilities pursuant to paragraphs (b)(2), (b)(3) and (b)(4) of this rule. [Moved to section (A) (2) for rule format consistency]~~

~~(d)~~ Requirements

- (1) Loading Requirements at Class “A” Facilities
- (Aa) ~~From June 9, 1995 until January 31, 1999, each Class A facility shall be equipped with a vapor recovery and/or disposal system approved by the Executive Officer or designee. Effective February 1, 1999, each~~Each Class “A” ~~f~~Facility shall be equipped with a CARB certified ~~v~~Vapor ~~r~~Recovery ~~s~~System and/or disposal system.
- (Bb) Each vapor recovery and/or disposal system at a Class “A” ~~f~~Facility shall be equipped with a continuous monitoring system (CMS) that is installed,

operated, and maintained according to the manufacturer's specifications and is approved by the Executive Officer or designee.

- (Cc) The transfer of ~~e~~Organic ~~H~~Liquids shall be accomplished in such a manner that the displaced organic vapors and air are vented, under design conditions, to the vapor recovery and/or disposal system.
- ~~(Dd) From June 9, 1995 until January 31, 1998, each system shall reduce the emissions of volatile organic compounds (VOC) to 0.29 pound or less per thousand gallons (35 grams per 1,000 liters) of organic liquid transferred. Effective February 1, 1998, each~~Each vapor recovery and/or disposal system shall reduce the emissions of VOCs to 0.08 pound or less per thousand gallons (10 grams per 1,000 liters) of ~~e~~Organic ~~H~~Liquid transferred. *[Derived from SCAQMD Rule 462]*
- (Ee) Any Class ~~"A"~~ ~~f~~Facility transferring ~~g~~Gasoline into any truck, trailer, or railroad tank car shall be designed and operated for bottom loading only.
- (Ff) The ~~t~~Transfer ~~e~~Equipment shall be operated and maintained so that there are no overfills, ~~f~~Facility ~~v~~Vapor ~~H~~Leaks, ~~H~~Liquid ~~H~~Leaks, or ~~H~~Liquid ~~H~~Leaks from disconnect operations.
- ~~(g) The backpressure in the vapor recovery and/or disposal system shall not exceed 18 inches of water column pressure. [Derived from SCAQMD Rule 462]~~

(2) Loading Requirements at Class ~~"B"~~ Facilities

- ~~(Aa) From June 9, 1995 until January 31, 1999, each Class B facility shall be equipped with a vapor recovery system which is approved by the Executive Officer or designee. Effective February 1, 1999, each~~Each Class ~~"B"~~ ~~f~~Facility shall be equipped with a CARB certified ~~v~~Vapor ~~r~~Recovery ~~s~~System. *[Requirement date is no longer applicable. All Class B facilities have complied.]*
- (Bb) Such system shall be designed and operated to recover at least 90 percent of the displaced vapors.
- (Cc) The backpressure in the ~~v~~Vapor ~~r~~Recovery ~~s~~System shall not exceed 18 inches of water column pressure.
- ~~(Dd) Any Class "B" fFacility transferring gGasoline into any truck, trailer, or railroad tank car, shall be designed for bottom loading only.~~
- (Ee) The ~~t~~Transfer ~~e~~Equipment shall be operated and maintained so that there are no overfills, ~~f~~Facility ~~v~~Vapor ~~H~~Leaks, ~~H~~Liquid ~~H~~Leaks, or ~~H~~Liquid ~~H~~Leaks from disconnect operations.

(3) Loading Requirements at Class “C” Facilities

- (Aa) Each Class “C” ~~F~~Facility shall be equipped and operated for ~~s~~Submerged ~~f~~Fill ~~H~~Loading or bottom fill loading. All ~~g~~Gasoline or equivalent vapor pressure ~~e~~Organic ~~H~~Liquids shall be transferred in this manner.
- (Bb) The ~~t~~Transfer ~~e~~Equipment shall be operated and maintained so that there are no overfills, ~~H~~Liquid ~~H~~Leaks, or ~~H~~Liquid ~~H~~Leak from disconnect operations.

(4) Loading Requirements for Transport Vessels

- (Aa) No person shall allow loading or unloading of ~~e~~Organic ~~H~~Liquid or other use or operation of any ~~t~~Transport ~~v~~Vessel unless the vessel has a valid certification of vapor integrity as defined by the applicable Air Resources Board Certification and Test Procedures, pursuant to Health and Safety Code Section 41962(g) ~~and the California Administrative Code Title 17, Section 94004. [Derived from to SCAQMD Rule 462]~~
- (Bb) Transport ~~v~~Vessel vapor leaks from dome covers, pressure vacuum vents or other sources shall be determined in accordance with the CARB Vapor Recovery Test Procedure TP-204.3 – Determination of Leak(s). ~~for Gasoline Vapor Leak Detection Using a Combustible Gas Detector dated, September 1, 1982.~~
- (Cc) The ~~t~~Transport ~~e~~quipment ~~V~~Vessel shall be operated so ~~such~~ that there are no Transport Vessel Vapor Leaks or ~~H~~Liquid ~~H~~Leaks.

(5) Switch Loading

- (a) Uncontrolled ~~s~~Switch ~~H~~Loading is prohibited except at Class “C” facilities.

