



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

A G E N D A

HYBRID GOVERNING BOARD MEETING DECEMBER 6, 2024

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m. on Friday, December 6, 2024 through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and/or virtual attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.

Please refer to South Coast AQMD's website for information regarding the format of the meeting, updates, and details on how to participate at: <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

Electronic Participation Information (Instructions provided at the bottom of the agenda)

Join Zoom Meeting - from PC, Laptop or Phone

<https://scaqmd.zoom.us/j/93128605044>

Meeting ID: **931 2860 5044** (applies to all)

Teleconference Dial In +1 669 900 6833 or +1 253 215 8782

One tap mobile +16699006833,,93128605044# or

+12532158782,,93128605044#

Spanish Language Only Audience (telephone)

Número Telefónico para la Audiencia que Habla Español

Teleconference Dial In/Numero para llamar: +1 669 900 6833

Meeting ID/Identificación de la reunión: **932 0955 9643**

One tap mobile: +16699006833,,93209559643

Public Comment Will Still Be Taken

Audience will be allowed to provide public comment in person and through Zoom connection or telephone. Comments are limited to three (3) minutes per person for all items on the Consent and Board Calendars and may be further limited by the Chair to ensure all can be heard.

Phone controls for participants:

The following commands can be used on your phone's dial pad while in meeting: *6 (Toggle mute/unmute); *9 - Raise hand

Questions About an Agenda Item

- The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.
- In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

Meeting Procedures

- The public meeting of the South Coast AQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at South Coast AQMD's Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765 or web page at www.aqmd.gov

Americans with Disabilities Act and Language Accessibility

Disability and language-related accommodations can be requested to allow participation in the Governing Board meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov. Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to the South Coast AQMD. Please contact the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to cob@aqmd.gov.

A webcast of the meeting is available for viewing at:
<http://www.aqmd.gov/home/news-events/webcast>

CALL TO ORDER

- Pledge of Allegiance
- Roll Call
- Opening Comments: Vanessa Delgado, Chair
Other Board Members
Wayne Nastri, Executive Officer
- Recognize Employees with 25 and 35 Years of Service

Staff/Phone (909) 396-

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3) The public may comment on any subject within the South Coast AQMD’s authority that does not appear on the agenda, during the Public Comment Period. Each speaker addressing non-agenda items may be limited to a total of (3) minutes.

CONSENT AND BOARD CALENDAR (Items 1 through 24)

Note: Consent and Board Calendar items held for discussion will be moved to Item No. 25.

Items 1 and 2 – Action Items/No Fiscal Impact

- | | |
|--|--------------------|
| 1. Approve Minutes of November 1, 2024 | Thomas/3268 |
| 2. Set Public Hearings January 10, 2025 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations: | Nastri/3131 |
| A. Determine That Proposed Amended Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities, Is Exempt from CEQA; and Amend Rule 1179.1

Rule 1179.1 establishes NOx limits for boilers, turbines, and engines located at publicly owned treatment works. Proposed Amended Rule 1179.1 will correct cross-references in Attachment 1 by harmonizing it with similar references in Attachment 1 of Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities. (No Committee Review) | Krause/2706 |

B. Determine That Proposed Amended Regulation XXX – Title V Permits Is Exempt from CEQA; and Amend Regulation XXX

Krause/2706

Regulation XXX – Title V Permits establishes provisions for Title V facilities including obtaining a Title V permit and complying with the conditions of the permit. To be consistent with a decision made by the U.S. Supreme Court on the U.S. EPA's Greenhouse Gas Tailoring Rule and U.S. EPA's Title V operating permit program regulations, Proposed Amended Regulation XXX will remove the emergency affirmative defense and certain greenhouse gas provisions. This action is to adopt the Resolution: 1) Determining that Proposed Amended Regulation XXX – Title V Permits is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Regulation XXX – Title V Permits. (Reviewed: Stationary Source Committee, November 15, 2024)

Items 3 through 10 – Budget/Fiscal Impact

3. Execute Contracts to Develop and Demonstrate Class 2B/3 and Class 4/5 Medium-Duty Battery Electric Trucks

Katzenstein/2219

CARB's Advanced Clean Trucks and Advanced Clean Fleets regulations require the transition of medium- and heavy-duty vehicles to zero-emission (ZE) technologies starting 2024. The development, demonstration, and deployment of faster charging and increased availability of ZE medium-duty trucks are needed. These actions are to execute contracts with: 1) Voltu Motor, Inc. to develop, demonstrate and deploy 10 Ford F350 Class 2B and 3 battery electric trucks in an amount not to exceed \$600,000 which consists of \$300,000 from the Clean Fuels Program Fund (31) and \$300,000 from the Mobile Source Air Pollution Reduction Fund (23); 2) Enevate Corporation to develop and test a fast-charging battery pack for medium-duty Class 4 and 5 battery electric vehicles in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23); and 3) Evolectric, Inc. to integrate the battery pack and demonstrate the fast-charging system developed by Enevate Corporation within a Class 4 and 5 medium-duty battery electric truck in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23). (Reviewed: Technology Committee, November 15, 2024; Recommended for Approval)

4. Execute Contracts to Implement Zero-Emission Infrastructure Projects Under Carl Moyer and Community Air Protection Programs

Katzenstein/2219

In December 2023, Carl Moyer Program Announcement PA2024-02 was released to solicit zero-emission infrastructure project applications and closed in February 2024. The solicitation was oversubscribed and received close to \$400 million dollars in applications. These actions are to: 1) Execute contracts for zero-

emission infrastructure projects under the Carl Moyer and Community Air Protection Programs for a total of \$109,125,778, and back up projects if funds become available; and 2) Authorize the Executive Officer to redistribute the source of funds for the various incentive program grants to ensure program liquidation targets are met. (Reviewed; Technology Committee, November 15, 2024; Recommended for Approval)

5. Execute Sponsorship Agreement to Support Workforce Training and Professional Development of Electric Vehicle and Battery Engineers

Katzenstein/2219

California State University, Los Angeles, has been selected as one of 12 universities nationwide to participate in the Battery Workforce Challenge. This engineering competition will challenge universities and their partners to design, build, test and integrate advanced EV battery packs into a Stellantis vehicle. This program will help prepare and train the next generation of engineers and technicians to handle the increased demand for EVs. This action is to execute a sponsorship agreement with California State University, Los Angeles, in an amount not to exceed \$150,000 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, November 15, 2024; Recommended for Approval)

6. Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for MATES VI

Rees/2856

Since 1987, South Coast AQMD has conducted five MATES campaigns to evaluate air toxics health risks in South Coast AQMD's jurisdiction. MATES VI measurements for a wide range of air toxics are anticipated to begin in early 2025. The collected data will be used to support air toxics modeling and quantify health impacts. These actions are to transfer up to \$1,138,956 from the Clean Fuels Program Fund to the General Fund for the MATES VI program, and appropriate funding to the Monitoring & Analysis, Planning, Rule Development and Implementation, and Technology Advancement Office Divisions' FY 2024-25 through FY 2027-28 budgets as needed, and issue solicitations and purchase orders to support the goals and objectives of MATES VI. (Reviewed: Administrative Committee, November 8, 2024; Recommended for Approval)

7. Execute Contract(s) for Legislative Representation in Washington, D.C.

Tanaka/3327

On June 7, 2024, the Board approved the release of an RFP to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C. for 2025. Seven proposals were received and qualified candidates were interviewed by the Legislative Committee on October 11, 2024. Based on the interviews, the Legislative Committee selected Cassidy & Associates, Kadesh & Associates, and Carmen Group. This action is to authorize the Chair to execute contract(s) with Cassidy & Associates for \$240,000, Kadesh & Associates for \$233,152, and Carmen Group for \$222,090 for legislative representation in Washington, D.C. for one year, beginning on

January 15, 2025 with an option to renew up to two one-year renewals, upon satisfactory performance, subsequent budgets and upon approval of the Board. (Reviewed: Legislative Committee, November 8, 2024; Recommended for Approval)

8. Amend Contracts for Legislative Representation in Sacramento, California

Tanaka/3327

The current contracts for legislative representation in Sacramento, California with Joe A. Gonsalves & Son and California Advisors, LLC expire on December 31, 2024. California Advisors, LLC, which is dissolving as of December 31, 2024, assigned its South Coast AQMD contract to Buckley Government Affairs. Ross Buckley, the principal for Buckley Government Affairs, has directly represented South Coast AQMD for California Advisors since 2019. South Coast AQMD continue to require their legislative lobbying services in Sacramento for Calendar Year 2025. These actions are to: 1) approve a one-year extension in the amount of \$143,836 with Joe A. Gonsalves & Son, and 2) approve the assignment of the South Coast AQMD contract from California Advisors to Buckley Government Affairs and approve a one-year contract for \$143,836 with Buckley Government Affairs. Sufficient funding is available in the Legislative, Public Affairs & Media FY 2024-25 Budget. (Administrative Committee, November 8, 2024; Recommended for Approval)

9. Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

Moskowitz/3329

South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$467,000 for AgreeYa Solutions, \$395,000 for Prelude Systems, \$742,873 for Sierra Cybernetics, and \$630,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2024-25 Budget. (Reviewed: Administrative Committee, November 8, 2024; Recommended for Approval)

10. Issue RFP, and Approve Contract Awards, Contract Modification, and Allocation of Funds as Approved by MSRC

McCallon

As part of the FYs 2024-27 Work Program, the MSRC approved an RFP for MSRC website hosting, maintenance and modifications and an extension of the existing website hosting contract. Additionally, the MSRC approved an award to the California Energy Commission to partner in a tri-state collaborative truck charging and fueling project, as well as funding allocations to partner with Los Angeles County Metropolitan Transportation Commission on a grant proposal and South Coast AQMD on three technology advancement projects. The MSRC seeks Board approval of the contract awards and allocations as part of the FYs

2024-27 Work Program.(Reviewed; Mobile Source Air Pollution Reduction Review Committee, November 21, 2024; Recommended for Approval)

Items 11 through 18 – Information Only/Receive and File

11. Legislative, Public Affairs and Media Report **Tanaka/3327**

This report highlights the October 2024 outreach activities of the Legislative, Public Affairs and Media Office, which includes: Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Business Assistance, Media Relations and Outreach to Business and Federal, State and Local Government. (No Committee Review)
12. Hearing Board Report **Ali**

This reports the actions taken by the Hearing Board during the period of October 1 through October 31, 2024. (No Committee Review)
13. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This report summarizes monthly penalties and legal actions filed by the General Counsel's Office from October 1, 2024 through October 31, 2024. An Index of South Coast AQMD Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, November 15, 2024)
14. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects **Krause /2706**

This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between October 1, 2024 and October 31, 2024, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA. (No Committee Review)
15. Rule and Control Measure Forecast **Rees/2856**

This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2025. (No Committee Review)
16. Annual Audited Financial Statements for FY Ended June 30, 2024 **Jain/2804**

This item transmits the annual audited financial statements of South Coast AQMD. South Coast AQMD has received an unmodified opinion (the highest obtainable) on its financial statements. (Reviewed: Administrative Committee, November 8, 2024)

- 17. Report to Legislature and CARB on South Coast AQMD’s Regulatory Activities for Calendar Year 2023 **Tanaka/3327**

South Coast AQMD is required by law to submit a report to the Legislature and CARB on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by South Coast AQMD, number of permits issued, denied or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015 - Backstop Provisions. (No Committee Review)

- 18. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**

Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, November 8, 2024)

Items 19 through 24 -- Reports for Committees and CARB

The November 15, 2024 Mobile Source Committee meeting was cancelled. The next regularly scheduled meeting of the Mobile Source Committee is January 24, 2025.

- 19. Administrative Committee (Receive & File) Chair: Delgado **Nastri/3131**
- 20. Legislative Committee Chair: Cacciotti **Tanaka/3327**

Receive and file; and take the following actions as recommended:

<u>Agenda Item</u>	<u>Recommendation</u>
CARB Board Air District Representative Fair Compensation Bill Proposal	Approve
Amendments to AB 2851(Bonta) re: Fenceline Monitoring at Metal-Shredding Facilities Bill Proposal	Approve
2025 State and Federal Legislative Guiding Principles	Approve

- 21. Stationary Source Committee (Receive & File) Chair: McCallon **Aspell/2491**
- 22. Technology Committee (Receive & File) Chair: Rodriguez **Katzenstein/2219**
- 23. Mobile Source Air Pollution Reduction Review Committee (Receive & File) Board Rep.: Hagman **Katzenstein/2219**
- 24. California Air Resources Board Monthly Report (Receive & File) Board Rep.: Kracov **Thomas/3268**
- 25. Items Deferred from Consent and Board Calendar

PUBLIC HEARING

26. Determine that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, Is Exempt from CEQA and Adopt Rule 1159.1

Krause/2706

Proposed Rule 1159.1 will establish BARCT NOx emission limits for nitric acid tanks at RECLAIM, former RECLAIM, and non-RECLAIM facilities. The proposed rule includes requirements to meet a NOx emission limit, parametric monitoring, source testing, and recordkeeping. This action is to adopt the Resolution: 1) Determining that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is exempt from the requirements of the California Environmental Quality Act, and 2) Adopting Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks. (Reviewed: Stationary Source Committee, November 15, 2024)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION -- (No Written Material)

Gilchrist/3459

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the South Coast AQMD is a party. The actions are:

- In the Matter of South Coast Air Quality Management District v. Southern California Gas Company, Aliso Canyon Storage Facility, South Coast AQMD Hearing Board Case No. 137-76 (Order for Abatement); People of the State of California, ex rel South Coast Air Quality Management District v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322; Judicial Council Coordinated Proceeding No.4861;
- South Coast Air Quality Management District, et al. v. NHTSA, EPA, et al., United States Court of Appeals, D.C. Circuit, Case No. 20-1173 (consolidated with Competitive Enterprise Institute, et al. v. NHTSA, No. 20-1145);
- Natural Resources Defense Council, et al. v. City of Los Angeles, et al., San Diego Superior Court, Case No. 37-2021-00023385-CU-TT-CTL (China Shipping Case) (transferred from Los Angeles Superior Court, Case No. 20STCP02985); Fourth District Court of Appeal, Division One, No. D080902;
- In the Matter of South Coast Air Quality Management District v. Baker Commodities, South Coast AQMD Hearing Board Case No. 6223-1 (Order for Abatement);
- South Coast Air Quality Management District v. EPA, U.S. District Court for the Central District of California, Case No. 2:23-cv-02646; and
- Western States Trucking Association, Inc. v. EPA, et al., Unites States Court of Appeals, D.C. Circuit, Case No. 23-1143 (amicus brief).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (two cases).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Also, it is necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(d)(2) to confer with its counsel because there is a significant exposure to litigation against the South Coast AQMD (two cases).

CONFERENCE WITH LABOR NEGOTIATORS

It is also necessary to recess to closed session pursuant to Government Code section 54957.6 to confer with labor negotiators:

Agency Designated Representative: A. John Olvera, Deputy Executive Officer – Administrative & Human Resources:

- Employee Organization(s): Teamsters Local 911, and South Coast AQMD Professional Employees Association; and
- Unrepresented Employees: Executive Officer, General Counsel, Designated Deputies and Management and Confidential employees.

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Persons wishing to speak may do so in person or remotely via Zoom or telephone. To provide public comments via a Desktop/Laptop or Smartphone, click on the “Raise Hand” at the bottom of the screen, or if participating via Dial-in/Telephone Press *9. This will signal to the host that you would like to provide a public comment and you will be added to the list.

All agendas are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and website, <http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>, at least 72 hours in advance of the meeting. At the beginning of the agenda, an opportunity is also provided for the public to speak on any subject within the South Coast AQMD’s authority. Speakers may be limited to a total of three (3) minutes for the entirety of the Consent Calendar plus Board Calendar, and three (3) minutes or less for each of the other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record. Individuals who wish to submit written or electronic comments must submit such comments to the Clerk of the Board, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765-4178, (909) 396-2500, or to cob@aqmd.gov, on or before 5:00 p.m. on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NAAQS = National Ambient Air Quality Standards
AQIP = Air Quality Investment Program	NATTS =National Air Toxics Trends Station
AQMP = Air Quality Management Plan	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AVR = Average Vehicle Ridership	NGV = Natural Gas Vehicle
BACT = Best Available Control Technology	NOx = Oxides of Nitrogen
BARCT = Best Available Retrofit Control Technology	NSPS = New Source Performance Standards
Cal/EPA = California Environmental Protection Agency	NSR = New Source Review
CARB = California Air Resources Board	OEHHA = Office of Environmental Health Hazard Assessment
CEMS = Continuous Emissions Monitoring Systems	PAMS = Photochemical Assessment Monitoring Stations
CEC = California Energy Commission	PEV = Plug-In Electric Vehicle
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM10 = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM2.5 = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	RECLAIM=Regional Clean Air Incentives Market
DOE = Department of Energy	RFP = Request for Proposals
EV = Electric Vehicle	RFQ = Request for Quotations
EV/BEV = Electric Vehicle/Battery Electric Vehicle	RFQQ=Request for Qualifications and Quotations
FY = Fiscal Year	SCAG = Southern California Association of Governments
GHG = Greenhouse Gas	SIP = State Implementation Plan
HRA = Health Risk Assessment	SOx = Oxides of Sulfur
LEV = Low Emission Vehicle	SOON = Surplus Off-Road Opt-In for NOx
LNG = Liquefied Natural Gas	SULEV = Super Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	TCM = Transportation Control Measure
MOU = Memorandum of Understanding	ULEV = Ultra Low Emission Vehicle
MSERCs = Mobile Source Emission Reduction Credits	U.S. EPA = United States Environmental Protection Agency
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	VOC = Volatile Organic Compound
	ZEV = Zero Emission Vehicle

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Instructions for Participating in a Virtual Meeting as an Attendee

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

For language interpretation:

Click the interpretation Globe icon at the bottom of the screen

Select the language you want to hear (either English or Spanish)

Click "Mute Original Audio" if you hear both languages at the same time.

Para interpretación de idiomas:

Haga clic en el icono de interpretación el globo terráqueo en la parte inferior de la pantalla

Seleccione el idioma que desea escuchar (inglés o español)

Haga clic en "Silenciar audio original" si escucha ambos idiomas al mismo tiempo.

Please note: During the meeting, all participants will be placed on Mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

Speakers may be limited to a total of 3 minutes for the entirety of the consent calendar plus board calendar, and three minutes or less for each of the other agenda items.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

Directions to provide public comment on ZOOM from a DESKTOP/LAPTOP or SMARTPHONE:

Click on the "Raise Hand" feature at the bottom of the screen.

This will signal to the host that you would like to provide a public comment and you will be added to the list.

Directions to provide public comment via TELEPHONE:

Dial *9 on your keypad to signal that you would like to comment.

Directions for Spanish Language TELEPHONE line only:

- The call in number is the same (+1 669 900 6833)
- The meeting ID number is 928-3000-3925
- If you would like to make public comment, please dial *9 on your keypad to signal that you would like to comment.

Instrucciones para la línea de TELÉFONO en español únicamente:

- El número de llamada es el mismo (+1 669900 6833 o +1 93209559643)
- El número de identificación de la reunión es 928-3000-3925
- Si desea hacer un comentario público, marque *9 en su teclado para indicar que desea comentar.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the November 1, 2024 Board Meeting.

RECOMMENDED ACTION:

Approve the November 1, 2024 Board Meeting Minutes.