(6) Leak Inspection Requirements

- (Aa) The owner and operator of any Class “A”, “B”, or “C” ~~F~~Facility shall be required to perform an inspection of the vapor collection system, the ~~v~~Vapor ~~d~~Disposal ~~s~~System, and each loading rack handling ~~e~~Organic ~~H~~Liquids, for ~~f~~Facility ~~v~~Vapor ~~H~~Leaks or ~~H~~Liquid ~~H~~Leaks of ~~v~~VOC’ ~~soluble organic compounds~~ on one of the following schedules:
 - (i) Annual inspection using EPA Method 21 if monthly ~~if~~ sight, sound, and smell are used as detection methods.
 - (ii) Quarterly inspection if ~~an organic vapor analyzer (OVA)~~ EPA Method 21 is used to monitor for ~~f~~Facility ~~v~~Vapor ~~H~~Leaks. . [Added language to address USEPA recommendation for additional detection method and CARB comment for consistency with definition of Facility Vapor Leak]

- (Bb) Each detection of a leak shall be repaired or replaced within 72 hours. If the leaking component cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. The repaired or replacement component shall be reinspected the first time the component is in operation after the repair or replacement. [Updated in response to USEPA request. Derived from SJVUAPCD Rule 4624, section 5.9.3]

(7) CARB Certification

- (a) Within 30 calendar days after completing construction of any new or modified vapor recovery and/or disposal system, the owner/operator of a Class "A" or Class "B" facility shall submit a written request to CARB for certification of the new or modified vapor recovery and/or disposal system.

~~(e) Compliance Schedule~~

~~The owner and operator of any Class A, B, or C facility subject to this rule shall comply with the requirements of subdivision (d) in accordance with the following schedule:~~

- ~~(1) For Class A facilities subject to paragraph (d)(1):~~
- ~~(A) By July 1, 1996, submit an application to the Executive Officer or designee for permit to construct a new or modified vapor recovery and/or disposal system where applicable. [Compliance deadline is no longer applicable. All facilities have submitted applications.]~~
- ~~(B) By February 1, 1997, submit a Continuous Monitoring System (CMS) Plan to the Executive Officer or designee for the approval. [Submission deadline is no longer applicable. CMS requirement is in (C)(1)(b)]~~
- ~~(C) By February 1, 1998, demonstrate compliance with the organic vapor emission limit of 0.08 pound per thousand gallons of organic liquid transferred. [Compliance deadline is no longer applicable. Emission limit is stated in (C)(1)(d)]~~
- ~~(D) Within 30 calendar days after completing construction of a new or modified vapor recovery and/or disposal system, a written request shall be submitted to CARB for certification of the new or modified vapor recovery and/or disposal system. [Moved to (C)(7)]~~
- ~~(E) By February 1, 1999, demonstrate compliance with the CARB certification of the existing or modified vapor recovery and/or disposal system. [Compliance deadline is no longer applicable. CARB certification requirement is in (C)(1)(a)]~~
- ~~(2) For Class B facilities subject to paragraph (d)(2):~~

- ~~(A) By February 1, 1999, demonstrate compliance with the CARB certification of the existing vapor recovery system. [Compliance deadline is no longer applicable. Requirement is in (C)(2)(a)]~~
- ~~(3) For Class B facilities that were Class C facilities prior to June 9, 1995 and now are subject to paragraph (d)(2):~~
- ~~(A) By January 1, 1996, submit an application to the Executive Officer or designee for permit to construct and permit to operate a vapor recovery system where applicable. [Application deadline is no longer applicable. All applications were submitted in a timely manner]~~
- ~~(B) By February 1, 1998, demonstrate compliance with the requirement of 90 percent recovery of displaced vapors. [Compliance deadline is no longer applicable. Recovery requirement is in section (C)(2)(b)]~~
- ~~(C) Within 30 calendar days after completing construction of a new or modified vapor recovery system, a written request shall be submitted to CARB for certification of the new or modified vapor recovery and/or disposal system. [Requirement moved to (C)(7)]~~
- ~~(D) By February 1, 1999, demonstrate compliance with the CARB certification requirement. [Compliance deadline is no longer applicable. Requirement was moved to (C)(2)(a)]~~

(fD) Compliance Determination/Test Methods

- (1) Compliance with the emission limit of organic vapors as specified in ~~the subparagraph (dC)(1)(Dd)~~ shall be determined according to EPA Method 25A, 25B or SCAQMD Method 501.1, as applicable.
- (2) Continuous Monitoring System required pursuant to ~~subparagraph (dC)(1)(Bb)~~ shall be in compliance with Code of Federal Regulation Title 40 Part ~~6063~~ Subpart R Section 63.427 and Code of Federal Regulations Title 40 Part 60 Appendix B, as applicable. Appendix B.
- (3) Compliance with the vapor recovery efficiency as specified in ~~the subparagraph (dC)(2)(Bb)~~ shall be determined according to CARB ~~Method 202~~ Vapor Recovery Certification Procedure CP-202 – Certification Procedure for Vapor Recovery Systems of Bulk Plants.-
- (4) Determinations of ~~f~~Facility ~~v~~Vapor ~~H~~Leaks as defined in ~~the paragraph (bB)(7)~~ shall be conducted according to EPA Method 21.
- (5) Any other alternative test method approved in writing by the Executive Officer, CARB, and USEPA may be used only when none of the test methods identified in this section are applicable.

(6) When more than one test method or set of test methods are specified for any testing, a violation of any requirements of this rule established by any one of the specified test methods or set of methods shall constitute a violation of the rule.

(gE) Recordkeeping

- (1) The owner and operator of any Class “A”, “B”, or “C” ~~f~~Facility, in order to ~~determine~~verify the classification of such ~~f~~Facility, shall maintain a daily log of the throughput and a summary of the throughput for the calendar year to date, of the liquid organic compounds subject to the provisions of this rule. A log showing daily compliance shall suffice to satisfy this requirement.
- (2) The owner and operator of any Class “A”, “B”, or “C” ~~f~~Facility shall maintain records for verification of compliance with the requirements in paragraph ~~(dC)~~(6). The records shall include, but are not limited to, inspection dates, description of leaks detected, repair/replacement dates, and reinspection dates. ~~A single compliant daily log shall suffice to satisfy this requirement.~~
- (3) All records shall be maintained at the ~~f~~Facility for at least two years and shall be available to the Executive Officer or designee upon request.

(hF) Distribution of Responsibilities

- (1) The owner and operator of any Class “A”, “B”, or “C” ~~f~~Facility shall be responsible and liable for complying with the provisions of paragraphs ~~(dC)~~(1), ~~(dC)~~(2), ~~(dC)~~(3), and ~~(dC)~~(6) and ~~subdivisions~~sections ~~(eD)~~ and ~~(gE)~~ of this rule, and for maintaining the equipment at the ~~f~~Facility in such condition that it can comply with the requirements of this rule if properly operated. If employees of the owner or operator of the ~~f~~Facility supervise or affect the transfer operation, the owner or operator of the ~~f~~Facility shall be responsible for ensuring that the transfer operation complies with all requirements of this rule and that the ~~t~~Transfer ~~e~~Equipment is properly operated. [Updated in response to USEPA request. Removed word “subdivisions” and added “sections”; ~~(gF)~~ was corrected to ~~(gE)~~]
- (2) The owner, operator, and driver of a ~~t~~Transport ~~v~~Vessel shall be responsible and liable for complying with paragraphs ~~(dC)~~(4) and ~~(dC)~~(5) of this rule.

(iG) Exemptions

- (1) The provisions of subparagraphs ~~(dC)~~(1)~~(Ff)~~, ~~(dC)~~(2)~~(Ee)~~ and ~~(dC)~~(3)~~(Bb)~~ shall not apply to components found in violation of ~~f~~Facility ~~v~~Vapor ~~l~~Leaks or ~~l~~Liquid ~~l~~Leaks either of which is detected and recorded originally by the owner or operator, provided the repair or replacement of applicable equipment is completed within the specified period as given in subparagraph ~~(dC)~~(6)~~(Bb)~~.

- (2) The provisions of subparagraphs ~~(dC)~~(1)(Aa) and ~~(dC)~~(1)(Bb) shall not apply to vapor recovery and/or disposal systems which vent displaced hydrocarbon vapors to an adjacent refinery flare or other combustion device that receives gaseous streams from other refinery sources.

~~[SIP: Submitted as amended 6/9/95 on 10/13/95; approved 5/3/95, 60 FR 21702, _____, Approved 7/8/82, 47 FR 29668, 40 CFR 52.220(e)(88)(iii)(B); Approved 1/21/81, 46 FR 5965, 40 CFR 52.220(e)(47)(i)(B); Approved 7/26/77, 42 FR 37976, 40 CFR 52.220(e)(31)(vi)(A).]~~

See SIP table

at: [http://avaqmd.ca.gov/files/aa5e9c334/AVAQMD%20State%20Implementation%20Plan%20\(SIP\)%20Table.pdf](http://avaqmd.ca.gov/files/aa5e9c334/AVAQMD%20State%20Implementation%20Plan%20(SIP)%20Table.pdf)

Appendix “B”
Public Notice Documents

1. Proof of Publication – Antelope Valley Press 07/14/2017

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AFFIDAVIT OF PUBLICATION

(2015.5 C.C.P.)

STATE OF CALIFORNIA

County of Los Angeles

} s s

AVAQMD
JUL 19 2017
RECEIVED

The space above for filing stamp only

NOTICE OF HEARING
CONSIDER THE PROPOSED AMENDMENT
OF RULE 462 - ORGANIC LIQUID LOADING

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the **Antelope Valley Press**, a newspaper of general circulation, printed and published daily in the City of Palmdale, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under date of October 24, 1931, Case Number 328601; Modified Case Number 657770 April 11, 1956; also operating as the Ledger-Gazette, adjudicated a legal newspaper June 15, 1927, by Superior Court decree No. 224545; also operating as the Desert Mailer News, formerly known as the South Antelope Valley Football News, adjudicated a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California on May 29, 1967, Case Number NOC564 and adjudicated a newspaper of general circulation for the City of Lancaster, State of California on January 26, 1990, Case Number NOC10714, Modified October 22, 1990; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

July 14, 2017

I certify (or declare) under penalty of perjury that the fore-going is true and correct.