Faye Thomas
Clerk of the Boards

FT

FRIDAY, NOVEMBER 1, 2024

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was conducted in a hybrid format (in person and remotely via videoconferencing and telephone). Members present:

Councilmember Michael A. Cacciotti, Vice Chair
Cities of Los Angeles County – Eastern Region

Mayor Patricia Lock Dawson
Cities of Riverside County

Supervisor Curt Hagman
County of San Bernardino

Gideon Kracov
Governor's Appointee

Mayor Pro Tem Larry McCallon
Cities of San Bernardino County

Supervisor Holly J. Mitchell
County of Los Angeles

Board Member Veronica Padilla-Campos
Speaker of the Assembly Appointee

Supervisor V. Manuel Perez (Left the meeting at ~12:00 p.m.)
County of Riverside

Councilmember Carlos Rodriguez
Cities of Orange County

Mayor José Luis Solache
Cities of Los Angeles County – Western Region

Supervisor Donald P. Wagner
County of Orange

Absent: Chair Vanessa Delgado
Senate Rules Committee Appointee

Councilmember Nithya Raman
City of Los Angeles

For additional details of the Governing Board Meeting, please refer to the recording of the [Webcast](#) at: [Live Webcast \(aqmd.gov\)](#)

CALL TO ORDER: Vice Chair Cacciotti called the meeting to order at 9:04 a.m.

- Pledge of Allegiance: Led by Board Member Padilla-Campos
- Roll Call
- Swearing in of Newly-Appointed Board Member Donald P. Wagner

Vice Chair Cacciotti administered the oath of office to Supervisor Wagner, who was appointed by the Orange County Board of Supervisors to fill the unexpired term ending January 2027.

- Presentation of Retirement to Derrick Alatorre

Vice Chair Cacciotti presented a retirement crystal and Resolution to Derrick Alatorre, Deputy Executive Officer/Legislative, Public Affairs, & Media, in recognition of his 16 years of dedicated service to the South Coast AQMD.

- Opening Comments

Councilmember Cacciotti commented on the South Coast AQMD 10th Annual Environmental Justice Conference and shared photos of the event, as well as his ride on the Metro Goldline to the University of Southern California's Town and Gown in Los Angeles where the conference was held on October 24, 2024.

Executive Officer Wayne Nastri highlighted the significant grants U.S. EPA has recently awarded to South Coast AQMD and the City of Los Angeles Harbor Department to implement projects to reduce emissions at the Ports of Long Beach and Los Angeles.

Mayor Solache thanked staff for hosting the community meeting on October 9, 2024 in the City of Lynwood to provide information about Rule 1180 – Fenceline and Community Air Monitoring for Petroleum Refineries and Rule 1180.1 – Fenceline and Community Air Monitoring for Other Refineries.

Mayor Lock Dawson announced that she would be representing Southern California at the 29th United Nations' Conference of the Parties on Climate Change (COP 29) in Baku, Azerbaijan.

Supervisor Wagner remarked about having worked with a majority of the Board Members in other capacities and is looking forward to working with everyone on this Board.

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

The Public Comment Period on Non-Agenda Items was opened. The following individuals addressed the Board. For additional details, please refer to the [Webcast](#) beginning at 30:50.

Chris Chavez, Coalition for Clean Air
MaCarmen Gonzalez, People's Collective for Environmental Justice (via Spanish interpreter)
Paola Vargas, East Yard Communities for Environmental Justice (EYCEJ) (Marlen Sanchez and Maria Reyes appeared with Paola Vargas)
Jessie Parks, Sierra Club and Rainbow Pride Youth Alliance
Cristhian Tapia-Delgado, Pacific Environment and EYCEJ
Andrea Vidaurre, People's Collective for Environmental Justice
Ali Gallardo
Alondra Matteo
Mark! Lopez, EYCEJ
Alison Hahm, Natural Resources Defense Council
Diego Mayen, Healthy Active Streets and EYCEJ
Kimberly Amaya, EYCEJ and West Long Beach resident
Emily Quest, Long Beach resident
Fernando Gaytan, Earthjustice
Theral Golden, West Long Beach Association
Jennifer Cardenas, Sierra Club
Maria Reyes (via Spanish interpreter)
Julia May, Communities for a Better Environment
Al Sattler, member of the public
Laura, Bell Gardens resident
Diane Patrick Flowers, member of the public
Fernando Marquez Duarte, People's Collective for Environmental Justice
Marven Norman, Center for Community Action & Environmental Justice and San Bernardino resident,
Marlin Dawoodjee Vargas, Long Beach Alliance for Children with Asthma
Sylvia Betancourt, Long Beach Alliance for Children with Ashtma

Comments from the above speakers regarding the Port ISR included the following:

- Support moving forward with a strong Port ISR without further delay.
- Need a measurable and enforceable regulation to meet emission reduction targets and guide the zero-emission transition.
- Port ISR must include emission reduction requirements, infrastructure planning requirements and benchmarks, and monitoring and recordkeeping requirement
- Disappointed there is no rule concept or language yet.
- Questioned claims from other commentators that the Port ISR contains a cargo cap, since there is no rule language.
- Expressed concern for themselves as well as family and friends who are disproportionately impacted by air pollution from freights and the ports

Thomas Jelenić, Pacific Merchant Shipping Association, pointed out that the latest emission inventories for the Ports show significant reductions in diesel and NOx emissions. He commented on the U.S. EPA grant award to the Port of Los Angeles and commended the South Coast AQMD-led coalition that travelled to Washington D.C. earlier this year to advocate for additional funding. He emphasized that infrastructure is what will

achieve emission reductions and thanked staff for scheduling a technical working group meeting. Executive Officer Wayne Nastri announced that a Port Charging and Fueling Infrastructure Working Group Meeting is scheduled for November 15. For additional details, please refer to the [Webcast](#) beginning at 1:08:13.

Julia May, Communities for a Better Environment, expressed concerns about flaring events at refineries and emphasized the need for online video monitoring and real-time reporting from the refineries. She called for staff to resume providing updates on the South Coast AQMD's webpage on refinery events and other air quality incidents. (Submitted Video Footage). For additional details, please refer to the [Webcast](#) beginning at 1:10:33.

Ranji George, a member of the public, remarked that only Congress, under the Interstate Commerce Clause, has the authority to place a cap on the volume of products and services at the ports. He expressed concerns about EV battery disposal/recycling and urged that funding be set aside to address this issue. For additional details, please refer to the [Webcast](#) beginning at 1:12:43.

Jeff Faller, Apartment Association of Southern California, recognized the emission reductions achieved at the Ports and acknowledged that more work is needed, but cautioned about the economic impact of regulatory measures on everyone.

Harvey Eder, Public Solar Power Coalition, gave notice of taking legal action concerning due process for the federal grants that were awarded. He commented on the Solar New Deal and deaths from PM2.5. For additional details, please refer to the [Webcast](#) beginning at 1:24:15.

There being no further requests to speak, the public comment period was closed for Non-Agenda Items.

Written Comments Submitted Regarding South Coast AQMD v. City of Los Angeles (Hyperion Water Treatment Plant) Hearing Board Abatement Order, Case No. 1212-40

- Darrell George, El Segundo City Manager



CONSENT AND BOARD CALENDAR

Items 1 through 3 – Action Items/No Fiscal Impact

1. Approve Minutes of October 4, 2024 Board Meeting
2. Set Public Hearings December 6, 2024 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations
 - A. Certify Final Subsequent Environmental Assessment for Proposed Amended Rule 1111– Reduction of NOx Emissions from Natural Gas-Fired Furnaces and Proposed Amended Rule 1121 – Reduction of NOx Emissions from Small Natural Gas-Fired Water Heaters; and Amend Rule 1111 and Rule 1121

- B. Determine that Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, is Exempt from CEQA and Adopt Rule 1159.1
3. Establish Board Meeting Schedule for Calendar Year 2025

Items 4 through 6 – Budget/Fiscal Impact

4. Execute Contracts to Develop Data-Based Planning Tool for Medium- and Heavy-Duty Truck Charging Networks, Fleets, and Power Grid Systems and to Investigate Benefits of Electric Vehicle-to-Home Technology on Air Quality
5. Expand Purpose of LADWP Settlement Projects Fund, Recognize Funds, Execute Contracts for Electrification Projects at Los Angeles Zoo, and Reimburse General Fund for Project Administrative Costs
6. Adopt Resolution and Recognize Revenue for Continued AB 617 Implementation

Items 7 through 13 – Information Only/Receive and File

7. Legislative, Public Affairs and Media Report
8. Hearing Board Report
9. Civil Filings and Civil Penalties Report
10. Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects
11. Rule and Control Measure Forecast
12. 2024 Annual Progress Report for Assembly Bill 617 Community Emission Reductions Plans
13. Status Report on Major Ongoing and Upcoming Projects for Information Management

Items 14 through 19 – Reports for Committees and CARB

The October 17, 2024 MSRC meeting was cancelled. The next regularly scheduled meeting of the MSRC will be held on November 21, 2024.

14. Administrative Committee
15. Legislative Committee
16. Mobile Source Committee
17. Stationary Source Committee
18. Technology Committee
19. California Air Resources Board Monthly Report
20. Items Deferred from Consent and Board Calendar
Agenda Item Nos. 2A and 12 were pulled.

Disclosures

Supervisor Perez reported that he had no financial interest in Agenda Item No. 6 but is required to identify for the record that he is a Board Member of the California Air Resources Board, which is involved in this item.

Board Member Kracov reported that he had no financial interest in Agenda Item No. 6 but is required to identify for the record that he is a Board Member of the California Air Resources Board, which is involved in this item.

The public comment period was opened for Agenda Item Nos. 1, 2B, and 3–19. The following individual addressed the Board.

Agenda Item No. 18 Regarding the Draft Clean Air Plan

Ranji George, expressed disappointment at the decrease in funding for hydrogen/fuel cell technologies. He urged for additional funding towards refueling hydrogen stations and to address challenges that consumers experience at hydrogen stations. For additional details, please refer to the [Webcast](#) beginning at 1:34:50.

There being no further requests to speak, the public comment period was closed for Agenda Item Nos. 1, 2B, and 3–19.

Board Action (Items 1, 2B, and 3–19)

MOVED BY MCCALLON AND SECONDED BY SOLACHE TO APPROVE AGENDA ITEM NOS. 1, 2B, AND 3 THROUGH 19 AS RECOMMENDED AND:

RECEIVE AND FILE THE REPORTS FOR THE BOARD COMMITTEES AND CARB;

ADOPT RESOLUTION 24-26 ESTABLISHING THE 2025 BOARD MEETING SCHEDULE; AND

ADOPT RESOLUTION 24-27 RECOGNIZING GRANT FUNDS AND ACCEPTING THE TERMS AND CONDITIONS OF THE FY 2023-24 COMMUNITY AIR PROTECTION PROGRAM GRANT AWARD G23-CAPP-31.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Hagman, Kracov, McCallon, Mitchell, Perez Rodriguez, Solache, and Wagner

NOES: None

ABSENT: Delgado, Padilla-Campos, and Raman

*Board Member Padilla-Campos was not in the room at the time of the vote.



Item Pulled for Discussion – Agenda Item No. 2A

The public comment period was opened for Agenda Item No. 2A. The following individuals addressed the Board. For additional details, please refer to the [Webcast](#) beginning at 1:38:42.

Peter Whittingham, LA Bizfed
Kory Griggs, Indoor Weather Heating, Air & Refrigeration, Inc
Kevin Barker, SoCalGas
Blake Perez, Building Owners and Managers Association of Greater Los Angeles
Audrey Egger, Inland Empire Economic Partnership
Mihran Toumajian, NAIOP SoCal
George Boutros, Orange County Business Council
Victor Reyes, Valley Industry & Commerce Association
Mike Lewis, Construction Industry Air Quality Coalition

Comments from the above speakers included the following:

- Request that the Board defer the public hearing for 90 days
- Expressed concerns with the Draft SEA and cost effective analysis
- Expressed concerns that residents and businesses are unaware of the significant cost impact
- Request that staff initiate a robust public awareness campaign
- Need to consider implications for residents in high-altitude areas
- Ensure electric utilities can handle the increased load on the grid

Chris Chavez, Coalition for Clean Air
Brendan Wade Brown, Green and Healthy Homes Initiative
Kim Orbe, Sierra Club
Fernando Gaytan, Earthjustice
Andrea Vidaurre, People's Collective for Environmental Justice
Michael Rochmes, LA Climate Reality
Jed Holtzman, RMI
Ann Pernick, Safe Cities at Standout Earth
Yue Shen, West Los Angels resident

Comments from the above speakers included the following:

- Expressed support for PARs 1111 and 1121 and opposed further delays
- Expressed frustration at last-minute efforts to delay the rule
- The rules will achieve significant NOx emission reductions

Harvey Eder expressed concern that heat pumps are replacing solar water heating systems. For additional details, please refer to the [Webcast](#) beginning at 2:07:22.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 2A.

Written Comments Submitted Supporting PARs 1111 & 1121

- Brendan Brown, Green & Healthy Homes Initiative
- One letter signed on behalf of the following organizations: Andrea Vidaurre, The People's Collective for Environmental Justice; Charles Miller, Los Angeles Climate Reality; David Diaz, MPH, Active San Gabriel Valley; Tomas Castro, OC Climate Equity Advocate; Lisa Swanson, Climate Reality Project Orange County Chapter; Christopher Chavez, Coalition for Clean Air; Christy Zamani, Day One; Fernando

Gaytan, Earthjustice; Jorge Rivera, Healing and Justice Center, Charlotte Matthews, RMI; Jed Holtzman, RMI; Sharon Ungersma, San Gabriel Valley Climate Reality Project; Kim Orbe, Sierra Club; Sam Fishman, SPUR; Stuart Wood, PhD Sustainable Claremont; and Ben Stapleton, U.S. Green Building Council California

Written Comments Submitted Requesting Delay of PARs 1111 & 1121

- Mike Lewis, Construction Industry Air Quality Coalition
- Kevin Barker, SoCalGas
- Kory Griggs, Indoor Weather Inc. (submitted two letters)

Written Comments Submitted Opposing PARs 1111 & 1121

- Sandi Schulz
- Julie Peterson, San Bernardino Mountain resident
- Jim Stickney, San Bernardino Mountain resident
- Jackie Crowder, Lake Arrowhead resident
- James Williamson, Lake Arrowhead resident
- Teresa Radsick
- Elizabeth Kanayan, Mountain Community resident
- Jill Barkley, Lake Arrowhead resident
- Lyle Barkley, Lake Arrowhead plumbing contractor
- Judith Trafton, Running Springs resident
- Leslie Gagen



Mayor Pro Tem McCallon commended staff for their work and diligent efforts on PARs 1111 and 1121. He highlighted concerns that there had not been adequate public outreach to the millions of residents who will be impacted by the rules; impact on housing availability; operational costs for mountain constituents; adequate capacity for utilities to handle the load; and adequacy of the cost and economic impact analysis and draft SEA. He recommended additional time for staff to address these concerns and moved for a 90-day Set Hearing (February 2025 Public Hearing), with progress reports to the Stationary Source Committee during the 90-day period. Councilmember Rodriguez seconded the motion. For additional details, please refer to the [Webcast](#) beginning at 2:12:16.

Supervisor Mitchell commented on the year-long rule development process for PARs 1111 and 1121 that included numerous Working Group Meetings and expressed her opposition to a 90-day Set Hearing. She expressed concerns with the pattern of last-minute efforts to delay rules and questioned what a 90-day delay would accomplish. If the rule is delayed, she requested specific details be provided about extended outreach and that it includes information about the incentive and rebate programs that will benefit consumers. For additional details, please refer to the [Webcast](#) beginning at 2:16:27.

In response to Supervisor Mitchell's inquiry about the effectiveness of public outreach, Executive Officer Nastri asked for clarification of the type of outreach and that multimedia campaigns with television, print, and radio are not typically done, and most outreach is conducted after the rule is adopted. For additional details, please refer to the [Webcast](#) beginning at 2:20:42.

Mr. Krause highlighted revisions to provisions such as units that would be installed in high altitude areas, units installed at multi-family properties, and allowances for construction delays and panel upgrades. Mr. Krause also mentioned that the Technology Check-In was moved up to December 2026 and reminded the Board that the Go Zero pilot program will provide incentives with a focus on overburdened communities. Executive Officer Nastri added that South Coast AQMD has \$20 million for Go Zero with \$1 million dedicated for outreach and there are additional funds that will be added after the this initial pilot stage of Go Zero. For additional details, please refer to the [Webcast](#) beginning at 2:22:00.

Board Member Padilla-Campos concurred with Supervisor Mitchell and stated that she would not be supporting Mayor Pro Tem McCallon's motion. She highlighted the concerns of community members and the need to prioritize regulations that will have significant positive health impacts on their communities. She made a substitute motion to set the public hearing for December as recommended by staff. Supervisor Mitchell seconded the motion. For additional details, please refer to the [Webcast](#) beginning at 2:25:15.

Councilmember Rodriguez concurred with Supervisor Mitchell regarding the need for specific details about extended outreach efforts. He expressed concerns that residents do not understand the cost implications of these rules and have not had a chance to provide input. He highlighted the costs burden that residents already have to bear from high costs of housing and inflation. He expressed support for the additional 90 days to allow staff time to conduct more outreach and work with councils of government to inform their constituents. For additional details, please refer to the [Webcast](#) beginning at 2:28:24.

Supervisor Perez commented on the significant costs to replace a water heater for residents who are already dealing with high housing costs. He highlighted the need for a balanced approach when there are competing interests and expressed support for the motion to delay the hearing for 90 days. For additional details, please refer to the [Webcast](#) beginning at 2:33:50.

Supervisor Wagner commented that delaying is not necessarily bad and the need to understand the purpose of public outreach. If the goal is to let people know about the rule and its requirements then public outreach could occur later; however, if the goal is to change the rule so it works better for most people, then public outreach needs to come earlier. Supervisor Wagner explained that he first heard about the proposed rules in October and notices about "Proposed Amended Rules 1111 and 1121" and "NOx emission reductions" do not get the attention of the general public, but saying that the cost can be \$10,000 to \$12,000 will have a much different reaction from the general public. Supervisor Wagner expressed support for Mayor Pro Tem McCallon's motion to allow more public outreach, with the goal of getting a better rule, and is not sure that 90

days is enough time. For additional details, please refer to the [Webcast](#) beginning at 2:38:54.

Supervisor Mitchell asked about the level of outreach that can be expected in 90 days with the funds budgeted for outreach. Executive Officer Nastri commented that staff can reach out to Council of Governments and other local governments and added that a more extensive campaign would require more time than 90 days and is not budgeted. Executive Officer Nastri also reminded the Board that the implementation dates are 2027 and 2028 and the Technology Review at the end of 2026. For additional details, please refer to the [Webcast](#) beginning at 2:43:03.

Supervisor Mitchell commented on the off ramps included in PARs 1111 and 1121 and inquired about the budget allocated for incentives and rebates. Executive Officer explained that there is approximately \$100 million for the Go Zero program. For additional details, please refer to the [Webcast](#) beginning at 2:46:05.

Mayor Solache indicated that he understood the motion to delay but wanted to highlight the need to prioritize the community and their appeals to ensure the rules are adopted. For additional details, please refer to the [Webcast](#) beginning at 2:48:34.

Board Member Padilla-Campos emphasized the need to focus on engaging with the public to highlight the availability of incentives and rebates. For additional details, please refer to the [Webcast](#) beginning at 2:49:05.

Mayor Lock Dawson acknowledged the merits of both the calls of the community to get this done and the recommendation for a 90-day period delay. She questioned whether 90 days would do much for outreach but also felt that there would be no harm if delayed and therefore, would be supporting Mayor Pro Tem McCallon's original motion. For additional details, please refer to the [Webcast](#) beginning at 2:49:36.

Vice Chair Cacciotti asked if there were any concerns with CEQA compliance for the proposed rules. Mr. Gilchrist responded that there were no concerns. The Vice Chair indicated that he was also tired of the delays; however, given that the earliest implementation deadline is not until 2027 and that there will be a technology review soon, he would be supporting the original motion. For additional details, please refer to the [Webcast](#) beginning at 2:50:43.

Board Action (Item 2A) – SUBSTITUTE MOTION

MOVED BY PADILLA-CAMPOS AND SECONDED BY MITCHELL TO APPROVE THE STAFF RECOMMENDATION TO SET THE PUBLIC HEARING ON PROPOSED AMENDED RULES 1111 AND 1121 FOR DECEMBER 6, 2024.

THE MOTION FAILED FOR A LACK OF SEVEN CONCURRING VOTES:

AYES: Mitchell and Padilla-Campos

NOES: Cacciotti, Lock Dawson, Hagman, Kracov,
McCallon, Perez, Rodriguez, Solache,
and Wagner

ABSENT: Delgado and Raman

Board Action (Item 2A) – ORIGINAL MOTION

MOVED BY MCCALLON AND SECONDED BY RODRIGUEZ FOR A 90-DAY SET HEARING, (FOR PROPOSED AMENDED RULES 1111 AND 1121 TO BE CONSIDERED AT THE FEBRUARY 7, 2025 MEETING), WITH STATUS REPORTS TO THE STATIONARY SOURCE COMMITTEE DURING THE 90-DAY PERIOD.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Hagman, Kracov,
McCallon, Perez, Rodriguez, Solache,
and Wagner

NOES: Mitchell and Padilla-Campos

ABSENT: Delgado and Raman

(Supervisor Perez left the meeting at approximately 12:00 p.m.)

Item Pulled for Staff Presentation – Agenda Item No. 12

Anissa Heard-Johnson, Deputy Executive Office/Diversity, Equity, and Inclusion with Community Air Programs, and Walter Shen, Director of Community Air Programs, gave the staff presentation on the 2024 Annual Progress Report for AB 617 Community Emission Reduction Plans. For additional details, please refer to the [Webcast](#) beginning at 2:54:07.

The public comment period was opened for Agenda Item No. 12. The following individual addressed the Board.

Harvey Eder *[Mr. Eder was interrupted as his comments were off topic.]* For additional details, please refer to the [Webcast](#) beginning at 2:50:43.

There being no further requests to speak, the public comment period was closed for Agenda Item No. 12.

Board Action (Item 12)

MOVED BY MCCALLON AND SECONDED BY LOCK DAWSON TO RECEIVE AND FILE THE ANNUAL PROGRESS REPORT FOR ASSEMBLY BILL 617 COMMUNITY EMISSION REDUCTIONS PLANS.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Hagman, Kracov,
McCallon, Mitchell, Padilla-Campos,
Rodriguez, Solache, and Wagner

NOES: None

ABSENT: Delgado, Perez, and Raman

PUBLIC HEARINGS

21. Determine That Proposed Amended Rule 1151 – Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Does Not Require New Environmental Document; and Amend Rule 1151

Heather Farr, Planning and Rules Manager, gave the staff presentation on Agenda Item No. 21. For additional details, please refer to the [Webcast](#) beginning at 3:10:21.

The public comment period was opened for Agenda item No. 21. The following individuals addressed the Board. For additional details, please refer to the [Webcast](#) beginning at 3:16:43.

Rita Loof, RadTech International
Cara Bommarito, sits on a committee for sustainability that works with the
UV/EB/LED industry

Comments from the above speakers included the following:

- The proposal has burdensome requirements that makes it harder to implement non-toxic technology like UV/EB/LED
- Proposal will negatively impact companies that use UV/EB/LED processes
- Requested regulatory flexibility for UV/EB/LED processes

Gene Lopez, Seidner's Collision Center, indicated that the compounds selected to reduce VOC have been in use for over 20 years and expressed concern that the reformulation timeline is three to four years. For additional details, please refer to the [Webcast](#) beginning at 3:17:39.

Harvey Eder expressed concerns over the toxicity of polyfluoroalkyl substances (PFAS). For additional details, please refer to the [Webcast](#) beginning at 3:19:02

There being no further requests to speak, the public comment period was closed for Agenda item No. 21.

Councilmember Rodriguez asked for clarification on why UV/EB/LED cannot be exempt from the additional recordkeeping requirements. Ms. Farr explained that Proposed Amended Rule 1151 incorporates Rule 109 by reference for recordkeeping of all sources. The reporting is once every five years and there are three reporting cycles. This information is needed and used by rulemaking staff to determine if VOC limits can be lowered. For additional details, please refer to the [Webcast](#) beginning at 3:21:27.

Board Member Kracov asked that staff respond to the commenter who felt it was too early to ban pCBtF. Ms. Farr explained that manufacturers have been using pCBtF since 2014 and that OEHHA recently determined that pCBtF is a potent carcinogen. Ms. Farr explained that it is important to phase out pCBtF and that VOC limits are being increased to allow manufacturers to reformulate their products without pCBtF. Mr. Krause added that the reformulation timeline has been extended to a three- to five-year period in the proposal. For additional details, please refer to the [Webcast](#) beginning at 3:22:36

Board Action (Item 21)

MOVED BY SOLACHE AND SECONDED BY KRACOV TO APPROVE AGENDA ITEM NO 21 AS RECOMMENDED AND ADOPT RESOLUTION NO. 24-28:

- 1) DETERMINING THAT PROPOSED AMENDED RULE 1151 – MOTOR VEHICLE AND MOBILE EQUIPMENT NON-ASSEMBLY LINE COATING OPERATIONS IS A LATER ACTIVITY WITHIN THE SCOPE OF THE FINAL PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2022 AQMP SUCH THAT NO NEW ENVIRONMENTAL DOCUMENT WILL BE REQUIRED; AND
- 2) AMENDING RULE 1151 – MOTOR VEHICLE AND MOBILE EQUIPMENT NON-ASSEMBLY LINE COATING OPERATIONS.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Hagman,
Kracov, McCallon, Mitchell, Padilla-Campos,
Rodriguez, Solache, and Wagner

NOES: None

ABSENT: Delgado, Perez, and Raman



22. Determine That Proposed Amended Rule 1173 – Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants, Is Exempt from CEQA; and Amend Rule 1173

The Board agreed to waive the staff presentation on Agenda Item No. 22.

The public comment period was opened for Agenda item No. 22. The following individuals addressed the Board. For additional details, please refer to the [Webcast](#) beginning at 3:24:24

Julia May, Communities for a Better Environment
Oscar Espino-Padron, Earthjustice

Comments from the above speakers included the following:

- Expressed support for PAR 1173 but felt that refineries need to do more
- Commented on the significance of the rule in reducing VOC and benzene emissions
- Requested that other refinery rules be reopened

Harvey Eder [*Mr. Eder was interrupted as his comments were off topic.*] For additional details, please refer to the [Webcast](#) beginning at 3:26:36.

There being no further requests to speak, the public comment period was closed for Agenda item No. 22.

Board Action (Item 22)

MOVED BY MCCALLON AND SECONDED BY HAGMAN TO APPROVE AGENDA ITEM NO 22 AS RECOMMENDED AND ADOPT RESOLUTION NO. 24-29:

- 1) DETERMINING THAT PROPOSED AMENDED RULE 1173 – CONTROL OF VOLATILE ORGANIC COMPOUND LEAKS AND RELEASES FROM COMPONENTS AT PETROLEUM FACILITIES AND CHEMICAL PLANTS IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND
- 2) AMENDING RULE 1173 – CONTROL OF VOLATILE ORGANIC COMPOUND LEAKS AND RELEASES FROM COMPONENTS AT PETROLEUM FACILITIES AND CHEMICAL PLANTS.

THE MOTION PASSED BY THE FOLLOWING VOTE:

AYES: Cacciotti, Lock Dawson, Hagman, Kracov,
McCallon, Mitchell, Padilla-Campos, Rodriguez,
Solache, and Wagner

NOES: None

ABSENT: Delgado, Perez, and Raman



CLOSED SESSION

There was no closed session.

ADJOURNMENT

There being no further business, Vice Chair Cacciotti adjourned the meeting at 12:25 p.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on November 1, 2024.

Respectfully Submitted,

Faye Thomas
Clerk of the Boards

Date Minutes Approved: _____

Vanessa Delgado, Chair

ACRONYMS

AQMP = Air Quality Management Plan

CARB = California Air Resources Board

CEQA = California Environmental Quality Act

FY = Fiscal Year

ISR = Indirect Source Rule

MSRC = Mobile Source Air Pollution Reduction Review Committee

OEHHA = California Office of Environmental Health Hazard Assessment

PcBtF = para-Chlorobenzotrifluoride

SEA = Subsequent Environmental Assessment

UV/EB/LED = Ultraviolet/Electron Beam/Light Emitting Diode

VOC = Volatile Organic Compounds

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 2

PROPOSAL: Set Public Hearings January 10, 2025 to Consider Adoption of and/or Amendments to South Coast AQMD Rules and Regulations:

A. Determine That Proposed Amended Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities, Is Exempt from CEQA; and Amend Rule 1179.1

Rule 1179.1 establishes NO_x limits for boilers, turbines, and engines located at publicly owned treatment works. Proposed Amended Rule 1179.1 will correct cross-references in Attachment 1 by harmonizing it with similar references in Attachment 1 of Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines. This action is to adopt the Resolution: 1) Determining that Proposed Amended Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities, is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 1179.1 – Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities. (No Committee Review)

B. Determine That Proposed Amended Regulation XXX – Title V Permits Is Exempt from CEQA; and Amend Regulation XXX

Regulation XXX – Title V Permits establishes provisions for Title V facilities including obtaining a Title V permit and complying with the conditions of the permit. To be consistent with a decision made by the U.S. Supreme Court on the U.S. EPA’s Greenhouse Gas Tailoring Rule and U.S. EPA’s Title V operating permit program regulations, Proposed Amended Regulation XXX will remove the emergency affirmative defense and certain greenhouse gas provisions. This action is to adopt the Resolution: 1) Determining that Proposed Amended Regulation XXX – Title V Permits is exempt from the requirements of the California Environmental Quality Act; and 2) Amending Regulation XXX – Title V Permits. (Reviewed: Stationary Source Committee, November 15, 2024)

The complete text of the proposed amended rules, and other supporting documents will be made available from the South Coast AQMD's Public Information Center at (909) 396-2001, or Lisa Tanaka – Deputy Executive Officer/Public Advisor, South Coast AQMD, 21865 Copley Drive, Diamond Bar, CA 91765, (909) 396-2432, ltanaka@aqmd.gov and on the Internet (www.aqmd.gov) as of December 10, 2024.

RECOMMENDED ACTIONS:

Set Public Hearings January 10, 2025 to: 1) Determine that Proposed Amended Rule 1179.1 is Exempt from CEQA and Amend Rule 1179.1; and 2) Determine that Proposed Amended Regulation XXX is exempt from CEQA and Amend Regulation XXX.

Wayne Nastri
Executive Officer

FT

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 3

PROPOSAL: Execute Contracts to Develop and Demonstrate Class 2B/3 and Class 4/5 Medium-Duty Battery Electric Trucks

SYNOPSIS: CARB's Advanced Clean Trucks and Advanced Clean Fleets regulations require the transition of medium- and heavy-duty vehicles to zero-emission (ZE) technologies starting 2024. The development, demonstration, and deployment of faster charging and increased availability of ZE medium-duty trucks are needed. These actions are to execute contracts with: 1) Voltu Motor, Inc. to develop, demonstrate and deploy 10 Ford F350 Class 2B and 3 battery electric trucks in an amount not to exceed \$600,000 which consists of \$300,000 from the Clean Fuels Program Fund (31) and \$300,000 from the Mobile Source Air Pollution Reduction Fund (23); 2) Enevate Corporation to develop and test a fast-charging battery pack for medium-duty Class 4 and 5 battery electric vehicles in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23); and 3) Evolectric, Inc. to integrate the battery pack and demonstrate the fast-charging system developed by Enevate Corporation within a Class 4 and 5 medium-duty battery electric truck in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23).

COMMITTEE: Technology, November 15, 2024; Recommend for Approval

RECOMMENDED ACTIONS:

Authorize the Executive Officer to execute a contract with:

1. Voltu Motor, Inc. to develop, demonstrate and deploy 10 Ford F350 Class 2B/3 medium-duty work trucks at the City of Riverside in an amount not to exceed \$600,000 which consists of \$300,000 from the Clean Fuels Program Fund (31) and \$300,000 from the Mobile Source Air Pollution Reduction Fund (23);
2. Enevate Corporation to develop and test a fast-charging battery pack for medium-duty battery electric vehicle applications in an amount not to exceed \$500,000 which consists of \$250,000 from the Clean Fuels Program Fund (31) and \$250,000 from the Mobile Source Air Pollution Reduction Fund (23); and

3. Evolectric, Inc. to integrate and demonstrate the battery pack developed by Enevate within a Class 4/5 medium-duty battery electric vehicles in an amount not to exceed \$500,000 which consists of \$250,000 from the Clean Fuels Program Fund (31) and \$250,000 from the Mobile Source Air Pollution Reduction Fund (23).

Wayne Natri
Executive Officer

AK:MW:VP:SC:CR

Background

CARB's Advanced Clean Trucks and Advanced Clean Fleets regulations require fleets to transition their medium- and heavy-duty trucks to zero-emission (ZE) technologies. There is a need to increase the ZE options for Class 2B and 3 service body trucks. The current availability of Class 2B and 3 ZE trucks are all for small delivery vans. There is a need by commercial fleets to utilize ZE class 2B and 3 service body work trucks with flexible truck bed options to serve a wide variety of applications.

Secondly, the continued development and deployment of fast charging vehicles and chargers is needed to accelerate the commercialization of battery electric ZE technologies. In March 2024, the Board approved a project to develop and demonstrate innovative megawatt fast charging systems to extend the operational range and reduce charging times for Class 7 and 8 battery electric trucks. Similar fast charging technologies are needed for medium-duty battery electric vehicles. Many of the current medium-duty electric trucks require overnight Alternating Current charging or slow Direct Current (DC) charging. The development and demonstration of battery packs and fast chargers for medium duty trucks is needed to reduce charging dwell times.

Proposal

Class 2B/3 Medium-Duty Battery Electric Work Trucks Development

Voltu Motors, Inc. proposes to partner with the City of Riverside and the University of California, Riverside (UCR) CE-CERT to develop, demonstrate and deploy 10 electric Ford F350 work trucks for the City of Riverside and Riverside Public Utilities fleets. The proposed work truck units will be integrated at their Moreno Valley facility with up to 166 kWh battery packs and dual electric motors capable of up to 250 miles of range and up to 200kW DC charge rate. Voltu Motor will collaborate with UCR CE-CERT to perform data analytics for a period of 6 months following deployment.

Fast Charging Class 4/5 Medium-Duty Battery Electric Trucks

Enevate Corporation (Enevate) is an Irvine, California based EV battery company that has developed silicon-dominant anode advanced battery technology that allows fast charging and with higher charge densities compared to a conventional battery cell. Enevate has proposed to develop and test a fast-charging battery pack for medium-duty battery electric vehicle applications. The proposed technology will enable the vehicle battery to be fast charged in 15 minutes from zero to eighty percent.

Evolectric, Inc., (Evolectric), a Rancho Dominguez, California-based electric truck battery manufacturer that focuses on retrofitting technology, proposes to integrate and demonstrate Enevate's fast-charging battery technology on Evolectric's medium-duty vehicle platform. SBR Express, Inc. (SBR), a local fleet, has agreed on a 6-month pilot deployment, evaluation, and data collection. Prior to integration, the battery pack will be tested at the University of California, Irvine Horiba Institute for its fast-charging capability.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which sole source award may be justified. The request for sole source awards for the Enevate and Evolectric contracts is made under provision B.2.d.(1) Projects involving cost sharing by multiple sponsors. The proposed project includes match share by MSRC, Evolectric, Enevate and SBR. The request for sole source award for the Voltu Motor contract is made under provision B.2.d.(1) Projects involving cost sharing by multiple sponsors. The proposed project includes match share by MSRC, Voltu Motor, UCR CE-CERT and the City of Riverside.

Benefits to South Coast AQMD

South Coast Air Basin is classified as an "extreme" nonattainment area for ozone under the Federal Clean Air Act. Successful development and pilot demonstration of fast-charging trucks and Class 2B/3 work trucks will increase ZE vehicle adoption to help reduce Ozone and PM2.5 air pollution. The projects support the Technology Advancement Office Clean Fuels Program 2024 Plan Update under the categories of "*Electric/Hybrid Technologies*" and "*Zero Emission Infrastructure*."

Resource Impacts

The contract with Voltu Motor, Inc. to develop, demonstrate and deploy Class 2B/3 medium-duty work trucks will not exceed \$600,000. South Coast AQMD proposes contributing \$300,000 towards this project from the Clean Fuels Program Fund (31). On November 21, 2024, MSRC approved contributing \$300,000 from the Mobile Source Air Pollution Reduction Fund (23) towards this project. The MSRC's contribution is under consideration for Board approval under a separate item.

Class 2B/3 Battery Electric Work Truck Development

Funding Source	Funding Amount	Percent
Voltu Motor	\$380,000	17
UCR/CE-CERT (in-kind)	\$20,000	1
City of Riverside	\$1,200,000	54
MSRC	\$300,000	14
South Coast AQMD (<i>requested</i>)	\$300,000	14
Total	\$2,200,000	100%

The contracts with Enevate and Evolectric to develop new battery pack and demonstrate fast-charging medium-duty trucks will not exceed \$1,000,000. South Coast AQMD proposes contributing \$500,000 towards this project from the Clean Fuels Program Fund (31). On November 21, 2024, MSRC approved contributing \$500,000 from the Mobile Source Air Pollution Reduction Fund (23) towards this project. The MSRC’s contribution is under consideration for Board approval under a separate item.

Fast-Charging Medium-Duty Trucks

Funding Source	Funding Amount	Percent
Enevate	\$266,920	16
Evolectric	\$412,000	24
SBR (in-kind)	\$12,525	1
MSRC	\$500,000	30
South Coast AQMD (<i>requested</i>)	\$500,000	30
Total	\$1,691,445	100%

Sufficient funds are available in the Clean Fuels Program Fund (31) and the Mobile Source Air Pollution Reduction Fund (23) for the proposed projects.

The Clean Fuels Program Fund (31) is established as a special revenue fund resulting from the state mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program. Successful development and pilot demonstration of battery electric fast-charging Class 2B and 3 work trucks will lead to full commercialization of ZE work trucks that reduces Ozone precursors and PM2.5.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 4

PROPOSAL: Execute Contracts to Implement Zero-Emission Infrastructure Projects Under Carl Moyer and Community Air Protection Programs

SYNOPSIS: In December 2023, Carl Moyer Program Announcement PA2024-02 was released to solicit zero-emission infrastructure project applications and closed in February 2024. The solicitation was oversubscribed and received close to \$400 million dollars in applications. These actions are to: 1) Execute contracts for zero-emission infrastructure projects under the Carl Moyer and Community Air Protection Programs for a total of \$109,125,778, and back up projects if funds become available; and 2) Authorize the Executive Officer to redistribute the source of funds for the various incentive program grants to ensure program liquidation targets are met.

COMMITTEE: Technology, November 15, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to:
 - a) Execute contracts for zero-emission infrastructure projects under the Carl Moyer Program as listed in Tables 2 & 3 for a total not to exceed amount of \$109,125,778, which is comprised of \$49,780,486 from the Carl Moyer Program SB 1107 Fund (32), \$7,467,074 from the Carl Moyer AB 923 Match Fund (80), \$10,000,000 from interest earned and available in the Carl Moyer Program Fund (32), \$31,878,218 from the Community Air Protection AB 134 Fund (77) and \$10,000,000 from interest earned and available in the Community Air Protection AB 134 Fund (77); and
 - b) Execute contracts from the backup projects as listed in Table 4 should returned funds become available from any of the approved funding sources, or should any additional funds become available from the Carl Moyer, State Reserve, Community Air Protection programs, and Ocean-Going Vessel At Berth Remediation Fund (88);

2. Authorize the Executive Officer to redistribute the source of funds for approved projects from the following funding sources as needed: SB 1107, SB 129, State Reserve, and associated interest funds in Fund (32), Carl Moyer AB 923 Fund (80), and the Community Air Protection Fund (77); and reassign Carl Moyer Program projects between funding years, as needed; in order to expeditiously meet program funding liquidation requirements to the extent that such actions are not in conflict with any applicable guidance, requirement or direction from CARB.