Signature

Dated: July 14, 2017
Executed at Palmdale, California

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 August 16, 2017 at 10:00 A.M. to consider the proposed amendment of Rule 462 - Organic Liquid Loading.

SAID HEARING will be conducted in the Governing Board Chambers located at the AVAQMD offices, 43901 Division Street, Suite 206, Lancaster, CA 93535-4649 where all interested persons may be present and be heard. Copies of the proposed amendment of Rule 462 - Organic Liquid Loading and the Staff Report are on file and may be obtained from the Clerk of the Governing Board at the AVAQMD Offices. Written comments may be submitted to Bret Banks, APCO at the above office address, and should be received no later than August 14, 2017 to be considered. If you have any questions, you may contact Barbara Loda at (661) 723-6070 x3 or via E-mail at bloda@avaqmd.ca.gov for further information. Traducción este disponible por solicitud.

The proposed amendment of Rule 462 - Organic Liquid Loading will satisfy 42 U.S.C. §17511a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for "major sources" of volatile organic compounds (VOCs) and oxides of nitrogen (NOx) which are ozone precursors.

The proposed amendments to Rule 462 are necessary to address a vapor leak measurement issue identified by USEPA; clarify rule definitions and requirements; and improve rule enforceability.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 - 14 Cal. Code Reg §153001) applies and has prepared a Notice of Exemption for this action.

CRYSTAL GOREE
Deputy Clerk of the Board
Antelope Valley Air Quality Management District
Published July 14, 2017



37404 SIERRA HWY., PALMDALE CA 93550
Telephone (661)267-4112/Fax (661)947-4870

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Appendix “C”
Public Comments and Responses

1. USEPA Comment, 07/25/2017.
2. CARB Comment, 08/11/2017
3. USEPA Comment, 08/16/2017

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1. USEPA Comment, 07/25/2017

Barbara Lods

From: Steckel, Andrew <Steckel.Andrew@epa.gov>
Sent: Tuesday, July 25, 2017 8:09 AM
To: Bret Banks; Sutkus, Carol@ARB; Barbara Lods
Cc: Newhouse, Rebecca; Zimpfer, Amy
Subject: EPA Comments on Antelope Valley Rule 462



United States Environmental Protection Agency
Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901

July 26, 2017

Transmittal of EPA Rule Review Comments

To: Bret Banks, Antelope Valley Air Quality Management District
bbanks@avaqmd.ca.gov

Carol Sutkus, California Air Resources Board
csutkus@arb.ca.gov
From: Andrew Steckel, Rulemaking Office Chief
steckel.andrew@epa.gov
Re: Rule 462, Organic Liquid Loading, draft dated July 5, 2017

We are providing comments based on our preliminary review of the draft rule identified above. Although we believe these revisions are not necessary for EPA to propose approval of this rule as drafted at this time, the following changes would significantly strengthen Rule 462. Please direct any questions about our comments to me at (415) 847-4115 or to Rebecca Newhouse at (415) 972-3004.

- | | |
|----|---|
| 1. | 1. We recommend increasing the vapor recovery requirement for loading at Bulk Gasoline Plants from 90% to 95% or including an emissions limit for these transfers of at least 0.6 lbs VOCs/1000 gallons transferred. For example, please see San Joaquin Valley Air Pollution Control District (APCD) Rule 4642 and Yuba-Solano Air Quality Management District (AQMD) Rule 2.21, which both require at least 90% prevention of displaced VOCs from bulk gasoline plant transfers, and see Sacramento Metropolitan AQMD Rule 447 and Placer County APCD Rule 215, which set a maximum emissions limit of 0.6 lbs VOC/1000 gallons gasoline transferred. |
| 2. | 2. We recommend requiring semi-annual or annual leak inspections with a portable hydrocarbon analyzer of the vapor collection system, the vapor disposal system, and each loading rack handling organic liquids, if the owner or operator chooses to comply with the monthly inspection schedule using sight, sound, and smell (C)(6)(a)(i). |
| 3. | 3. Please specify for (C)(6)(b), that if the leak cannot be repaired or replaced within 72 hours, the component shall be taken out of service until such time the component is repaired or replaced. For example, please see SJVAPCD Rule 4624 section 5.9.3. |
| 4. | 4. Please replace the reference to (F) in line three of B(1) with (E). |
| 5. | 5. Please delete "subsection 4.3.2" from the definition of "Background" in B(1). |

1. District response to USEPA comment, 07/25/2017

1. The District chose to retain the 90% vapor recovery requirement to maintain consistency with neighboring districts that have current RACT rules, SCAQMD Rule 462 and VCAPCD Rule 71.3.
2. The District chose to retain existing language regarding leak inspections to maintain consistency with a neighboring District that has a current RACT rule, SCAQMD Rule 462.
3. Section (C)(6)(a)(i) has been changed to clarify procedure if leak cannot be repaired within 72 hours.
4. Reference to (F) in line three of (F)(1) has been changed to (E).
5. The reference to “subsection 4.3.2” in the definition of “Background” in section (B)(1) has been removed.

2. CARB Comment, 08/11/2017

From: [Grose, Taylor@ARB](mailto:Grose.Taylor@ARB)
To: [Barbara Lods](mailto:Barbara.Lods@ARB); [Bret Banks](mailto:Bret.Banks@ARB)
Cc: [Lindberg, Jeff@ARB](mailto:Lindberg.Jeff@ARB)
Subject: AV Rule 462
Date: Friday, August 11, 2017 4:18:29 PM

Barbara,

Per our conversation yesterday, there were only a few things that caught our eye relating to the enforceability of the proposed amendments to the Antelope Valley Rule 462.

1.

(B) Definitions (12) states that "Submerged Fill Loading" is when the "discharge opening is completely submerged when the liquid level above the bottom of the vessel is eight centimeters." it is slightly unclear that the "vessel" referred to is the "transportation vessel".

2.

(C) Requirements (6) Leak Inspection Requirements, (6)(a) allows for sight, sound and smell as a detection method for facility vapor leaks, but the rule in (B)(7) and again in (D)(4) specifically defines a "Facility Vapor Leak" as 3000 ppm above background when measured using method 21. Accordingly, based on the definition and compliance test method, it would not be possible to determine a Facility Vapor Leak using an undefined sight smell and sound method. ARB staff would recommend that you require facilities to use the OVA method semiannually including when they decide to do leak inspections using sight, smell and sound or when they verify a leak repair.

Please let Jeff Lindberg or me know if you have any questions regarding these comments.

Taylor Grose
Air Resources Engineer
District Support Section
ARB-Enforcement Division
8340 Ferguson Avenue
Sacramento, CA 95828
Phone: (916) 229-0334
Fax: (916) 229-0645.

CONFIDENTIALITY NOTICE: This communication with its contents may contain confidential and/or legally privileged information. It is solely for the use of the intended recipient(s). Unauthorized interception, review, use or disclosure is prohibited and may violate applicable laws including the Electronic Communications Privacy Act. If you are not the intended recipient, please contact the sender and destroy all copies of the communication.

2. District response to CARB Comment, 08/11/2017

1. Definition (12) for Submerged Fill Loading has been changed to add “Transport” to the definition for clarity.
2. Section (C)(6)(a)(i) has been amended to include annual testing using EPA Method 21. This change also addresses EPA comment (2), dated 07/25/2017.

3. USEPA Comment, 08/16/2017

From: [Newhouse, Rebecca](#)
To: [Barbara Lods](#)
Cc: [Tong, Stanley](#)
Subject: AVAQMD Rule 462
Date: Wednesday, August 16, 2017 10:08:19 AM

Hi Barbara,

I took a look at the language. I think it addresses recommendation 2) in our comment letter. Thank you for making that change.

1.

I wanted to also add that while looking briefly at the rule again, I saw that records are only required to be retained for two years. Region 9's little bluebook recommends records for Title V and MACT facilities be kept records for 5 years (pg 21 <https://www.arb.ca.gov/drdb/lbb2001.pdf>). As in the case of the other recommendations, we feel that this change would strengthen the rule, but it is not an approvability issue. Please consider requiring 5 years for records as appropriate or if you have major sources.

Thanks,
Rebecca

Rebecca Newhouse
U.S. EPA Region 9, Air Rules Office (AIR-4)
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3004
newhouse.rebecca@epa.gov

From: Newhouse, Rebecca
Sent: Tuesday, August 15, 2017 4:16 PM
To: 'Barbara Lods' <blods@mdaqmd.ca.gov>
Subject: RE: AVAQMD Rule 462

Hi Barbara, thanks so much for you email. Sorry for the delay—I'll try to get back to you tomorrow morning. Also, when in September is your board meeting scheduled?

Thanks,
Rebecca

From: Barbara Lods [<mailto:blods@mdaqmd.ca.gov>]
Sent: Monday, August 14, 2017 2:32 PM

To: Newhouse, Rebecca <newhouse.rebecca@epa.gov>

Subject: AVAQMD Rule 462

Hi Rebecca,

I want to pass a couple of changes by you to see what your thoughts are on the changes. I received additional comment from CARB on section (C)(6)(a) requiring annual portable analyzer testing, so I have changed how that section will read. Here is how it looks:

(6) Leak Inspection Requirements

- (a) The owner and operator of any Class "A", "B", or "C" Facility shall be required to perform an inspection of the vapor collection system, the Vapor Disposal System, and each loading rack handling Organic Liquids, for Facility Vapor Leaks or Liquid Leaks of VOC's on one of the following schedules:
 - (i) Annual inspection using EPA Method 21 if monthly sight, sound, and smell are used as detection methods, or
 - (ii) Quarterly inspection if EPA Method 21 is used to monitor for Facility Vapor Leaks. *[Added language to address USEPA recommendation for additional detection method and CARB comment for consistency with definition of Facility Vapor Leak]*

I would appreciate any additional thoughts you may have.

Let me know at your earliest convenience, as we will be continuing the rule amendment to our September meeting due to substantive comments.

Barbara Lods

Antelope Valley

Air Quality Management District

Air Quality Specialist

43301 Division Street, Suite 206

Lancaster, CA 93535

phone 661.723.8070 ext 3

blods@avaqmd.ca.gov | www.avaqmd.ca.gov

3. District response to USEPA Comment, 08/16/2017

1. The District chose to retain existing language regarding record keeping, as the facilities located within the District are not Title V or MACT facilities.