Wayne Natri
Executive Officer

AK:MW:TL:KM

Background

In December 2023, the Board approved the issuance of the Program Announcement (PA) PA#2024-02 to solicit infrastructure projects. A total of 84 project applications were received requesting \$396 million. As listed in Table 1, approximately \$109 million is available to fund the recommended project awards. These funds are made available from withdrawn projects under the Carl Moyer program years 23 & 24 and Community Air Protection Program (CAPP) year 3 program funds. In addition, the Board approved the allocation of \$22 million from Carl Moyer Year 26 fund for the solicitation PA#2024-02. Also, the Ocean-Going Vessel At Berth Remediation Fund (88) is available to support the additional projects received under this solicitation.

All the projects received under this solicitation were evaluated using the Carl Moyer Program guidelines.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the PA and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach. Additionally, potential applicants were notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notices of the PA were emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making menu selection "Grants & Bids." South Coast AQMD posts pre-recorded presentations and host meetings to provide program information and application assistance for applicants interested in participating in the Carl Moyer Program.

Proposal

Staff is recommending projects in Table 2 to be funded with Carl Moyer Program funds (Funds 32 and 80). All the infrastructure projects were evaluated based on criteria scoring published in the PA, and the selected projects will help accelerate the transition to zero-emission fleets in the South Coast Air Basin. Table 3 represents the recommended projects to be funded by Community Air Protection Program funds (Fund 77). Each project in this table is located within the boundaries of an AB 617 community and will offer emission reduction and other benefits to the community. The remaining projects were placed on a backup list in Table 4 and may be funded if additional funding becomes available or projects in Tables 2 and 3 fall through. Staff also recommends that eligible Table 4 backup projects be funded from Ocean Going Vessel At Berth Remediation Fund (Fund 88).

To ensure program funding liquidation targets are met, staff recommends the Board authorize the Executive Officer to redistribute the source of funds as needed and reassign Carl Moyer projects between funding years, for projects approved under this Board Letter.

Overburdened Communities

The Carl Moyer Program Guidelines include the requirement that at least 50 percent of the program funds to be expended on projects that will reduce emissions in disproportionately impacted areas, which is tracked on a cumulative basis for all air districts. At least half of the funding allocated under SB 1107 and collected under AB 923 will be awarded to projects in disproportionately impacted areas. The Carl Moyer Guidelines also require that at least 50 percent of all funding available for the Carl Moyer Program, including roll-over funds from previous years and any returned funds from projects that fall through, be allocated to projects that will reduce emissions in disproportionately impacted areas. AB 617 Community Air Protection Program funds must be expended on projects that impact designated AB 617 communities.

Based on the recommended awards, over 75 percent of the projects under the Carl Moyer and CAPP, as well as all the recommended projects listed as backup, will provide emission benefits to overburdened and low-income communities, surpassing program requirements.

Benefits to South Coast AQMD

Successful implementation of zero-emission infrastructure projects is essential in deploying zero-emission equipment in the goods movement and other sectors within South Coast AQMD jurisdiction. The infrastructure equipment funded will operate for many years, providing charging and hydrogen fueling for zero-emission vehicles and equipment that will reduce emissions in the South Coast Basin.

Resource Impacts

Total funding for projects under the Carl Moyer Program will not exceed \$109,125,778 comprised of the following funding sources:

Program	Total Funds Awarded
Carl Moyer SB 1107 (Fund 32)	\$49,780,486
Carl Moyer/State Reserve Interest Funds (Fund 32)	\$10,000,000
Carl Moyer AB 923 Match Funds (Fund 80)	\$7,467,074
Community Air Protection Funds (Fund 77)	\$31,878,218
Community Air Protection Interest Funds (Fund 77)	\$10,000,000
Total	\$109,125,778

Attachments

Table 1: Total Amount of Available Funds

Table 2: Carl Moyer Program Awards

Table 3: CAPP Incentive Awards in AB 617 Communities

Table 4: Recommended List of Backup Projects

Table 1: Total Amount of Available Funds			
Funding Source	Available Project Funds	Grant Number	Comment
Carl Moyer Program	\$22,000,000 (Year 26)	G23-MO-28	
	\$23,500,000 (Year 24)	G21-MO-27	
	\$4,280,486 (Year 23)	G20-MO-30	
Carl Moyer Interest Fund	\$10,000,000	N/A	Total unobligated interest funds in Fund 32 as of 9/30/2024 including interest from both Carl Moyer and State Reserve Programs.
AB 923 Match Funds	\$7,467,074	N/A	Required match for Carl Moyer Program, less 15% as South Coast AQMD's in-kind contribution allowed by the Carl Moyer Program.
Community Air Protection Program	\$31,878,218 (Year 3)	G19-MCAP-03	
	\$10,000,000	N/A	Total unobligated interest funds in Fund 77 as of 9/30/2024
Total:	\$109,125,778		

Table 2: Carl Moyer Program Awards		
Applicant	Project Category	Recommended Award
FirstElement Fuel, Inc. (Buena Park)	Infrastructure - Hydrogen	\$1,731,000
FirstElement Fuel, Inc. (Riverside)	Infrastructure - Hydrogen	\$1,731,000
FirstElement Fuel, Inc. (San Bernardino)	Infrastructure - Hydrogen	\$1,731,000
Los Angeles Unified School District (Sun Valley)	Infrastructure - Electric	\$8,000,000
Lemon King III, LLC* (Coachella Valley)	Infrastructure - Electric	\$137,813
Moreno Valley Unified School District	Infrastructure - Electric	\$5,000,000
OLAM Palm Springs, LLC	Infrastructure - Electric	\$2,500,000
Penske Truck Leasing Co., L.P. (Fontana)	Infrastructure - Electric	\$1,460,213
Penske Truck Leasing Co., L.P. (Santa Ana)	Infrastructure - Electric	\$857,301
Penske Truck Leasing Co., L.P. (Temecula)	Infrastructure - Electric	\$471,325
Pilot Travel Centers LLC (Rialto)	Infrastructure - Hydrogen	\$4,000,000
Prologis Mobility LLC (Van Nuys)	Infrastructure - Electric	\$8,934,090
Southern California Gas Company (Pico Rivera)	Infrastructure - Hydrogen	\$9,000,000
Tom's Truck Center North County, LLC (Santa Fe Springs)	Infrastructure - Hydrogen	\$9,428,571
Voltera Power, LLC (Rialto)	Infrastructure - Electric	\$6,090,302
WATTEV CA6, Inc. (Perris)	Infrastructure - Electric	\$6,174,945
Total		\$67,247,560**

*This project is pending CARB case-by-case approval and/or South Coast AQMD qualification check.

**Comprised of \$59,780,486 in Carl Moyer Program funds and \$7,467,074 in AB 923 match funding.

Table 3: CAPP Incentive Awards in AB 617 Communities

AB 617 Community	Applicant	Project Category	Recommended Award	Total
East Los Angeles/Boyle Heights/West Commerce	Cal State LA University Auxiliary Services, Inc.	Infrastructure - Hydrogen	\$2,207,818	\$2,207,818
San Bernardino/Muscoy	EV Realty, Inc. (San Bernardino)	Infrastructure - Electric	\$5,885,910	\$5,885,910
Southeast Los Angeles (SELA) Emission Boundary	Penske Truck Leasing Co., L.P. (Vernon)	Infrastructure - Electric	\$526,897	\$526,897
South Los Angeles	Voltera Power, LLC (Lynwood)	Infrastructure - Electric	\$5,347,414	\$5,347,414
Wilmington/Carson/West Long Beach	Forum Mobility, Inc. (Rancho Dominguez)	Infrastructure - Electric	\$8,424,868	\$27,910,179
	LBCT LLC	Infrastructure – Electric	\$2,869,924	
	Prologis Mobility LLC (Carson – Presidio)	Infrastructure - Electric	\$121,842	
	Prologis Mobility LLC (Carson – Wilmington)	Infrastructure - Electric	\$146,297	
	Prologis Mobility LLC (Long Beach)	Infrastructure - Electric	\$5,122,476	
	Prologis Mobility LLC (Rancho Dominguez)	Infrastructure – Electric	\$230,260	
	SSA Terminals (Pier A), LLC (Long Beach)	Infrastructure - Electric	\$5,994,512	
	Zeem Solutions Long Beach Depot LLC*	Infrastructure – Electric	\$5,000,000	
			Total	\$41,878,218

*This project is pending CARB case-by-case approval and/or South Coast AQMD qualification check.

Table 4: Recommended List of Backup Projects

Applicant	Project Category	Recommended Award
4 Gen Logistics, L.L.C. (Long Beach)	Infrastructure Expansion - Electric	\$12,227,280
4 Gen Logistics, L.L.C. (Rialto)	Infrastructure - Electric	\$9,793,056
4G Management, Inc.* (Long Beach)	Infrastructure - Hydrogen	\$8,267,025
City of Colton	Infrastructure - Electric	\$198,702
City of Pasadena	Infrastructure - Electric	\$2,446,125
Clean Energy Fuels Corp. (Wilmington)	Infrastructure - Hydrogen	\$8,297,107
County of Orange (Glassel)	Infrastructure - Electric	\$89,280
County of Orange (Grand)	Infrastructure - Electric	\$153,194
County of Orange (Santa Ana)	Infrastructure - Electric	\$894,875
Green Water and Power LLC (Sun Valley)	Infrastructure - Electric	\$356,920
Southern Counties Terminals DBA Griley Airfreight (Playa Vista)	Infrastructure - Electric	\$741,447
LBCT LLC (Long Beach)	Infrastructure - Electric	\$62,507,006
Penske Truck Leasing Co., L.P. (City of Industry – Arethe)	Infrastructure - Electric	\$606,238
Penske Truck Leasing Co., L.P. (Chino)	Infrastructure - Electric	\$430,975
Penske Truck Leasing Co., L.P. (City of Industry – Valley)	Infrastructure - Electric	\$497,997
Penske Truck Leasing Co., L.P. (La Mirada)	Infrastructure - Electric	\$586,684
Penske Truck Leasing Co., L.P. (Los Angeles)	Infrastructure - Electric	\$460,073
Penske Truck Leasing Co., L.P. (Mira Loma)	Infrastructure - Electric	\$1,414,468
Penske Truck Leasing Co., L.P. (Moreno Valley)	Infrastructure - Electric	\$1,520,542
Penske Truck Leasing Co., L.P. (Ontario)	Infrastructure - Electric	\$3,188,222
Penske Truck Leasing Co., L.P. (Riverside)	Infrastructure - Electric	\$1,471,925
Penske Truck Leasing Co., L.P. (Sun Valley)	Infrastructure - Electric	\$1,038,948
Prologis Mobility LLC (Compton)	Infrastructure - Electric	\$17,587,404
Prologis Mobility LLC (Mira Loma)	Infrastructure - Electric	\$661,076
Prologis Mobility LLC (Commerce)	Infrastructure - Electric	\$19,077,647
Prologis Mobility LLC (Ontario – Cucamonga)	Infrastructure - Electric	\$103,796

Table 4: Recommended List of Backup Projects		
Applicant	Project Category	Recommended Award
Prologis Mobility LLC (Ontario – Eucalyptus)	Infrastructure - Electric	\$18,646,590
Prologis Mobility LLC (Rancho Cucamonga)	Infrastructure - Electric	\$12,832,965
Republic Services of Southern California, LLC (Anaheim)	Infrastructure - Electric	\$947,750
San Gabriel Valley Water Company (El Monte)	Infrastructure - Electric	\$276,233
San Gabriel Valley Water Company (Fontana)	Infrastructure - Electric	\$40,590
Schneider Resources, Inc. (San Bernardino)	Infrastructure - Electric	\$8,054,365
Supra National Express, Inc. (San Bernardino)	Infrastructure - Electric	\$9,459,500
Voltera Power, LLC (Ontario)	Infrastructure - Electric	\$5,992,565
Total		\$210,868,570

*This project is pending CARB case-by-case approval and/or South Coast AQMD qualification check.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 5

PROPOSAL: Execute Sponsorship Agreement with Cal State Los Angeles to Support Workforce Training and Professional Development of Electric Vehicle and Battery Engineers

SYNOPSIS: California State University, Los Angeles has been selected as one of 12 universities nationwide to participate in the Battery Workforce Challenge. This engineering competition will challenge universities and their partners to design, build, test and integrate advanced EV battery packs into a Stellantis vehicle. This program will help prepare and train the next generation of engineers and technicians to handle the increased demand for EVs. This action is to execute a sponsorship agreement with California State University, Los Angeles, in an amount not to exceed \$150,000 from the Clean Fuels Program Fund (31).

COMMITTEE: Technology, November 15, 2024; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a sponsorship agreement with the California State University, Los Angeles, to support their participation in the Battery Workforce Challenge and promote the training and growth of next generation EV engineers in an amount not to exceed \$150,000 from the Clean Fuels Program Fund (31).

Wayne Natri.
Executive Officer

AK:MW:VP:HL

Background

In 2023, the California State University, Los Angeles (Cal State LA) was selected as one of 12 universities nationwide to participate in the DOE and Stellantis N.V. (Stellantis) Battery Workforce Challenge (BWC). BWC is a collegiate and engineering competition that gives students hands-on, real-world experience in battery design and

implementation. The three-year competition partners 12 university engineering departments with 12 local vocational schools together to design, build, and integrate an advanced EV battery pack into a Stellantis vehicle.

The Cal State LA team is the Charging Eagles and is comprised of 66 engineering students that currently are designing an 82-kWh battery pack in the first year of this competition to operate safely, reliably, and meet performance requirements. In the second and third year of this competition, the team will test the battery within the Stellantis vehicle and compete against other teams against different performance measures. All these challenges will incur costs related to the purchase of vehicle parts, tools, computers, software licenses, student stipends, faculty release time, outreach materials, and office consumables.

Proposal

Through the BWC, a public-private partnership will be established that trains the next generation of engineers, technicians, and workers to help support the workforce demand for a domestic EV battery design and development. The team at Cal State LA has secured over \$500,000 in funding from competition sponsors, including the Sikand Center for Sustainable and Intelligent Infrastructure (Sikand SITI-Center) and the College of Engineering, Computer Science, and Technology (ECST). This effort is led by the Cal State LA faculty in the Departments of Electrical Engineering, Mechanical Engineering, and Engineering Technology.

South Coast AQMD sponsorship of the Cal State LA team for this competition will support the purchase of the needed hardware and software as well as student stipends, faculty release time, and travel expenses related to the competition. The successful completion of this competition will provide the students, majority of whom reside within overburdened communities, an opportunity to secure high-paying engineering careers.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.d.: Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of South Coast AQMD. Specifically, these circumstances are B.2.d.(8): Research and development efforts with educational institutions or nonprofit organizations. The proposed project will include contributions and cost-share by Sikand SITI-Center and ECST.

Benefits to South Coast AQMD

Projects to support the development and demonstration of EV technologies and supporting infrastructure are included in the Technology Advancement Office Clean Fuels Program 2024 Plan Update under the “Demonstrate Light-Duty Battery Electric Vehicles and Plug-In Hybrid Vehicles.” The design and development of advanced batteries are a key component to electrify the transportation sector. The deployment of EVs within the South Coast region will create a demand for a domestic EV battery workforce. Engineering a battery pack is challenging and takes years of experience and a variety of skill sets. BWC seeks to motivate and build a highly skilled domestic workforce with the hands-on experience and knowledge needed for in-demand positions throughout the EV and battery industry. Students participating in this competition will be educated and trained to become highly skilled engineers driving battery technology, and South Coast AQMD’s support for this project will foster the next generation of EV and battery experts, which is synergistic to South Coast AQMD’s vision and future projects.

Resource Impacts

South Coast AQMD’s support for the Training and Professional Growth of Next Generation Electric Vehicle and Battery Engineers shall not exceed \$150,000 from the Clean Fuels Program Fund (31). In addition, Cal State LA has secured over \$500,000 in contributions from the Sikand SITI-Center and ECST, both of whom are competition sponsors.

Sufficient funds are available from the Clean Fuels Program Fund (31), established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 6

PROPOSAL: Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for MATES VI

SYNOPSIS: Since 1987, South Coast AQMD has conducted five MATES campaigns to evaluate air toxics health risks in South Coast AQMD's jurisdiction. MATES VI measurements for a wide range of air toxics are anticipated to begin in early 2025. The collected data will be used to support air toxics modeling and quantify health impacts. These actions are to transfer up to \$1,138,956 from the Clean Fuels Program Fund to the General Fund for the MATES VI program, and appropriate funding to the Monitoring & Analysis, Planning, Rule Development & Implementation, and the Technology Advancement Office Divisions FY 2024-25 through FY 2027-28 budgets as needed, and issue solicitations and purchase orders to support the goals and objectives of MATES VI.

COMMITTEE: Administrative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer up to \$1,138,956 from the Clean Fuels Program Fund (31) to the General Fund (01) to support the MATES VI program;
2. Appropriate up to \$1,343,956 from the Undesignated (Unassigned) Fund Balance (which includes \$205,000 of unspent funds previously authorized by the Board on December 1, 2023) to the Monitoring & Analysis Division (MAD), the Planning, Rule Development, & Implementation (PRDI) Division, and the Technology Advancement Office (TAO) to procure additional resources needed to complete MATES VI on an as-needed basis at any time over the period of FY 2024-25 through FY 2027-28, as shown in the Attachment;
3. Authorize the Executive Officer, in accordance with South Coast AQMD's Procurement Policy and Procedure, to execute a sole source contract with University of California, Riverside (UC Riverside) to study ethylene oxide sources, in an amount not to exceed \$176,956;
4. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue sole source purchase orders and/or contracts for the following as listed in the Attachment and described in this letter:
 - a. One Agilent Mass Hunter Software system from Agilent Instruments in an amount not to exceed \$175,000;

- b. One Canister Cleaning System from Entech Instruments, Inc. in an amount not to exceed \$50,000;
 - c. One Ion Chromatograph from Thermo Electron North America, LLC in an amount not to exceed \$80,000;
 - d. One Acid Microwave from CEM, Inc. in an amount not to exceed \$52,000;
 - e. Up to two aethalometers from Magee Scientific in an amount not to exceed \$100,000;
 - f. Up to five data loggers from Agilaire, LLC in an amount not to exceed \$90,000;
 - g. Up to 20 air toxics samplers from Met One Instruments, TISCH Environmental, and Mesa Laboratories, Inc. in an amount not to exceed \$305,000, using \$205,000 of unspent funds authorized for the solicitation of Air Toxics Samplers in the December 1, 2023 Board Letter (Agenda No. 4);
 - h. Supplemental laboratory analysis of ammonia by the Wisconsin State Laboratory of Hygiene (WSLH) in an amount not to exceed \$35,000; and
 - i. Supplemental laboratory analysis by Eastern Research Group, Inc. in an amount not to exceed \$47,250, for analysis of polycyclic aromatic hydrocarbons (PAHs), using funds previously authorized by the Board in December 2023.
5. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue solicitations and purchase orders for two vacuum pumps in an amount not to exceed \$30,000 as listed in the Attachment and described in this letter.
 6. Authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a contract or purchase order, as deemed appropriate, with vendor(s) selected from South Coast AQMD's List of Prequalified Vendors in an amount not to exceed \$20,000 for additional computational storage as listed in the Attachment and described in this letter.