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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

AVAQMD Administrative Secretary of the Governing Board

PROJECT TITLE: Amendment of Rule 462 – *Organic Liquid Loading*

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

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: The proposed amendment of Rule 462 – *Organic Liquid Loading* will satisfy 42 U.S.C. §§7511a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NOX) which are ozone precursors.

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))

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

REASONS WHY PROJECT IS EXEMPT: The proposed amendments to Rule 462 are exempt from CEQA review because they will not create any adverse impacts on the environment. This rule has been strengthened by removing a vapor leak measurement distance, clarifying rule definitions and requirements and improving rule enforceability. Because there is no potential that the amendments 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/APCO **DATE:** September 19, 2017

DATE RECEIVED FOR FILING:

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Appendix “E” Bibliography

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

1. *Control of Volatile Organic Compound Leaks from Gasoline Tank Trucks and Vapor Collection Systems*, (EPA 450 2-78-051, December 1978)
2. *Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals*, (EPA 450 2-77-026, October 1977)
3. *Control of Volatile Organic Emissions from Bulk Gasoline Plants*, (EPA 450 2-77-035, December 1977)
4. South Coast Air Quality Management District Rule 462, *Organic Liquid Loading*, May 14, 1999
5. South Coast Air Quality Management District, Staff Report, Rule 462, *Organic Liquid Loading, Board Meeting Date May 14, 1999*.
6. USEPA Region IX Technical Support Document for EPA’s Notice of Final Rulemaking for the California State Implementation Plan, South Coast Air Quality Management District Rule 462, *Organic Liquid Loading*, March 12, 1997

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

*AGENDA ITEM **8***

DATE: September 8, 2017

RECOMMENDATION: Receive, file and direct staff action.

SUMMARY: Receive, file and direct staff action regarding the report provided by Larry Rottman of Rottman Drilling Company.

BACKGROUND: Provide information regarding the effect of the California Air Resources Board Off Road Diesel Engine Regulations on the Water Drilling Industry.

REASON FOR RECOMMENDATION: Inform Board members of the effect of California Air Resources Board regulations on local business.

REVIEW BY OTHERS: This item was reviewed as to legal form by Allison E. Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about September 8, 2017.

FINANCIAL DATA: None.

PRESENTER: Bret Banks, Executive Director/APCO

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

AGENDA ITEM 2

DATE: September 8, 2017

RECOMMENDATION: Appoint a Board member, one from each organization: the City of Lancaster, Los Angeles County 5th District representative and the City of Palmdale to create an Executive Committee of the Governing Board to serve for the remainder of calendar year 2017.

SUMMARY: Establish an Executive Committee of the Governing Board comprised of one member from each of: the City of Lancaster, Los Angeles County 5th District representative and the City of Palmdale.

BACKGROUND: To establish an Executive Committee of the Governing Board to review various issues and provide recommendations to the full Board for consideration.

REASON FOR RECOMMENDATION: Allow District to nimbly respond to issues as they arise and/or take on such duties, responsibilities and tasks as the Board may delegate to the Executive Committee from time to time.

REVIEW BY OTHERS: This item was reviewed as to legal form by Allison E. Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about September 8, 2017.

FINANCIAL DATA: Any costs that may be incurred during the scheduled meetings are included in the budgets for FY 17 and FY 18.

PRESENTER: Bret Banks, Executive Director/APCO

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

AGENDA ITEM 10

DATE: September 19, 2017

RECOMMENDATION: Authorize the District staff proposed revised language to the District's Carl Moyer Program Policies and Procedures Manual, Section X "Application Review/Evaluation/Project Selection" pursuant to the current Carl Moyer Program Guidelines and as to approved form by the Office of District Counsel.

SUMMARY: This item authorizes the District staff proposed revised language to the District's Carl Moyer Program Policies and Procedures Manual, Section X "Application Review/Evaluation/Project Selection". The revised language is in accordance to the current Carl Moyer Guidelines approved by the California Air Resources Board.

BACKGROUND: The purpose of the Carl Moyer Program is to reduce emissions by providing grants for the incremental cost of cleaner heavy-duty vehicles and vehicle such as on-road, off-road, marine, locomotive and various agricultural projects. The revised language to the District's Carl Moyer Program Policies and Procedures Manual, Section X "Application Review/Evaluation/Project Selection" will override previous language.

REASON FOR RECOMMENDATION: Governing Board authorization is needed for the Executive Director/APCO and staff to alter the District's Carl Moyer Program.

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 September 5, 2017.

FINANCIAL DATA: Carl Moyer Program funds are supplementary to the AVAQMD budget.