Wayne Nasti
Executive Officer

SR:SE

Background

MATES is an environmental justice initiative that South Coast AQMD started in 1987 with MATES I. Since then, five MATES campaigns have been conducted to characterize the concentration of airborne toxic compounds within South Coast AQMD jurisdiction and determine the region-wide cancer risks associated with major airborne carcinogens. As each successive MATES campaign builds on the previous work, each iteration added new goals and objectives and employed more sophisticated measurement and modeling techniques. Results of MATES are used to provide public information about air toxics and associated health risks throughout the region, evaluate progress in reducing air toxics exposure, and provide direction to future toxics control programs. Previous MATES campaigns have also identified unknown air toxics sources

and have been critical in the interpretation of data from special air toxics monitoring studies in various communities. MATES continues to be the most sophisticated regional air toxics analysis conducted in the nation, relying on the extensive air quality monitoring, modeling, and analysis expertise and resources at the agency.

Planning for MATES VI has been underway since early 2023 with field measurements expected to begin in early 2025. As in previous MATES campaigns, South Coast AQMD staff has convened a Technical Advisory Group (TAG) to provide technical guidance in the design of the study. The group includes experts from academia, health agencies, and government. Four TAG meetings have been conducted to date. MATES VI field measurements will be conducted over a one-year period at ten fixed sites throughout the region. MATES VI monitoring is being extended to the Coachella Valley for the first time. In addition, two of the ten air monitoring stations will be adjacent to freeways to capture near-road air toxics impacts. As in past MATES campaigns, state-of-the-art chemical transport modeling will be conducted to evaluate air toxics concentrations and risks throughout the entire South Coast Air Basin and Coachella Valley.

In addition to the fixed site monitoring described above, MATES VI includes three supplemental special studies. The first special study, funded by South Coast AQMD and conducted by Emission Analytics, LLC and their subcontractors at the University of California, Irvine and the University of Southern California, is currently underway to characterize particulate matter concentrations and potential health risks from brake, and road and tire wear emissions. Second, South Coast AQMD staff plans to conduct a study to characterize sources of ethylene oxide (EtO) and examine how much EtO is emitted or produced locally. This work may help identify strategies to reduce ambient EtO levels throughout the region. The TAG has provided key insight and feedback in the overall scope, design, and plan for these two studies. Third, UC Riverside researchers have conducted preliminary experiments to determine whether secondary EtO can be formed from the atmospheric aging of urban air with atmospheric oxidants. Preliminary results indicate that this process may form some of the EtO observed regionally, but further research is needed to quantify this effect and understand the chemical reactions responsible for EtO formation.

In December 2023, the Board approved the transfer of up to \$5,024,725 from the Clean Fuels Program Fund to the General Fund for the MATES VI program. South Coast AQMD already possesses or is in the process of procuring most of the monitoring, laboratory and computer equipment needed for MATES VI. However, the comments and feedback received from the TAG over the past year resulted in changes in the planned scope of MATES VI, which now requires additional instrumentation, software, hardware, laboratory consumables for enhanced EtO efforts, and one temporary chemist to implement the feedback received. This equipment will also be available after MATES VI for additional studies, special investigations, or community monitoring. Up to \$1,138,956 will be needed to carry out this change in scope. In addition, \$205,000 of

unspent funds previously authorized by the Board in December 2023 for solicitation of Air Toxics Samplers, is reauthorized here for sole-source purchase to accommodate this change in scope. Lastly, \$47,250 of funds previously authorized for supplementary laboratory analysis by the Board in December 2023 is included here to approve sole-source purchase to ensure monitoring network consistency.

Proposal

This action is to transfer up to \$1,138,956 from the Clean Fuels Program Fund (31) to the General Fund (01) and appropriate up to \$1,343,956 to the MAD, PRDI, and TAO budgets over FY 2024-25 through FY 2027-28 to purchase additional equipment and supplies, retain temporary staff, and fund a sole-source contract with UC Riverside for the MATES VI program. A description of resource needs is described below and is summarized in the Attachment.

Proposed Sole-Source Contracts

UC Riverside Study on Secondary EtO Formation

The proposed 18-month study will significantly expand upon preliminary work conducted by UC Riverside. The study will evaluate and quantify EtO formation from the oxidation of relevant atmospheric species and mixtures using a EtO monitor South Coast AQMD recently purchased. This instrument's low detection limit will both improve accuracy and enable faster switching between experimental conditions. Results from these experiments will be used to identify the precursors most likely to contribute significantly to the formation of ambient EtO, which can help design effective control measures. Ethylene will be added for some experiments to evaluate any synergistic effects. This action is to authorize the Executive Officer to issue a sole source contract with UC Riverside to study EtO sources and formation, in an amount not to exceed \$176,956. UC Riverside possesses the unique expertise and equipment to conduct these experiments.

Proposed Sole-Source Purchase Orders

Mass Hunter Software

The laboratory operates many Agilent Gas Chromatographs and Mass Spectrometers that will be used to analyze samples for EtO and other air toxics during MATES VI. The chromatography software used to operate these instruments, Mass Hunter, has multiple versions installed across the laboratory network, and does not meet best practices for data redundancy and security. This purchase allows all versions of Mass Hunter to be updated to the current standard and establishes server-based data redundancy with audit trails and remote accessibility. This action is to authorize the Procurement Manager to issue a sole source purchase order with Agilent Technologies for an amount not to exceed \$175,000 for the purchase and configuration of the Mass Hunter software and licenses.

Canister Cleaning System

The laboratory currently maintains and operates three canister cleaning systems used to remove trace-level contamination from air sampling canisters prior to use. Two of the systems are no longer supported by the manufacturer and need replacement to ensure adequate air toxics sampling throughput during MATES VI. This action is to authorize the Procurement Manager to issue a sole source purchase order with Entech Instruments, Inc. for an amount not to exceed \$50,000 for the purchase and installation of a canister cleaning system.

Ion Chromatograph

The laboratory operates an ion chromatograph to support the PM_{2.5} cation analysis performed for MATES VI. The current ion chromatograph is over ten years old and needs replacement to ensure continued analytical capacity and support from the manufacturer. This action is to authorize the Procurement Manager to issue a sole source purchase order with Thermo Electron North America, LLC for an amount not to exceed \$80,000 for the purchase and installation of an ion chromatograph system.

Acid Microwave

The laboratory uses two acid microwaves to prepare filters for the TSP and PM₁₀ metals analysis conducted during MATES. One of the microwaves is fifteen years old and in immediate need of replacement. This action is to authorize the Procurement Manager to issue a sole source purchase order with CEM Corporation for an amount not to exceed \$52,000 for the purchase and installation of a laboratory-grade acid microwave.

Aethalometers

Aethalometers are used to measure black carbon and estimate diesel particulate matter, a primary risk driver identified in previous MATES campaigns. Two aethalometers are needed to ensure black carbon is measured at all MATES sites. This action is to authorize the Procurement Manager to issue a sole source purchase order with Magee Scientific for an amount not to exceed \$100,000 for the purchase of up to two aethalometers.

Data Loggers

Data loggers are specialized computers used to store and transmit data at air monitoring stations. Up to five data loggers will be needed for additional instrumentation being deployed as part of MATES VI. This action is to authorize the Procurement Manager to issue a sole source purchase order with Agilaire, LLC for an amount not to exceed \$90,000.

Air Toxics Samplers

Additional air toxics samplers are required due to changes in the scope of MATES VI over the past year due to feedback from the technical advisory group and internal staff deliberations. Therefore, this action is to authorize the Procurement Manager to issue

sole source purchase orders with several vendors, including Met One Instruments, TISCH Environmental, and Mesa Laboratories, Inc., for up to 20 air toxics samplers for an amount not to exceed \$305,000.

Supplemental Laboratory Analysis of Ammonia

MATES VI will include expanded measurements of ammonia. Regional emission inventories are suspected to underestimate real-world ammonia emissions. This is mainly because emission contributions from motor-vehicles, biomass burning (e.g., wildfires and prescribed fires), dairy farms, agricultural fields, and atmospheric processes are still not fully characterized. Ammonia can cause both short-term and long-term respiratory health issues and is an important precursor to secondary PM_{2.5}. This action is to authorize the Procurement Manager to issue a sole source purchase order with the Wisconsin State Laboratory of Hygiene (WSLH) in an amount not to exceed \$35,000 for passive sampling and analysis of ammonia at all MATES VI sites through the National Atmospheric Deposition Program (NADP).

Supplemental Laboratory Analysis of PAHs

Funds for the analysis of samples for PAHs, a class of air toxic compounds, was approved by the board on December 1, 2023. EPA's national contract laboratory, Eastern Research Group, currently performs PAH analysis of samples at two monitoring sites in the South Coast Basin; two additional sites will be added for the duration of the MATES VI study. This action is to authorize the Procurement Manager to issue a sole source purchase order with Eastern Research Group Inc. for an amount not to exceed \$47,250 for the analysis of samples for PAHs using funds previously approved by the board on December 1, 2023.

Proposed Purchase Through a Solicitation Process

Replacement Vacuum Pumps

Each of the TILDAS EtO monitors purchased for MATES VI that use a continuous vacuum pump will require significant routine service throughout the duration of the MATES monitoring campaign. To ensure continued monitor operation and mitigate data loss, two spare vacuum pumps are needed. This action is to authorize the Procurement Manager to release a solicitation, and based on the results, issue a purchase order for up to two vacuum pumps for an amount not to exceed \$30,000.

Computational Storage

Analyzing the large quantities of data generated by MATES VI measurements and chemical transport modeling requires extensive computational storage space. This action is to authorize the Procurement Manager, in accordance with South Coast AQMD's Procurement Policy and Procedure, to issue a contract or purchase order, as deemed appropriate, with vendor(s) selected from South Coast AQMD's List of Prequalified Vendors in an amount not to exceed \$20,000 for additional computational storage.

Sole Source Justification

Section VIII, B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. The request for sole source purchase and/or contract with Agilent Technologies is made under Section VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor; and VIII.B.2.c(2): The items are available from only one source, and the project involves the use of proprietary technology. Agilent Technologies is the sole manufacturer and distributor of Agilent's Mass Hunter software. They also possess unique knowledge and training in the proper installation and configuration of the enterprise-grade software.

The request for sole source purchase of a canister cleaning system is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The laboratory is trained on and has gained specialized knowledge of its existing canister cleaning system. Procuring a like system will allow for the interoperability of parts and transferability of this specialized training and knowledge.

The request for sole source purchase of an ion chromatograph is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The laboratory operates and maintains six Thermo ion chromatographs that are operated with Thermo's enterprise-grade Chromeleon chromatography software. To ensure compatibility with this existing system, and facilitate staff training and operation, a Thermo ion chromatograph is needed.

The request for sole source purchase of an acid microwave is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The laboratory operates and maintains two laboratory-grade acid microwaves. To ensure compatibility with existing parts and facilitate staff training and operation, a CEM microwave is needed.

The request for sole source purchases of the aethalometers and data loggers are made under Section VIII.B.2.c(2): The items are available from only one source, and the project involves the use of proprietary technology; and VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. The aethalometers are available from only one distributor, Magee Scientific. No other manufacturer or distributor sells a black carbon monitor with similar technical specifications and pricing, as it involves the use of proprietary technology. Similarly, Agilaire, LLC is uniquely qualified to provide data loggers with specifications that meet the requirements. In addition, the proposed equipment will allow for full compatibility and comparability of both aethalometers and data loggers with those already deployed at MATES sites.

The request for sole source purchase of air toxic samplers is made under Section VIII.B.2.d(6): Projects requiring compatibility with existing specialized equipment. Met One Instruments, TISCH Environmental, and Mesa Laboratories Inc. are the manufacturers and suppliers for the SASS, High-Vol, and PQ100 samplers used for

PM2.5 speciation, TSP speciation, and Cr VI sampling as part of the MATES VI study. All of these samplers have been either already deployed, or are available to be deployed, at several MATES VI sites and as part of different monitoring programs (e.g., NATTS, PM2.5 Speciation Network) and other monitoring investigations (e.g., Cr VI). Additional units are required to ensure that all MATES VI sites are properly equipped. Staff are trained on the use, repair, and maintenance of these samplers, facilitating cross-training and interoperability. Consistency and compatibility amongst these samplers are critical to meeting the operational needs of the agency. This sole source purchase allows for full compatibility and comparability of additional required samplers with those already deployed at MATES VI sites.

The request for sole source purchase with the WSLH for passive ammonia sampling is made under Section VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor; and VIII.B.2.c(2): The items are available from only one source, and the project involves the use of proprietary technology. WSLH is the only body that provides such services for ammonia measurements through the NADP. NADP is a unique research program which measures, assesses and reports on the exposure of natural and cultural resources to atmospheric chemical deposition throughout North America. The NADP Program Office will provide the coordination, provision of chemical analysis and data validation, site operator support and training, limited equipment repair, quality assurance, and management of NADP database and website.

The request for a sole source award with UC Riverside is made under provision B.2.d.(8): Research and development efforts with educational institutions or nonprofit organizations. UC Riverside is an educational institution and the College of Engineering - Center for Environmental Research and Technology (CE-CERT) is a research center with multidisciplinary resources to engage in diverse environmental and transportation research programs including advanced vehicle technologies and systems; emission measurements, analyses and control technologies; atmospheric measurements and modeling; and renewable energy.

The request for sole source purchase with Eastern Research Group, Inc. (ERG) for PAH analysis is made under Section VIII.B.2.c(1): The unique experience and capabilities of the proposed contractor. ERG is the EPA national contract lab that is currently performing PAH analysis at two sites in the South Coast Basin. To ensure consistency with the existing sampling methodologies, instrumentation, and data workflow, it is critical that their lab perform analysis on samples obtained from two additional sites during the MATES VI study.

Benefits to South Coast AQMD

The MATES campaigns conducted by South Coast AQMD provides essential information on air toxics levels in South Coast AQMD's jurisdiction and presents a unique opportunity to evaluate long-term trends in air toxics and their health impacts. South Coast AQMD continues to work toward reducing air toxics emissions through

supporting cleaner technologies (including cleaner diesel technologies), rulemaking to address toxic emissions from mobile and stationary sources and implementing air toxics monitoring and enforcement initiatives. The MATES VI program complements these efforts and provides information to track progress on reducing air toxics in the region along with the identification of sources contributing to the air pollution health risk.

Resource Impacts

Sufficient funds are available to transfer a total of up to \$1,138,956 from the Clean Fuels Program Fund (31) to be used on an as-needed basis over FYs 2023-24 through FY 2027-28 to cover the cost of resources shown in the Attachment. Section 40448.5(e) of the California Health and Safety Code provides that “when considering which clean fuels projects to promote, South Coast AQMD shall consider, among other factors potential effects on public health, ambient air quality, visibility within the region, and other factors determined to be relevant by South Coast AQMD.” MATES VI will help establish an emissions baseline and toxic air contaminant risks for mobile sources, from which the benefits of clean fuel programs can be calculated.

The activities paid for by these funds are very closely related to emissions from mobile sources. Results from MATES V indicate that after scaling by cancer potency, about 88 percent of the carcinogenic air toxics emissions are attributed to mobile sources, with the remainder attributed to toxics emitted from stationary sources, which include large industrial operations such as refineries and power plants as well as smaller businesses such as gas stations and chrome plating facilities. Diesel exhaust, primarily emitted by mobile sources, accounted for approximately 50 percent of the total estimated air toxics risk, based on the MATES V monitoring data.

MATES VI will provide an update on the impact of mobile emission sources on air toxic exposure. The study will provide additional information for South Coast AQMD staff to promote clean fuel projects that will advance the commercialization of clean mobile source technologies.

Attachment

Proposed Resources for MATES VI

**Attachment
Proposed Resources for MATES VI***

Description	Org Unit	Qty	Major Objects	Procurement/ Contracting Method	Unit Cost	FY 2023-24 through FY 2027-28 Estimated Expenditures
Secondary EtO Study	TAO	---	Services & Supplies	Sole Source	---	\$176,956
Mass Hunter	MAD	1	Capital Outlay	Sole Source	\$175,000	\$175,000
Canister Cleaning System	MAD	1	Capital Outlay	Sole Source	\$50,000	\$50,000
Ion Chromatograph	MAD	1	Capital Outlay	Sole Source	\$80,000	\$80,000
Acid Microwave	MAD	1	Capital Outlay	Sole Source	\$52,000	\$52,000
Aethalometers	MAD	2	Capital Outlay	Sole Source	\$50,000	\$100,000
Data Loggers	MAD	5	Capital Outlay	Sole Source	\$18,000	\$90,000
Air Toxics Samplers	MAD	20	Capital Outlay	Sole Source	Varies	\$305,000
Supplemental Lab Ammonia	MAD	---	Capital Outlay	Sole Source	---	\$35,000
Vacuum Pumps	MAD	2	Capital Outlay	RFQ	\$15,000	\$30,000
Computational Storage	PRDI	1	Services & Supplies	Requisition with Prequalified Vendor	\$20,000	\$20,000
Temporary Services	MAD	1	Services & Supplies	---	Varies	\$180,000
Laboratory Supplies	MAD	---	Services & Supplies	---	Varies	\$50,000
					Total	\$1,343,956

*Expenditures may be appropriated as Capital Outlays or Services and Supplies Major Object, as warranted.

*Includes \$205,000 of unused funds for Air Toxics Sampler solicitation from December 1, 2023 (Agenda No. 4) MATES board letter.

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 7

PROPOSAL: Execute Contract(s) for Legislative Representation in Washington, D.C.

SYNOPSIS: On June 7, 2024, the Board approved the release of an RFP to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C. for 2025. Seven proposals were received and qualified candidates were interviewed by the Legislative Committee on October 11, 2024. Based on the interviews, the Legislative Committee selected Cassidy & Associates, Kadesh & Associates, and Carmen Group. This action is to authorize the Chair to execute contract(s) with Cassidy & Associates for \$240,000, Kadesh & Associates for \$233,152, and Carmen Group for \$222,090 for legislative representation in Washington, D.C. for one year, beginning on January 15, 2025 with an option to renew up to two one-year renewals, upon satisfactory performance, subsequent budgets and upon approval of the Board.

COMMITTEE: Legislative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Chair to execute contracts in an amount not to exceed \$695,242 for legislative representation and consulting services in Washington, D.C. for one year beginning on January 15, 2025, with an option for up to two one-year renewals, contingent on satisfactory performance and approval of subsequent budgets, upon approval of the Board:

- a. Cassidy & Associates in an amount of \$240,000;
- b. Kadesh & Associates in an amount of \$233,152; and
- c. Carmen Group in an amount of \$222,090.

Wayne Natri
Executive Officer

Background

The current contracts for legislative representation in Washington, D.C. expire on January 14, 2025. Following Board approval on June 7, 2024, staff released RFP #P2024-10 to solicit proposals for legislative representation and consulting services for South Coast AQMD in Washington, D.C.

As one of the largest air quality regulatory agencies in the United States and a leader in air quality innovations, South Coast AQMD is an important contributor to national policymaking discussions relevant to air quality-related issues.

It is critical for South Coast AQMD to have a consistent and actively engaged presence in Washington, D.C. to advocate for policies and funding to support attainment of federal standards under the Clean Air Act. South Coast AQMD is also a leader in air quality issues and contributor to national policymaking discussions. This effort includes policy development for air quality-related legislation, Clean Air Act implementation, subvention funding and special grants, and other issues. Therefore, it is appropriate to continue direct federal representation to advocate for South Coast AQMD in support of Governing Board priorities in Washington, D.C.

The 2025 South Coast AQMD Federal Legislative Guiding Principles and Policy Priorities will be focused on policy and funding, especially for mobile sources impacting the South Coast region. The federal representatives will be required to engage with the Administration, Congress, industry, environment and health organizations and other stakeholders.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, the Riverside County Press Enterprise, and Washington Post newspapers to leverage the most cost-effective method of outreach.