PRESENTER: Bret Banks, Executive Director/APCO

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

X. APPLICATION REVIEW/EVALUATION/PROJECT SELECTION

~~Project applications for Carl Moyer Program funding will be accepted on a continual basis. Applicants shall be notified in writing as to any application deficiencies within thirty working days of receipt (Health and Safety Code section 44288 (a)). evaluated by AVAQMD staff and funded on a first-come, first-served basis based on adherence to the Carl Moyer Program Guidelines criteria. Moyer funds available at the end of May of the current grant year will be subject to a program solicitation. An exception to this process may occur if the total dollar amount of proposals received in the first five business days of proposal acceptance exceeds the amount of Carl Moyer Program funding available for that solicitation. In that case, proposals will be subject to competitive review based on cost-effectiveness, emission reductions achieved and any other criteria deemed appropriate by the AVAQMD Governing Board. Priority will be given to projects based within the District's boundaries or upon a project's operation time occurring within the District. Applicants shall be notified in writing as to any application deficiencies within thirty working days of receipt (Health and Safety Code section 44288 (a))~~

Projects potentially eligible for Carl Moyer Program funding are subject to the criteria and guidelines established by ARB. The District may establish more definitive or specific guidelines at the direction of the AVAQMD Governing Board. Senate Bill 513 provides new opportunities to co-fund Carl Moyer Program eligible projects with other funding sources. There is no limit on the number of co-funding sources to fund a project as long as total project costs are not exceeded and the applicant cost share requirement is met. Applicants must disclose all co-funding sources in their project application.

Eligibility and cost-effectiveness will be determined in accordance with the Carl Moyer Program Guidelines. District staff will rely on the cost-effectiveness results generated by the CARL database as part of the eligibility determination. A pre-inspection will be conducted as part of the eligibility determination (see Section WAA of the Program Administration chapter of the Guidelines). If necessary, staff will ask ARB staff for case-by-case eligibility determinations.

Project eligibility is based on the current Carl Moyer Guidelines and cost-effectiveness results generated by the CARL database using the maximum project life allowed. For the purpose of project selection, eligible projects shall be ranked by cost-effectiveness using a three-year project life or the project term as proposed in the project application and emission reductions calculated using historical throughput/operation within the AVAQMD. The District retains the flexibility to select projects based on local needs, goals, and priorities including, but not limited to the most cost-effectiveness project.

~~On-road projects using exclusively alternative fuels or low-carbon fuels (as defined by ARB) shall be elevated in the ranking by reducing the numerical cost-effectiveness result by 50 percent. This adjustment to the cost-effectiveness rankings is made in light of the projects' greater proximity to populated areas and lower contribution to greenhouse gas emissions. No more than 50 percent of any year's total project funding shall be awarded to projects that were elevated in ranking pursuant to this paragraph.~~

~~The most cost-effective projects will be recommended for funding.~~

~~Based on a successful application evaluation by District staff, selected projects will be forwarded to the District Governing Board for consideration and funding approval. All projects adhering to Program criteria will be placed in a "Qualified Projects" file waiting selection and Board consideration.~~

~~Dependent upon the availability of funds and consideration of local priority, eligible projects will be presented to the Governing Board for funding consideration on a monthly basis. Staff will notify the applicant of the Governing Board meeting on when their Project will be considered for funding.~~

~~Eligible projects not selected shall remain active, in the "Qualified Project" file for District consideration at future Governing Board monthly meetings to determine possible funding. Applicants will be required to update their application information as well as vendor quote once the original application submittal date exceeds six months.~~

~~AVAQMD will continue to adhere to the funding limits pursuant to the Carl Moyer Program Guidelines. In addition, District retains flexibility to set funding percentages or maximum dollar awards for individual projects to increase the total number of projects funded. For specific project limitations, refer to the "Maximum Funding Limits of Eligible Costs for On-road and Off-road Projects", Table 1.~~

Funding Guidelines for Eligible Costs of On-road and Off-road Projects

Table 1

<u>Funding Guidelines for Eligible Costs</u>	<u>On-road & Off-road Projects</u>
<u>up to 80%</u>	<u>1st time applicants, 1st project</u>
<u>up to 50%</u>	<u>2nd project</u>
<u>up to 40% or (\$50,000 based on Governing Board evaluation/consideration)</u>	<u>all subsequent projects</u>

~~(*Project Co-Funding – Private sector projects require a minimum 15 percent cost share, total incentives must not exceed the total project costs.)~~

~~As listed, the Funding Guidelines for Eligible Costs of On-road and Off-road Projects are "not to exceed" the eligible amount on which the grant award is calculated.~~

~~The AVAQMD Governing Board reserves the right to exceed District established project funding guidelines on specific and unique projects based on local need and priority.~~

~~Eligible projects for which funding was not available shall be placed on a wait list in case funding becomes available.~~

~~The District will promptly notify successful applicants in writing that they have been approved by the Board for funding. A sample copy of a notification letter is included in Appendix A.~~

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

AGENDA ITEM 11

DATE: September 19, 2017

RECOMMENDATION: 1) Award an amount not to exceed \$17,218 in Mobile Source Emission Reductions Program (AB 923) funds to the City of Palmdale toward the purchase and installation of Electric Vehicle Charging Stations in part with Southern California Edison's Charge Ready Program Pilot Project; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards funding to the City of Palmdale to purchase and install Electric Vehicle Charging Stations in part with Southern California Edison's (SCE) Charge Ready Program Pilot Project plan to deploy as many as 1,500 Electric Vehicle Charging Stations within its service territory throughout California.

BACKGROUND: The City of Palmdale submitted a request to the District requesting grant funding associated with the purchase and installation of Electric Vehicle (EV) Charging Stations in participation of SCE's Charge Ready Program Pilot to deploy infrastructure to serve EV charging throughout various California cities. Through this program, SCE will install and maintain the complete electric infrastructure serving the Charging Stations at no cost to the City. The City will purchase and maintain the six dual-port charging units, for charging up to 12 EVs, along with managing the network which includes paying monthly energy charges and setting transaction/charge fees. The City's SCE first pilot charging project will be located at the Palmdale Transportation Center with.

The City of Palmdale's participation in the Charge Ready Program will help move California closer to the 2025 goal of putting 1.5 million zero-emission vehicles on the road as well as reducing greenhouse gases.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 11

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REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. 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 about September 19, 2017.

FINANCIAL DATA: Sufficient funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 12

DATE: September 19, 2017

RECOMMENDATION: 1) Award an amount not to exceed \$16,000 in Mobile Source Emission Reductions Program (AB 923) funds to Antelope Valley Schools Transportation Agency for a Compressed Natural Gas (CNG) tank replacements and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$16,000 in Mobile Source Emission Reductions Program (AB 923) funds for 80 percent of the replacement costs of the CNG fuel tanks on one (1) school bus. This contains a CNG fuel tank that requires replacement to continue Department of Transportation (DOT) certification.

BACKGROUND: AVSTA has applied for grant assistance to replace the CNG fuel tanks on their CNG school buses. The DOT requires that CNG fuel tanks be replaced after the manufacturer's recommended service life, typically 15 years, in order to remain on the road serving California's school children. School buses generally have a useful lifetime of about 25 years which means that the fuel tanks must be replaced during the lifetime of the bus. Additionally, CNG school bus tanks must pass a visual CHP inspection every three years. Staff has evaluated the project pursuant to program guidelines for the use of AB 923 funds and proposes to award 80 percent to offset a portion of the costs for the CNG fuel tank replacements.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeegan

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

AGENDA ITEM 12

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REASON FOR RECOMMENDATION: Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. 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 about September 19, 2017.

FINANCIAL DATA: Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds and will be paid to grantee as funds become available.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 13

DATE: September 19, 2017

RECOMMENDATION: 1) Award an amount not to exceed \$9,253 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to Antelope Valley Fair Association to replace older gasoline-powered carts with new electric carts and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$9,253 in grant funding to Antelope Valley Fair Association for the replacement of two (2) gasoline-powered carts with new zero emissions electric carts.

BACKGROUND: AVAQMD received an application from Antelope Valley Fair Association requesting grant funding for the retirement and replacement of older gasoline-powered carts with new zero emissions electric carts. Antelope Valley Fair Association voluntarily participates in the District's emission reduction programs for fleet turnover to newer, cleaner technology in effort to provide early emission reductions from older polluting equipment and early compliance to emission standards. Staff has evaluated the project and found the proposed replacement project eligible for Mobile Source Emission Reductions Program funds (AB 2766). The District proposes to grant a maximum of 50% of the replacement costs in the amount of \$9,253. The removal and destruction of the existing older gasoline-powered carts will provide early emission reductions that help the Valley towards attainment of the national ambient air quality standards.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

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REASON FOR RECOMMENDATION: Governing Board approval is needed to fund District grant projects. Additionally, Governing Board authorization is needed for the Executive Director/APCO and staff 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 September 5, 2017.

FINANCIAL DATA: Funding is granted from the District's annual allocation of Carl Moyer and Mobile Source Emission Reductions Program (AB 2766) funds and will be dispersed as available.

PRESENTER: Julie McKeehan, Air Quality Specialist

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

AGENDA ITEM 14

DATE: September 19, 2017

RECOMMENDATION: 1) Amend grant award of up to \$37,748 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to American Plumbing Services to be funded solely with Mobile Source Emissions Reduction Program (AB 2766) funds; and 2) Amend the replacement of an older light-heavy duty diesel vehicle with new, Compressed Natural Gas (CNG) engine technology to be with B20 biofuel engine technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item amends the awarded amount of up to \$37,748 to be funded with Mobile Source Emissions Reduction Program (AB 2766) funds and the approved replacement technology from Compressed Natural Gas to B20 biofuel.

BACKGROUND: AVAQMD received an application from American Plumbing Services requesting grant funding towards retirement and replacement of older light-heavy duty diesel vehicles with newer, cleaner technology. In May 2017, the Board approved the funding sources and the 2017 Ford F350 Compressed Natural Gas (CNG) truck as an eligible replacement project. Due to unavailability of the Ford F350 CNG truck, American Plumbing has identified the B20 biofuel, a fuel blend of 20 percent bio diesel and 80 percent conventional ultra-low sulfur diesel (ULSD), as an alternate vehicle to replace their existing 2000 GMC W4500 diesel truck which is subject to 2010 model year engine emission equivalent by January 1, 2020. Staff has re-evaluated the project and finds the project eligible for the use of Mobile Source Emissions Reduction Program funding (AB 2766). The District proposes to grant a maximum of 50% of the replacement costs in the amount of \$37,748. The 2 years early fleet turnover provides emission reductions that help the Valley towards attainment of the national ambient air quality standards.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM 14

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REASON FOR RECOMMENDATION: Governing Board approval is needed to fund District grant projects. Additionally, Governing Board authorization is needed for the Executive Director/APCO and staff 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 September 5, 2017.

FINANCIAL DATA: Funding is granted from the District's annual allocation of Mobile Source Emission Reductions Program (AB 2766) funds and will be dispersed as available.

PRESENTER: Julie McKeehan, Air Quality Specialist