Additionally, to notify as many potential bidders as possible, notification letters were emailed to state and federal legislative caucuses, release of the RFP was posted on social media (LinkedIn, Twitter, and Facebook), and placed on South Coast AQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Bid Evaluation

Seven proposals were received in response to the RFP. The proposals were evaluated and scored by a three-member evaluation panel, including one South Coast AQMD Executive, who was female and Asian-American; one South Coast AQMD Manager, who was male and Latino; and one Director for science and technology from an

educational institution, who was female and Caucasian. Five proposals were considered technically qualified and forwarded to the Legislative Committee for consideration. The attached matrix presents the scores and total proposal costs for the firms interviewed by the Legislative Committee.

On October 11, 2024, the Legislative Committee interviewed the five qualifying firms and reviewed the written materials submitted as part of the proposals. Based on the interviews, the Legislative Committee recommends to the Board the selection of the following firms: Cassidy & Associates for \$240,000, Kadesh & Associates for \$233,152, and Carmen Group for \$222,090.

Resource Impacts

Funding for these contracts is available in the Legislative, Public Affairs & Media FY 2024-25 Budget. Funding for the two optional one-year extensions is contingent upon Board approval for the respective fiscal years.

RFP # P2024-10 Scores and Costs Matrix for Qualifying Firms

Firm Name	Technical Score	Cost Scores	Additional Points	Total Scores	Cost
Balance Public Relations & Strategic Solutions	57.0	28.6	10	95.6	\$232,575/year
Carmen Group	66.0	30	12	108.0	\$222,090/year
Cassidy & Associates	68.7	27.6	0	96.3	\$240,000/year
Ferox Strategies	57.0	26.6	12	95.6	\$247,200/year
Kadesh & Associates	69.0	27.6	10	106.6	\$233,152 - 1 st year \$239,834 - 2 nd year \$247,029 - 3 rd year Avg. \$240,005

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 8

PROPOSAL: Amend Contracts for Legislative Representation in Sacramento, California

SYNOPSIS: The current contracts for legislative representation in Sacramento, California with Joe A. Gonsalves & Son and California Advisors, LLC expire on December 31, 2024. California Advisors, LLC, which is dissolving as of December 31, 2024, assigned its South Coast AQMD contract to Buckley Government Affairs. Ross Buckley, the principal for Buckley Government Affairs, has directly represented South Coast AQMD for California Advisors since 2019. South Coast AQMD continue to require their legislative lobbying services in Sacramento for Calendar Year 2025. These actions are to: 1) approve a one-year extension in the amount of \$143,836 with Joe A. Gonsalves & Son; and 2) approve the assignment of the South Coast AQMD contract from California Advisors to Buckley Government Affairs and approve a one-year contract for \$143,836 with Buckley Government Affairs. Sufficient funding is available in the Legislative, Public Affairs & Media FY 2024-25 Budget.

COMMITTEE: Administrative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Chair to execute a one-year extension of the contract with Joe A. Gonsalves & Son in an amount of \$143,836; and
2. Authorize the Chair to approve California Advisors' assignment of its current contract to Buckley Government Affairs and execute a one-year contract with Buckley Government Affairs in the amount of \$143,836.

Wayne Nastri
Executive Officer

Background

The current contracts for legislative representation in Sacramento, California expire on December 31, 2024. As a leading air quality agency in California and an innovative leader in developing emission reduction programs, South Coast AQMD is an important contributor to the policy discussions in the state legislature. It is vital to ensure that South Coast AQMD's input continues to be conveyed in a timely and meaningful manner, and that South Coast AQMD is involved in the day-to-day policy discussions in Sacramento to promote cleaner air and protect the agency's authority, both through policy development and securing adequate funding. A legislative presence in Sacramento is critical to advancing Board policies and priorities.

Joe A. Gonsalves & Son (Gonsalves) represented South Coast AQMD in Sacramento in 2024 and performed at a high professional level. Gonsalves is a Sacramento lobbying firm with decades of experience and strong ties to legislators on both sides of the aisle. The firm has relationships with many cities throughout the state, including several within the South Coast region. With over 35 years of experience, the firm's principals are well-respected and knowledgeable on many local and statewide issues. On multiple occasions, while representing South Coast AQMD, Gonsalves' has secured access for staff and Board Members to elected officials and key staff at critical junctures in the legislative process, including the Governor's office, to help achieve positive legislative and budgetary outcomes.

California Advisors, LLC (California Advisors) also represented South Coast AQMD in Sacramento in 2024 and performed at a high professional level. However, California Advisors, LLC is dissolving with an effective end date of December 31, 2024, and has assigned its current South Coast AQMD contract to Buckley Government Affairs. Ross Buckley is the principal of Buckley Government Affairs and has been the prime representative of South Coast AQMD since 2019 through California Advisors. He has a comprehensive understanding of both politics and policy and an extensive history of successfully representing South Coast AQMD in Sacramento. Mr. Buckley's over 15 years of experience has led to effective solutions to legislative challenges on policy priorities and funding issues.

During the 2024 Legislative session, Gonsalves & Son and Mr. Buckley skillfully contributed to efforts that led to South Coast AQMD budgetary and legislative successes, including the following:

- 1) \$50 million in statewide monies from the Greenhouse Gas Reduction Fund (GGRF) for local air districts to fund implementation of community air monitoring and community emission reduction programs mandated by AB 617 (Garcia, 2017), with a significant portion of those funds to be directed to the South Coast region;

- 2) \$195 million in AB 617 incentive funding from the GGRF to be awarded to local air districts statewide to facilitate co-benefit criteria pollutant emission reductions. These funds support Community Emissions Reduction Programs by funding community priorities, such as accelerating the turnover of older, polluting medium- and heavy-duty vehicles to cleaner ones; and
- 3) South Coast AQMD sponsored bills enacted into law:
 - AB 2522 (W. Carrillo) which increases existing compensation limits for local air district board members by up to two times the current level and authorizes annual Consumer Price Index increases up to 10 percent going forward; and
 - SB 1158 (Archuleta) which amends the Carl Moyer Program to extend the liquidation time for Moyer funding from four to six years.

Gonsalves & Son and Mr. Buckley have worked together to create an efficient and effective consultant team for South Coast AQMD. Their policy and political insights inform South Coast AQMD and strengthen its presence, credibility, and ability to support the Board's policy priorities and pursue funding needs in Sacramento. At this critical point in time, it is important that the momentum be continued.

Proposal

The contracts with the two firms expire on December 31, 2024. The current contracts have options for two one-year extensions that may be exercised at the Board's discretion, pursuant to the original RFP. This proposal is to authorize the Chair to execute the first one-year contract extension for Gonsalves & Son for \$143,836, and to authorize the Chair to approve the assignment of California Advisors' current contract to Buckley Government Affairs and execute a one-year contract with Buckley Government Affairs for \$143,836. Utilizing the services of these two firms in Sacramento will maintain the momentum created by recent successes and current political and stakeholder partnerships and will continue to promote South Coast AQMD's mission and 2025 legislative and funding priorities.

Resource Impacts

The Legislative, Public Affairs & Media Budget for FY 2024-25 contains sufficient funds for this action.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 9

PROPOSAL: Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

SYNOPSIS: South Coast AQMD currently has contracts with several companies for short- and long-term systems development, maintenance, and support services. These contracts are periodically amended as additional needs are defined. This action is to amend contracts previously approved by the Board to add additional funding for needed development and maintenance work in an amount not to exceed \$467,000 for AgreeYa Solutions, \$395,000 for Prelude Systems, \$742,873 for Sierra Cybernetics, and \$630,000 for Varsun eTechnologies. Funding is available in Information Management's FY 2024-25 Budget.

COMMITTEE: Administrative, November 8, 2024; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute amendments to the contracts for systems development services in the amount of \$467,000 to AgreeYa Solutions, \$395,000 to Prelude Systems, \$742,873 to Sierra Cybernetics, and \$630,000 to Varsun eTechnologies from Information Management's FY 2024-2025 Budget for the specific task orders listed in the Attachment.

Wayne Natri
Executive Officer

Background

In May 2024, the Board authorized staff to initiate level-of-effort contracts with several vendors for systems development, maintenance and support services. Due to the indefinite nature of the work, the final contract amount cannot be determined during the initial execution of these contracts. At the time these contracts were executed, it was expected that they would be modified in the future to add funding from approved budgets as systems development requirements were identified and sufficiently defined so that task orders could be prepared. The contracts are for one year with the option to renew for two one-year periods. The initial funding approved by the Board was as follows: \$60,000 with AgreeYa Solutions, Inc., \$330,000 with Prelude Systems, Inc., \$65,000 with Sierra Cybernetics, Inc., and \$250,000 with Varsun eTechnologies Group, Inc.

Additional systems development and maintenance efforts have been identified for FY 2024-2025 to ensure compliance and provide further automation to enhance productivity. This request seeks to encumber funds for these budgeted activities.

One major initiative that has been budgeted is the modernization of the CLASS (Clean Air Support System) permitting system. In April 2023, Chair Delgado introduced the Permitting Enhancement Program (PEP) with the objective of reducing the permit backlog and modernizing the permitting process to improve processing and issuance timelines. A comprehensive PEP workplan was presented to the Board in August 2023, which included action items to modernize the current antiquated permitting system and develop an efficient paperless permitting system.

The modernization efforts encompass the development of Online Application Filing, electronic permit processing workflows, and the modernization of the three main permit processing systems. During the September 2024 PEP update, staff presented demonstrations of the successes from the initial phases of Online Application Filing and other supporting systems. This modernization effort is ongoing, with additional online forms to be developed and deployed.

Multiple phases of work have also been identified and initiated for the automation of the permit processing workflow. In the FY 2024-2025 budget cycle, a total of \$1,200,000 has been allocated for this initiative. \$900,000 in this request to amend contracts with Prelude Systems, Inc., Sierra Cybernetics, Inc., and Varsun eTechnologies Group, Inc. will be directed toward continuing the development work on the permit modernization initiative.

In addition to the modernization of the permitting system, various system maintenance and development needs have been identified for a range of automation projects. These projects include enhancements to the Mobile Application, website maintenance and

support, the Rule 317 reporting portal, the electronic portal for organizational forms, and the upgrade of PeopleSoft Financials. Further details are provided in Attachment B.

Proposal

Staff proposes to amend the contracts to allocate an additional \$467,000 to AgreeYa Solutions, \$395,000 to Prelude Systems, \$742,873 to Sierra Cybernetics, and \$630,000 to Varsun eTechnologies for system maintenance and development efforts.

With these amendments, the new contract totals will be \$527,000 for AgreeYa Solutions, \$725,000 for Prelude Systems, \$807,873 for Sierra Cybernetics, and \$880,000 for Varsun eTechnologies.

Resource Impacts

Sufficient funding is available in Information Management’s FY 2024-25 Budget.

Attachment

Task Order Summary

ATTACHMENT

Task Order Summary

Section A – Funding Totals for each Systems Development Contract

CONTRACTOR	PREVIOUS FUNDING	PROPOSED ADDITION	TOTAL FUNDING
AgreeYa Solutions	\$60,000	\$467,000	\$527,000
Prelude Systems	\$330,000	\$395,000	\$725,000
Sierra Cybernetics	\$65,000	\$742,873	\$807,873
Varsun eTechnologies	\$250,000	\$630,000	\$880,000
TOTAL	\$705,000	\$2,234,873	\$2,939,873

Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARD TO
Mobile Enhancement	Enhance South Coast AQMD Mobile App	\$90,000	AgreeYa
System Maintenance	System maintenance, support and reporting for web applications	\$177,000	AgreeYa
Website Maintenance	System maintenance, support, and enhancements for website	\$200,000	AgreeYa
Permit System Modernization	Migration of CLASS Permit to web-based application	\$300,000	Prelude
System Maintenance	System maintenance, support for online payment web application	\$45,000	Prelude
Rule 317 Reporting	Develop web application for Rule 317 reporting	\$50,000	Prelude
Permit System Modernization	Migration of CLASS Permit to web-based application	\$300,000	Sierra
System Maintenance	System Maintenance and Support for web applications	\$442,873	Sierra
Permit System Modernization	Migration of CLASS Permit to web-based application	\$300,000	Varsun
PeopleSoft Financial Upgrade	Upgrade PeopleSoft Financial system to latest version	\$250,000	Varsun
Organization Forms	Develop electronic portal to submit and review organization forms	\$80,000	Varsun
TOTAL		\$2,234,873	

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 10

PROPOSAL: Issue RFP, and Approve Contract Awards, Contract Modification, and Allocation of Funds as Approved by MSRC

SYNOPSIS: As part of their FYs 2024-27 Work Program, the MSRC approved an RFP for MSRC website hosting, maintenance and modifications and an extension of the existing website hosting contract. Additionally, the MSRC approved an award to the California Energy Commission to partner in a tri-state collaborative truck charging and fueling project, as well as funding allocations to partner with Los Angeles County Metropolitan Transportation Commission on a grant proposal and South Coast AQMD on three technology advancement projects. The MSRC seeks Board approval of the contract awards and allocations as part of the FYs 2024-27 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, November 21, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve a contract with California Energy Commission, in an award amount not to exceed \$6,000,000, to implement partnership in the West Coast Truck Charging and Fueling Corridor Project, as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter;
2. Approve MSRC allocations in a total amount not to exceed \$800,000 to partner with South Coast AQMD on three technology advancement projects as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter and as follows:
 - a. Allocate \$300,000 to the project with Voltu Motor, Inc. to develop, demonstrate and deploy up to 10 zero-emission medium-duty work trucks;
 - b. Allocate \$250,000 to the project with Enevate Corporation to develop and test a fast charger battery pack for medium duty vehicle applications; and
 - c. Allocate \$250,000 to the project with Evoelectric, Inc. to integrate and demonstrate battery packs and faster charger developed by Enevate within two zero emission medium-duty vehicles;
3. Approve MSRC allocation in an amount not to exceed \$3,000,000 for partnership with Los Angeles County Metropolitan Transportation Authority in proposal seeking funding under the California Transportation Commission's "Trade Corridor

Enhancement Program” solicitation, as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter;

4. Approved a \$1,269 contract value increase and three-month term extension to existing Contract #MS21006 with Geographics, the MSRC’s current website maintenance contractor, to continue operation of the site pending successor selection and contract finalization, as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter;
5. Authorize the MSRC to increase contract awards up to five percent, as necessary and previously granted in prior Work Programs;
6. Authorize the Chair (or the Chair’s designation) to execute the contracts under the FYs 2024-27 Work Program, as described above and in this Board Letter; and
7. Issue RFP for hosting and maintenance of the MSRC website, as part of approval of the FYs 2024-27 Work Program, as described in this letter and in the attached.

Larry McCallon
Chair, MSRC

AK:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220–44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvended to South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Proposal

At its November 21, 2024 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

California Department of Transportation (Caltrans)/California Energy Commission (CEC) Partnership

In August 2024, the MSRC considered a partnership opportunity for two applications submitted by Caltrans/CEC under the U.S. Department of Transportation (USDOT) Charging and Fueling Infrastructure Grant Program. One application was a resubmittal from an earlier funding round, while the other application was a new submittal. The MSRC approved a total funding commitment of \$6 million for the two applications, contingent upon receipt of funding from USDOT and with the exact funding split to be determined. The resubmitted application, for the West Coast Truck Charging and Fueling Corridor Project, has received a \$102 million award from USDOT. Caltrans/CEC requested the MSRC to allocate the full \$6 million as co-funding to this

project. CEC would act as project lead. The MSRC funds would be used to co-fund construction of up to two electric truck charging facilities within the South Coast AQMD, with a minimum total charging capacity of one megawatt per location. The MSRC considered this request and approved a \$6 million award to CEC.

South Coast AQMD Technology Development Partnerships

There is a need to increase the zero emission options for Class 2B and 3 service body trucks. Additionally, many current medium-duty electric trucks require overnight charging. South Coast AQMD and its project partners are developing projects to advance technology in these areas. Voltu Motors, Inc. proposes to partner with the City of Riverside and the University of California, Riverside (UCR) CE-CERT to develop, demonstrate and deploy 10 electric Ford F350 work trucks for the City of Riverside and Riverside Public Utilities fleets. Enevate Corporation (Enevate) has developed silicon-dominant anode advanced battery technology that allows fast charging. Enevate has proposed to partner with Evolectric, Inc., (Evolectric), for demonstration of this fast-charging battery technology on Evolectric's medium-duty vehicle platform. The MSRC considered this partnership opportunity and approved an allocation of up to \$800,000 to augment the partners' contributions as an element of the FYs 2024-27 Work Program, with specific allocations as follows:

- a. Allocate \$300,000 to the project with Voltu Motor, Inc. to develop, demonstrate and deploy up to 10 zero-emission medium-duty work trucks;
- b. Allocate \$250,000 to the project with Enevate Corporation to develop and test a fast charger battery pack for medium duty vehicle applications; and
- c. Allocate \$250,000 to the project with Evolectric, Inc. to integrate and demonstrate battery packs and faster charger developed by Enevate within two zero emission medium-duty vehicles.

Los Angeles County Metropolitan Transportation Authority Partnership

In January 2024, the MSRC approved a cooperative agreement with the Los Angeles County Metropolitan Transportation Authority (Metro) to pursue funding opportunities and programs to promote zero-emissions goods movement in Los Angeles County. Metro recently requested the MSRC to consider making a co-funding commitment in pursuit of a grant award under the California Transportation Commission – Trade Corridor Enhancement Program (TCEP). If awarded, the TCEP grant will support two projects, by MN8 and Forum Mobility, that will construct heavy-duty truck recharging infrastructure along the I-710 corridor. This will be matched with a \$3,000,000 contribution from Metro. The MSRC considered and approved a funding allocation of up to \$3,000,000. If no TCEP grant is received by Metro, the funds will revert to the unallocated AB 2766 Discretionary Fund balance.

MSRC Website Hosting and Maintenance

The MSRC's www.CleanTransportationFunding.org website is a critical tool for the operation of the MSRC's programs. The current contract for hosting and maintenance of the website will expire in June 2025. The MSRC has considered and approved an RFP

to identify and retain a contractor to host and maintain their existing website. The RFP includes an optional bidders' conference on Wednesday, January 8, 2025. Rather than specify a budget in advance, bidders are directed to provide cost proposals for the specified work, with cost being a significant selection criterion. Proposals will be due by 5:00 p.m. on January 16, 2025. It is anticipated that an award will be made on or about April 4, 2025; that award will be part of the FYs 2024-27 AB 2766 Discretionary Fund Work Program.

Due to the cancellation of the MSRC's October meeting, the release of the above RFP has been delayed. The current Contract #MS21006 with Geographics, which covers maintenance of the site, will terminate on June 20, 2025. In order to ensure uninterrupted operation of the site pending successor selection and contract finalization, a three-month extension of Contract #MS21006 was recommended. The MSRC considered and approved a \$1,269 contract value increase and three-month term extension.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, public notices advertising the MSRC Website Hosting, Maintenance and Modifications RFP will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise to leverage the most cost-effective method of outreach to the South Coast Basin. Additionally, potential bidders may be notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP will be emailed to the diverse spectrum of Legislative Caucuses and chambers of commerce and business associations and placed on South Coast AQMD's website (<http://www.aqmd.gov>), where it can be viewed by making the selection "Grants and Bids." Further, the RFP will be posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications will be sent to those subscribing to this website's notification service.

At this time, the MSRC requests that the South Coast AQMD Board approve the contract awards, modifications and allocations as part of approval of the FYs 2024-27 Work Program as outlined above.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which sole source award may be justified. The request for sole source award for the CEC contract is made under provision B.2.d.(1) Projects involving cost sharing by multiple sponsors. The proposed project includes match share by MSRC, CEC, Caltrans, Port of Los Angeles, and Port of Long Beach. The request for sole source awards for the Enevate and Evolectric contracts is made under provision B.2.d.(1) Projects involving cost sharing by multiple sponsors. The proposed project includes match share by South Coast AQMD, Evolectric, Enevate and SBR Express, Inc. The request for sole source award for the Voltu Motor contract is made under

provision B.2.d.(1) Projects involving cost sharing by multiple sponsors. The proposed project includes match share by South Coast AQMD, Voltu Motor, UCR CE-CERT and the City of Riverside. The request for sole source award for the Metro allocation is made under provision B.2.d.(1) Projects involving cost sharing by multiple sponsors. The proposed project includes match share by MSRC, Metro, MN8 and Forum Mobility.

Resource Impacts

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contract specified herein will be drawn from this fund.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 11

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the October 2024 outreach activities of the Legislative, Public Affairs and Media Office, which includes Major Events, Community Events/Public Meetings, Environmental Justice Update, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups and Federal, State and Local Governments.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

AL:DS:bel

Background

This report summarizes the activities of the Legislative, Public Affairs and Media Office for October. The report includes Major Events, Community Events/Public Meetings, Environmental Justice (EJ) Updates, Speakers Bureau/Visitor Services, Communications Center, Public Information Center, Small Business Assistance, Media Relations, and Outreach to Community Groups and Governments.

Major Events (Hosted and Sponsored)

Each year, staff engage in hosting and sponsoring several major events throughout South Coast AQMD's four-county jurisdiction to promote, educate, and provide important information to the public regarding reducing air pollution, protecting public health, and improving air quality while minimizing economic impacts.

Taste of Soul

On October 19, staff hosted an information booth at the 19th Annual Taste of Soul Family Festival in South Los Angeles, which drew over 300,000 attendees. Staff demonstrated the Mobile app and how to file complaints as well as provided information on Check Before You Burn (CBYB), and incentive programs for residents.

10th Annual Environmental Justice Conference

On October 24, the 10th Annual Environmental Justice Conference entitled, “A Decade of Collaboration for Clean Air,” was held at University of Southern California’s Town and Gown. The keynote speaker was Jacqueline Patterson, Founder and Executive Director of the Chisholm Legacy Project. Martin Estrada, U.S. Attorney for the Central District, was presented with the Environmental Justice for All Award. The conference included two plenary sessions entitled “From Grants to Impact: Community-Led Initiatives in Environmental Justice,” and “Leveraging Resources for Environmental Justice.” The event was attended by members of the public, community-based organizations, high school and community college students, elected officials, government, and industry.

Community Events/Public Meetings

Staff engaged with residents and stakeholders of diverse communities to provide information about the agency, incentive programs, and ways individuals can help reduce air pollution through events and meetings sponsored by South Coast AQMD or in partnership with others. Attendees typically receive information regarding the following:

- Tips on reducing their exposure to smog and its negative health effects;
- How to file a complaint;
- Clean air technologies and their deployment;
- Invitations to or notices of conferences, seminars, workshops, and other public events;
- South Coast AQMD incentive programs;
- Funding/grant opportunities by South Coast AQMD and partner agencies;
- Ways to participate in South Coast AQMD’s rules and policy development; and
- Assistance in resolving air pollution-related problems.

Staff attended and/or provided information and updates at the following October events and meetings:

Healthy Jurupa Valley

On October 1, staff participated in the Healthy Jurupa Valley meeting to share information on Replace Your Ride (RYR).

City of Inglewood

On October 1, staff attended the Inglewood City Council meeting to make public comment on the Residential Electric Lawn and Garden (eL&G) program.

Laguna Niguel Chamber of Commerce

On October 3, staff participated in the Laguna Niguel Chamber of Commerce meeting to provide an overview on South Coast AQMD and air quality related issues.

OC Auto Show

On October 4, staff participated in the OC Auto Show to provide information on residential incentive programs including RYR, eL&G, and EV chargers.

City of Torrance

On October 8, staff attended the Torrance City Council meeting to make public comment on Residential eL&G and to announce the upcoming community meeting on Rule 1180 and Rule 1180.1: Refinery Community and Fenceline Air Monitoring.

Upland Chamber of Commerce

On October 10, staff participated in the Upland Chamber of Commerce Government Affairs Committee meeting to share updates on incentive programs such as Residential eL&G, RYR, and Carl Moyer.

Big Bear Chamber of Commerce

On October 10, staff participated in the Big Bear Chamber of Commerce Government Affairs Committee meeting to share the updates on the Residential eL&G, RYR, and Carl Moyer.

Greater Riverside Chambers of Commerce

On October 11, staff attended the Greater Riverside Chambers of Commerce Governmental Affairs Committee meeting to share information regarding RYR.

Harbor Gateway North Neighborhood Council

On October 15, staff participated in the Harbor Gateway North Neighborhood Council community meeting to provide information on how to file an air quality complaint and the Mobile App.

Carson Breathe Rideshare Fair

On October 16, staff participated in the Carson Breathe Rideshare Fair to provide information on Rule 2202: On-Road Motor Vehicle Mitigation Options, the Mobile App, and how to file an air quality complaint.

City of San Dimas

On October 16, staff participated in the San Dimas Community Health and Resource Fair to provide information on programs such as Residential eL&G and CBYB as well as the Mobile App and how to file an air quality complaint.

Friends of the Coliseum

On October 18, staff participated in the Friends of the Coliseum 2024 Harbor Classic event to provide information on the Residential eL&G Program, Mobile App, CBYB, and how to file an air quality complaint.

San Gabriel Valley Economic Partnership

On October 23, staff participated in the San Gabriel Valley Economic Partnership Legislative Action Committee meeting to provide information about CBYB and the latest Advisor newsletter.

Environmental Justice Update

The following are key EJ-related activities in which staff participated during October. These events and meetings involve communities affected disproportionately from adverse air quality impacts.

Pacoima Community Initiative

On October 4, staff participated in Pacoima Community Initiative's monthly meeting to provide information on the Clean Air Program for Elementary Students, Why Healthy Air Matters program, how to report air quality complaints, and the 10th Annual Environmental Justice Conference.

California Safe Schools

On October 9, staff participated in California Safe Schools 26th Annual Forum "Your Life Is Now." This year's Champion of Change Honoree was Ed Begley Jr., and the Keynote Speaker was Jacqueline Hamilton, City of Los Angeles Mayor Bass' Senior Advisor and Deputy Mayor of Neighborhood Services.

U.S. EPA National Environmental Justice Community Engagement Call

On October 15, staff participated in U.S. EPA's National Environmental Justice Community Engagement meeting. Agenda topics included an overview on EJ Thriving Communities Grantmaking Program, updates from the National Response Center Emergency Hotline and a presentation on the proposed Ozone Reclassification Requirements Rule.

Council on Environmental Quality (CEQ)

On October 29, staff participated in the CEQ briefing where President Biden announced a \$3 billion investment from his Inflation Reduction Act to improve and electrify port infrastructure, support an estimated 40,000 jobs, and reduce pollution.

Speakers Bureau/Visitor Services

South Coast AQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals, and health-based organizations. South Coast AQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

Chapman University

On October 9, staff presented to an undergraduate class in Environmental Politics and Policy. Topics included air quality and the implementation of regulations in Southern California.

Salton Sea Summit

On October 18, staff participated in the panel “Characterization of Dust in the Eastern Coachella Valley Community” at the Salton Sea Summit at University of California, Riverside-Palm Desert.

Pollution Control and Climate Mitigation Conference

On October 24, staff spoke at the Pollution Control and Climate Mitigation conference held at California State University, Los Angeles, where they showcased technologies that will reduce emissions in EJ communities.

Master Gardeners of San Bernardino and Riverside

On October 25, members of the Master Gardeners of San Bernardino and Riverside visited South Coast AQMD for an overview of the agency and to take a tour of the lab.

Communication Center Statistics

The Communication Center handles calls on South Coast AQMD’s main line, 1-800-CUT-SMOG®, the Spanish line, and after-hours calls to those lines. Total calls received in the month of October are summarized below:

Calls to South Coast AQMD’s Main Line and 1-800-CUT-SMOG®	3,300
Calls to South Coast AQMD’s Spanish Line	22
Clean Air Connections	4
Total Calls	3,326

Public Information Center Statistics

The Public Information Center (PIC) handles phone calls and assists individuals who walk in for general information. Email advisories provide information on upcoming meetings and events, program announcements and alerts on time-sensitive issues. Information for the month of October is summarized below:

Calls Received by PIC	92
Calls to Automated System	215
Total Calls	
Visitor Transactions	208
Email Advisories Sent	30,968

Small Business Assistance

South Coast AQMD notifies local businesses of proposed regulations so they can participate in the agency's rule development process. South Coast AQMD works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provided personalized assistance to small businesses over the telephone, at South Coast AQMD headquarters and via virtual on-site consultation, as summarized below for October.

- Provided permit application assistance to 248 companies, and
- Processed 131 Air Quality Permit Checklists.

Types of businesses assisted:

Architecture Firms	Dry Cleaners	Restaurants
Auto Body Shops	Engineering Firms	Warehouses
Beauty Salons	Manufacturing Facilities	
Construction Firms	Offices	

Media Relations

The Media Office handles all South Coast AQMD outreach and communications with television, radio, newspapers and all other publications, and media operations. The October report is listed below:

Major Media Interactions	412
Press Releases	16
News Carousel	6

Major Media Topics:

- **Line Fire:** Staff participated in an interview with KCAL to discuss air quality and current smoke impacts from the fire. Crescenta Valley Weekly asked for a copy of the advisory. Response was provided.
- **MATES V Data:** Staff met with CalMatters, who requested more information on MATES V data concerning diesel particulate matter. Additional information was provided as requested.
- **Inland Empire Air Quality:** Staff participated in an interview with ABC7 to discuss the poor air quality and ash from recent wildfires.
- **American Experience Film:** PBS requested assistance in identifying people, archival materials, and themes to feature in the film “American Experience” about the history of LA smog and its role in the path to the Clean Air Act. Responses were provided.
- **Greenlane:** Government Technology magazine inquired how the Greenlane EV truck charging station in Colton will serve as part of a larger charging network for the I-215/10 corridor, and the importance of state aid in transitioning toward a ZE future. Response was provided.
- **Air Filtration Program:** Desert Sun requested information on the Residential Air Filtration program including specifications of the air filtration units and details on the application process. Response was provided.
- **Air Quality Days:** Patch.com inquired about the number of days air quality standards were exceeded in Riverside County in 2023 and 2024. Response was provided.
- **Methyl Bromide:** LA Public Press inquired about methyl bromide emissions and associated permits. Reporter had follow-up questions on the data provided to them. Responses were provided.
- **Salton Sea:** Civil Eats attended a workshop and spoke to staff regarding MATES and other efforts. Reporter followed up to request information about sea spray. Response was provided.
- **Ecobat:** Public Health Watch had follow-up questions on Ecobat’s Notice of Violation’s and inspections. Response was provided.
- **LA Odors:** KCAL inquired about odor concerns from residents in the Carson, Gardena, and Torrance area. Response was provided.
- **Climate Pollution Reduction Grants (CPRG):** New York Times inquired about the funding status of CPRG. Response was provided.
- **Port Indirect Source Rule (ISR):** Inside Washington Publishers asked for the development status of the Port ISR and when it will be brought to the Board for consideration. Response was provided.
- **CBYB Press Release:** Pitched to media outlets resulting in coverage.
- **Media Advisory:** Pitched the electric school bus showcase to media outlets resulting in coverage and attendance.
- **Smoke Advisories:** Pitched to media outlets resulting in coverage.

- **Windblown Dust Advisories:** Pitched to media outlets resulting in coverage.

News Releases:

- **South Coast AQMD Continues Smoke Advisory Due to Line Fire (English and Spanish) – October 1-2, 2024** – Informed the public of smoke advisories issued and extended due to wildfires.
- **South Coast AQMD Issues a Windblown Dust Advisory for the Coachella Valley – October 17 and 27, 2024 (English and Spanish)** – Informed the public of a PM10 Dust Advisory issued due to high winds.
- **South Coast AQMD Issues Windblown Dust and Ash Advisory for the South Coast Air Basin – October 18, 2024 (English and Spanish)** – Informed the public of a PM10 Dust Advisory issued due to high winds and ash from recent wildfires.
- **South Coast AQMD and Placentia-Yorba Linda Unified School District to Showcase New Electric School Buses – October 21 & 23, 2024** – Informed the public/media of an electric school bus event held at Placentia-Yorba Linda Unified School District with Board Member.
- **CBYB Pollution Prevention Program Begins November 1 – October 30, 2024 (English and Spanish)** – Informed the public of the start of the 13th Annual CBYB season.

News Carousel:

- **Participate in the 7th Annual California Clean Air Day on October 2 (10/1)** – Linked to save-the-date webpage.
- **Get involved! Attend an in-person community meeting on October 9 to discuss fence-line and community air monitoring for refineries (10/3)** – Linked to community meeting notice.
- **Attend the Permitting Working Group meeting on 10/25 to learn about a new Health Risk Assessment Tool and Rule 317.1 Exclusion Plans (10/10)** – Linked to Permitting Working Group webpage.
- **Attend a virtual workshop on October 23 to learn about proposed emission reductions from combustion equipment at publicly owned treatment works facilities (10/22)** – Linked to Proposed Amended Rule 1179.1 webpage.
- **There's still time to apply for zero-emission off-road equipment funding – application deadline extended to November 15 (10/29)** – Linked to the Carl Moyer Program webpage.
- **Reminder! Proposals for projects for funding under the AB 617 Southeast Los Angeles Green Space program are due by November 8 (10/31)** – Linked to the SELA RFP flyer.

Social Media Posts:

- [Air Quality Forecast \(10/9\)](#): 4,864 Twitter Impressions
--RT by @NWSLosAngeles, @damageddamages, @jenniferinvt23, @lazyjackslombar
- [Air Quality Forecast \(10/14\)](#): 4.100 Twitter Impressions
--RT by @airnow, @WildfireIncidents @NWSSanDiego, @LAFDtalk
- [AQ Forecast \(10/22\)](#): 927 Twitter Impressions
--RT by @LAFDtalk, @CodeRed001Blue
- [Windblown Dust Advisory \(10/27\)](#): 1,261 Twitter Impressions
--RT by @AirNow, @AirResources, @CodeRed001Blue

Outreach to Community Groups and Federal, State and Local Governments

Communication was conducted in October with elected officials and/or staff from the following state and federal offices:

U.S. Senator Laphonza Butler	Senator Rosilicie Ochoa Bogh
U.S. Senator Alex Padilla	Senator Richard Roth
U.S. Representative Pete Aguilar	Senator Kelly Seyarto
U.S. Representative Nanette Barragán	Assemblymember Isaac Bryan
U.S. Representative Ken Calvert	Assemblymember Sabrina Cervantes
U.S. Representative Mike Garcia	Assemblymember Laurie Davies
U.S. Representative Tina McKinnor	Assemblymember Bill Essayli
U.S. Representative Jay Obernolte	Assemblymember Chris Holden
U.S. Representative Mark Takano	Assemblymember Tom Lackey
U.S. Representative Norma Torres	Assemblymember Josh Lowenthal
Senator Catherine Blakespear	Assemblymember Freddie Rodriguez
Senator Steven Bradford	Assemblymember Pilar Schiavo
Senator María Elena Durazo	Assemblymember Avelino Valencia
Senator Lena Gonzalez	

Outreach was conducted personally and virtually in October to communicate with elected officials or staff from the following cities:

Agoura Hills	Bell	Burbank
Alhambra	Bell Gardens	Calabasas
Aliso Viejo	Bellflower	Canyon Lake
Anaheim	Beverly Hills	Cerritos
Arcadia	Big Bear Lake	Chino
Artesia	Bradbury	City of Industry
Azusa	Brea	Claremont
Baldwin Park	Buena Park	Colton

Commerce	La Puente	Rosemead
Compton	La Verne	San Bernardino
Corona	Laguna Beach	San Clemente
Costa Mesa	Laguna Hills	San Dimas
Covina	Laguna Niguel	San Gabriel
Cudahy	Lake Forest	San Jacinto
Culver City	Lakewood	San Juan Capistrano
Cypress	Loma Linda	San Marino
Dana Point	Lomita	Santa Ana
Diamond Bar	Long Beach	Santa Clarita
Downey	Los Alamitos	Santa Fe Springs
Duarte	Los Angeles	Santa Monica
El Monte	Lynwood	Seal Beach
Fontana	Malibu	Sierra Madre
Fountain Valley	Maywood	Signal Hill
Fullerton	Menifee	South El Monte
Garden Grove	Mission Viejo	South Gate
Gardena	Monrovia	South Pasadena
Glendale	Monterey Park	Stanton
Glendora	Murrieta	Temecula
Hawaiian Gardens	Newport Beach	Temple City
Hemet	Norco	Torrance
Hidden Hills	Norwalk	Tustin
Huntington Beach	Ontario	Upland
Huntington Park	Orange	Vernon
Inglewood	Palm Springs	Villa Park
Irvine	Paramount	Walnut
Irwindale	Pasadena	West Covina
Jurupa Valley	Perris	West Hollywood
La Cañada Flintridge	Pico Rivera	Westlake Village
La Habra	Placentia	Whittier
La Habra Heights	Pomona	Wildomar
La Mirada	Rancho Santa Margarita	Yorba Linda
La Palma	Riverside	

Staff represented South Coast AQMD in October and/or provided updates or a presentation to the following governmental agencies and business organizations:

Arroyo Verdugo Communities Joint Powers Authority
Association of California Cities, Orange County
Bear Valley Electric Service, Inc.
Big Bear Chamber of Commerce
CARB
Carson Chamber of Commerce
Cordoba Corporation
Department of Toxic Substances Control
El Segundo Chamber of Commerce
Fontana Chamber of Commerce
Fountain Valley Chamber of Commerce
Greater Irvine Chamber of Commerce
Inland Empire Utilities Agency
Inland Valley Development Agency
Laguna Niguel Chamber of Commerce
Lake Arrowhead Communities Chamber of Commerce
League of California Cities – Orange County
Lomita Chamber of Commerce
Los Angeles Sentinel
Los Angeles World Airports
March Joint Powers Authority
Metrolink
Mountain Transit
Murrieta/Wildomar Chamber of Commerce
Newport Beach Chamber of Commerce
Omnitrans
Ontario International Airport Authority
Orange County Business Council
Orange County Sanitation District
Orange County Transportation Authority
SCAG
San Bernardino Area Chamber of Commerce
San Bernardino County Transportation Authority
San Bernardino International Airport Authority
San Gabriel Valley Council of Governments
San Gabriel Valley Economic Partnership
Santa Ana Chamber of Commerce
South Bay Association of Chambers of Commerce
South Pasadena Chamber of Commerce
SunLine Transit Agency

Torrance Area Chamber of Commerce
Upland Chamber of Commerce
U.S. EPA
Valley Industry and Commerce Association
Watts Rising

In October, staff represented South Coast AQMD and/or provided updates or a presentation to the following community and educational groups and organizations:

ActiveSGV
Altadena Arts Magnet School
Altadena WILD
California Safe Schools
California State University, Northridge
California State University, San Bernardino
Center for Sustainable Energy
Chapman University
Cool OC
Corona-Norco Unified School District
East Yard Communities for Environmental Justice
Eliot Arts Magnet
Inland Empire Biking Alliance
Inland Empire Electric Vehicle Association
Liberty Hill
Los Angeles Alliance for a New Economy
Los Angeles Cleantech Incubator
Los Angeles Neighborhood Land Trust
Los Angeles Unified School District
Moreno Valley College
North Verdemon Elementary School
Reach Out Jurupa Valley
Riverside City College
San Bernardino City Unified School District
San Bernardino Valley College
Santa Ana Unified School District
Strategic Concepts in Organizing and Policy Education
Tierra del Sol Foundation
University of California, Los Angeles
University of Southern California
University of West Los Angeles
Upland Unified School District

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 12

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of October 1 through October 31, 2024.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Micah Ali
Hearing Board Chair

ft

Attached are the following summaries: **October 2024 Hearing Board Cases, and Rules From Which Variances and Orders for Abatement Were Requested from October 1, 2024 through October 31, 2024.** The applicable South Coast AQMD Rules for 2024 are also attached.

There were no appeals filed during the period of October 1, 2024 to October 31, 2024.

Report of October 2024 Hearing Board Cases

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. B. Braun Pharmaceutical Manufacturing LLC Case No. 4780-5 (Consent Calendar)	1134	Petitioner was in violation of District Rule 1134 because Turbines No. 1 and 2 do not meet the Rule 1134 2 ppm NOx limitation that took effect on January 1, 2024.	Not Opposed/Granted	Modification of Variance/Extension granted commencing 11/1/24 and continuing through 1/31/25.	NOx: 9.77 lbs/day
2. Canyon Power Plant Case No. 6264-1 (Consent Calendar)	203(b) 2004(f)(1) 3002(c)(1)	Gas Turbine 1 was removed from service and transported to Texas for repairs which caused the triennial test to be missed. Subsequent failures rendered the Turbine 1 inoperable.	Not Opposed/Granted	RV granted commencing 10/3/24 and continuing through 8/31/25, or until final compliance, whichever comes first.	None
3. County of Riverside – Sheriff's Public Safety Enterprise Communications (Corona) Case No. 6229-2 (Consent Calendar)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to power outages resulting from the Airport Fire.	Not Opposed/Granted	IV granted commencing 10/23/24 and continuing for 90 days or until the RV hearing scheduled for 12/11/24, whichever comes first.	CO: 1.79 lbs/day NOx: 2.52 lbs/day ROG: 0.33 lb/day

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
4. County of San Bernardino – Fleet Management Case No. 6070-13 (Consent Calendar)	203(b)	Petitioner violated Districts Rules, etc., and will achieve compliance on January 1, 2025, when the annual 200-hour operating limitation in Condition No. 4 resets for both permits.	Not Opposed/Granted	IV granted commencing 10/15/24 and continuing for 90 days or until the RV hearing scheduled for 12/4/24, whichever comes first.	CO – 0.19 lb/hour NOx – 0.51 lb/hour RHC – 0.03 lb/hour PM – 0.03 lb/hour SOx – 0.001 lb/hour
5. Enery Holdings LLC/LGHHP_6_ICEGEN Case #6248-2 (K. Manwaring)	203(b) 2004(f)(1) 2012, Attach C, B.2.a. 3002(c)(1)	Petitioner unable to conduct required RATA test on nonoperational gas turbine unit.	Opposed/Granted	RV granted commencing 10/24/25 and continuing through 7/31/25, or until final compliance, whichever comes first.	None
6. Sentinel Energy Center LLC Case No. 6141-3 (Consent Calendar)	218(b) 3002(c)	Units 1-8 and ancillary equipment will be/was unavailable for operation during the construction period. A variance was sought for relief from District Rules.	Not Opposed/Granted	IV granted commencing 10/2/24 and continuing for 90 days or until the SV hearing scheduled for 10/23/24, whichever comes first.	None

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
7. South Coast AQMD vs. City of Colton, Agua Mansa Power Plant Case No. 6266-1 (K. Manwaring)	201 203(b) 2004(f)(1) 3002(c)	O/A sought to allow Respondent to reinstall the repaired components (S/N 191-486) of D1 without incurring violations, while the South Coast AQMD processes the permit application.	Stipulated/Issued	O/A issued 10/23/24 and continuing until notification by Respondent that the equipment for which the O/A was issued is operating and final compliance is achieved.	N/A
8. South Coast AQMD vs. Walnut Creek Energy, LLC Case No. 6230-6 (K. Manwaring)	203(b) 2004(f)(1) 3002(c)	Respondent was required to complete ammonia slip testing by September 30, 2024, in accordance with permit condition D29.2; however, was not able to complete the test by September 30, 2024, because Unit 4 (D19) is not currently operating and a permitted supercore with a S/N listed in permit condition E448.3 will not be available timely to meet the quarterly testing deadline.	Stipulated/Issued	O/A issued commencing 10/23/24. The Hearing Board shall retain jurisdiction over this matter for one year from the date this Order for Abatement was issued.	N/A

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
9. United States Government Department of Navy Case No. 4518-10 (Consent Calendar)	203(b) 3002(c)(1)	Emergency generator exceeded permitted annual 200-hour operating limit due to power loss resulting from a wildfire.	Not Opposed/Granted	RV granted commencing 10/31/24 and continuing through 12/31/24, the FCD.	<p><u>Device D21</u> CO: 63.6 NOx: 292.47 PM10: 21.19 ROG: 23.72</p> <p><u>Device D200</u> CO: 72.52 NOX: 45.8 PM10: 3.24 ROG: 8.53</p>
10. Ultramar Inc., dba Valero Wilmington Refinery Case No. 3845-109 (J. Lee)	202(a) 2004(f)(1) 3002(c)(1)	Petitioner experienced a breakdown that resulted in an automatic shutdown of the Refinery's main gasoline producing equipment, the FCCU; Process 3, System 1). Specifically, a valve malfunctioned and failed in the closed position, leading to a pressure surge in the FCCU's Regenerator causing an automatic control scheme to initiate shutdown.	Not Opposed/Granted	Ex Parte EV granted commencing 10/9/24 through October 11, 2024.	CO: 1,236 total/lbs.

Case Name and Case No. (South Coast AQMD Attorney)	Rules	Reason for Petition/Hearing	South Coast AQMD Position/Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
11. USA Waste of California, El Sobrante Landfill Case No. 5139-3 (M. Reichert)	203(b) 3002(c)(1)	Petitioner sought a permit modification to increase the SOx/total sulfur limit in Condition #26. Because the Petitioner, a landfill, is an essential public service, operations are unable to be curtailed nor can there be a reduction in the amount of existing waste at the facility that is the source of the DMS issue.	Not Opposed/Granted	RV granted commencing 10/3/24 and continuing through 8/5/25, or until final compliance, whichever comes first.	SOx: 8.22 lbs/day
12. Verizon Wireless Big Bear City Case No. 6139-8 (Consent Calendar)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to power outages resulting from the Line Fire.	Not Opposed/Granted	IV granted commencing 10/16/24 and continuing for 90 days or until the RV hearing scheduled for 12/11/24, whichever comes first.	CO – 7.93 lbs/day NOx – 5.95 lbs/day VOC – 5.95 lbs/day
13. Verizon Wireless Rancho Santa Margarita Case No. 6139-9 (Consent Calendar)	203(b)	Emergency generator exceeded permitted annual 200-hour operating limit due to power outages resulting from the Airport Fire.	Not Opposed/Granted	IV granted commencing 10/16/24 and continuing for 90 days or until the RV hearing scheduled for 12/11/24, whichever comes first.	NOx: 10.08 lbs/day CO: 13.44 lbs/day VOC: 10.08 lbs/day

Acronyms

CO: Carbon Monoxide
DMS: Dimethyl Sulfide
EV: Emergency Variance
FCCU: Fluid Catalytic Cracking Unit
FCD: Final Compliance Date
IV: Interim Variance
Mod. O/A: Modification Order for Abatement

N/A: Not Applicable
NOx: Oxides of Nitrogen
OA: Order for Abatement
PM: Particulate Matter
RHC: Reactive Hydrocarbons
RV: Regular Variance
SOx: Oxides of Sulfur

TBD: To Be Determined
VOC: Volatile Organic Compound

Rules from which Variances and Orders for Abatement were Requested in 2024

Rules	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Actions
201										1			1
202(a)										1			1
202(b)					1								1
203(b)	7	8	8	6	5	2	6	7	10	11			70
204					1					6			7
218(b)										1			1
218(b)(2)						1							1
218.1(b)(4)(c)						1							1
401(b)(1)								1					1
402	2		1	1	1		1		1				7
415(f)							1						1
415(g)							1						1
431.1(c)(2)	1	1		1									3
463(c)					1								1
464(b)(1)(A)				1									1
464(b)(2)				1									1
464(b)(3)				1									1
1100(d)(1)(B)							1						1
1105.1(e)(2)(A)	1	1	1										3
1105.1(e)(2)(E)	1	1											2
1110.2(d)							1						1
1110.2(e)(2)							1						1
1110.2(e)(4)							1						1
1110.2(e)(10)							1						1
1110.2(f)(1)(C)							1						1
1110.2(F)(1)(D)							1						1
1124(c)(1)		1											1
1124(c)(4)		1											1
1128					1								1
1134										1			1
1134(d)(3)	1						1						2
1134(e)(2)							1						1
1134(e)(3)							1						1

Rules from which Variances and Orders for Abatement were Requested in 2024

Rules	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total Actions
1134(e)(2)(C)	1												1
1134(e)(2)(C)(iii)			2										2
1146(c)(1)		1											1
1146(e)(1)		1											1
1147					1		1						2
1147(d)(1)(a)							1	1					2
1147(h)(13)(A)				1	1								2
1148.1(d)(8)					1								1
1150(b)(2)			1	1									2
1150.1(e)(2)(A)			1										1
1150.1(e)(2)(E)			1										1
1150.1(f)(2)(A)	1												1
1173(d)(1)(B)					1								1
1173(g)(1)			1										1
1176(e)(1)				1									1
1176(e)(2)				1									1
1196(d)									1				1
1196(d)(1)						1		2					3
1196(e)									1				1
1196(f)(8)(a)								1					1
1196(f)(10)								1					1
1303(a)(1)					1								1
1303(a)(2)					1								1
1420(f)(1)					1		2						3
1470(c)(4)(A)	1												1
2004(f)(1)	5	5	4	3	3	2	3	1	1	5			32
2005					1								1
2012							1						1
2012(c)(3)(A)					1								1
2012 Att C, B.2.a										1			1
3002(c)				1	1					3			5
3002(c)(1)	7	7	4	3	2	2	4	5	2	5			41
CA H&S Code 41700	1		1	1	1		1	1	1				7
CA H&S Code 41701								1					1

**SOUTH COAST AQMD RULES AND REGULATIONS INDEX
FOR 2024 HEARING BOARD CASES AS OF OCTOBER 31, 2024**

REGULATION II – PERMITS

Rule 201	Permit to Construct
Rule 202	Temporary Permit to Operate
Rule 203	Permit to Operate
Rule 204	Permit Conditions
Rule 218	Continuous Emission Monitoring

REGULATION IV – PROHIBITIONS

Rule 401	Visible Emissions
Rule 402	Nuisance
Rule 431.1	Sulfur Content of Gaseous Fuels
Rule 463	Organic Liquid Storage
Rule 464	Wastewater Separators

REGULATION XI - TOXICS AND OTHER NON-CRITERIA POLLUTANTS

Rule 1100	Implementation Schedule for NO _x Facilities
Rule 1105.1	Reduction of PM ₁₀ and Ammonia Emissions from Fluid Catalytic Cracking Units
Rule 1110.2	Emissions from Stationary Internal Combustion Engines
Rule 1124	Aerospace Assembly and Component Manufacturing Operations.
Rule 1128	Paper, Fabric, and Film Coating Operations
Rule 1134	Emissions of Oxides of Nitrogen from Stationary Gas Turbines
Rule 1146	Emissions of Oxides of Nitrogen (NO _x) from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
Rule 1147	NO _x Reductions from Miscellaneous Sources
Rule 1148.1	Oil and Gas Production Wells
Rule 1150	Excavation of Landfill Sites
Rule 1150.1	Control of Gaseous Emissions from Municipal Solid Waste Landfills
Rule 1173	Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants
Rule 1176	VOC Emissions from Wastewater Systems
Rule 1196	Clean On-Road Heavy-Duty Public Fleet Vehicles

REGULATION XIII – NEW SOURCE REVIEW

Rule 1303 Requirements

REGULATION XIV - TOXICS AND OTHER NON-CRITERIA POLLUTANTS

Rule 1420 Emissions Standard for Lead

Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX – REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

Rule 2005 New Source Review for RECLAIM

Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXX – TITLE V PERMITS

3002 – Requirements

CALIFORNIA HEALTH AND SAFETY CODE

§41700 Prohibited Discharges

§41701 Restricted Discharges

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 13

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This report summarizes monthly penalties and legal actions filed by the General Counsel’s Office from October 1 through October 31, 2024. An Index of South Coast AQMD Rules is attached with the penalty report.

COMMITTEE: Stationary Source, November 15, 2024, Reviewed

RECOMMENDED ACTION:
Receive and file.

Bayron T. Gilchrist
General Counsel

BTG:cr

	CIVIL FILINGS	VIOLATIONS
1.	Resource Environmental Inc County of Los Angeles Superior Court – Civil Case No.: 24NWCV03466; Filed 10.02.24 (NAS) NOVs. No.: P78613, P74586 403 – Fugitive Dust 1403 – Asbestos Emissions from Demolition/Renovation Activities California Health and Safety Code § 42402	2
2.	Palp Inc dba Excel Paving Company County of Los Angeles Superior Court – Small Claims Case No.: 24LBSC01110; Filed 10.03.24 (CM) NOV No.: P73712 403 – Fugitive Dust California Health and Safety Code § 42402	1
3.	NH Environmental Inc County of Los Angeles Superior Court – Civil Case No.: 24STCV26423; Filed 10.10.24 (JJ) NOV No.: P74600 1403 – Asbestos Emissions from Demolition/Renovation Activities California Health and Safety Code § 42402	1

CIVIL FILINGS**VIOLATIONS**

4.	Fleet Yards Inc	6
	County of Los Angeles Superior Court – Civil Case No.: 24STCV27942; Filed 10.24.24 (RM) NOVs. No.: P73228, P74459, P74460, P74461, P74463, P74467 403 – Fugitive Dust California Health and Safety Code § 42402	
		10 Violations

Attachments

October 2024 Penalty Report

Index of South Coast AQMD Rules and Regulations

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

Settlement Penalty Report (10/01/2024 - 10/31/2024)

Total Penalties

Civil Settlement: \$351,681.00
Hearing Board Settlement: \$2,600.00
MSPAP Settlement: \$227,205.41

Total Cash Settlements: \$581,486.41

Total SEP Value: \$0.00

Fiscal Year through 10/31/2024 Cash Total: \$2,962,061.10

Fiscal Year through 10/31/2024 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
6842	ANGELUS PLATING WKS	1469	10/15/2024	EC	P77554, P77569	\$1,200.00
176788	BIMBO BAKERIES USA INC	203, 430	10/15/2024	KCM	P75628	\$2,425.00
169553	CIRCLE K STORES INC (#2709479)	461	10/15/2024	EC	P69890, P70189	\$2,100.00
201721	CRANE WORLDWIDE LOGISTICS	2305	10/15/2024	JL	O15025	\$5,000.00
197983	CRICKET TRANSPORTATION	13 CCR 2485	10/22/2024	CL	P76256	\$1,533.00
197841	DISTRIBUTION ALTERNATIVES INC	2305	10/02/2024	JL	O15036, O15037, O15038	\$33,000.00
109659	EXCEL PAVING CO INC	403	10/29/2024	CM	P73712	\$2,800.00
201740	HOME DEPOT	2305	10/23/2024	ND	O15094	\$28,600.00
122690	HUNTER	203, 463	10/04/2024	SH	P74374	\$3,500.00
157611	ICP CONSTRUCTION INC	1168	10/16/2024	ND	P74927	\$4,836.00
201417	KOMAR DISTRIBUTION SERVICES	2305	10/04/2024	RM	O15074	\$5,000.00
186044	LEONARD 1&2 LLC	203, 222, 463, 1148.1, 1173	10/04/2024	RM	P73307, P79652	\$61,000.00
201065	LX PANTOS	2305	10/15/2024	ND	O15063, O15066, SRV2022-00048, SRV2024-00049	\$58,700.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
198627	METROPOLITAN MANAGEMENT COMPANY	1403, 40 CFR 61.145	10/08/2024	KCM	P76126	\$1,800.00
800408	NORTHROP GRUMMAN SYSTEMS	1146.1, 2004, 2012, 3002	10/15/2024	JL	P68310, P68322, P68670, P68671, P68676, P79454	\$6,500.00
195925	OLYMPUS TERMINALS LLC	462, 1178, 3002	10/11/2024	DH	P74541, P80717	\$16,560.00
195241	PACIFICA SENIOR LIVING MENIFEE	203, 222	10/15/2024	ND	P74193, P75401	\$3,627.00
200483	PHILADELPHIA	2305	10/02/2024	ND	O15057	\$2,500.00
201760	REYES COLA	2305	10/02/2024	ND	O15055	\$2,500.00
800128	SO CAL GAS CO	17 CCR 95669	10/02/2024	JL	P73284, P73347, P74531, P74544, P80656	\$50,400.00
191698	SYNERGY OIL & GAS LLC	203, 1173	10/23/2024	JL	P80724	\$16,300.00
195728	THE HOME DEPOT IRWINDALE CA FDC	2305	10/22/2024	DH	O15024	\$41,800.00
Total Civil Settlements: \$351,681.00						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	10/23/2024	KER	6143-4	\$2,600.00
Total Hearing Board Settlements: \$2,600.00						
MSPAP						
178160	MANSHADI INVESTMENT LLC (DBA "LOS FELIZ C")	461, H&S 41960.2	10/25/2024	VB	P79069	\$4,517.00
177401	19TH STREET AFFORDABLE LP	203	10/11/2024	CR	P77823	\$4,036.00
194554	301 LAKE OFFICE LLC	1146.1, 1415	10/04/2024	VB	P78019	\$2,913.00
197675	7 ELEVEN INC (#43066)	461, H&S 41960.2	10/25/2024	CR	P80917	\$1,437.00
186582	700 SOUTH VERMONT CORP	203, 461, H&S 41960.2	10/11/2024	CL	P80910	\$3,228.00
202108	8234 BLACKBURN LLC	1403	10/04/2024	CL	P75877	\$3,027.00
167441	A & E FUELS INC	461	10/11/2024	CR	P70188	\$1,513.00
147056	A AND B CENTRAL INC (DBA "ANDY'S SHELL")	461	10/25/2024	VB	P80936	\$1,349.00
183967	AAA OIL INC (DBA "CALIFORNIA FUELS & LUBR")	203, 461, 461.1	10/17/2024	CL	P77612	\$4,098.00
111492	AARN INC (DBA "H. TOROSIAN # 2")	461, H&S 41960.2	10/11/2024	VB	P70075	\$6,000.00
83039	AIRPORT ARCO	203, 461	10/17/2024	CR	P74815	\$2,115.00
195637	ALABBASI	403	10/11/2024	CM	P73917	\$4,792.00
183079	AMJ OIL INC	461	10/04/2024	CM	P80558, P80570	\$6,982.00
176756	AMK INVESTMENT PROPERTY LLC	461	10/11/2024	CM	P80949	\$2,018.00
138068	ANGELES NATIONAL GOLF CLUB	203, 461	10/04/2024	CM	P75962	\$529.00
135273	ARCHER DANIELS MIDLAND COMPANY	1146.1	10/11/2024	VB	P74666	\$1,513.00
32847	ARROYO CAR WASH CORP	461	10/25/2024	VB	P80927	\$2,514.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
145743	AZUSA MOBIL MART & CAR WASH	203, 461	10/25/2024	VB	P66027	\$1,209.00
188335	BANDINI TRUCK STOP CENTER INC	461	10/04/2024	CM	P80903	\$3,027.00
203334	BIG D CONSTRUCTION	403	10/04/2024	VB	P79330	\$2,018.00
22568	BRENTWOOD ORIGINALS INC	203	10/17/2024	CM	P69921	\$10,090.00
1824	BUDDY BAR CASTING	203	10/11/2024	CL	P80409	\$1,209.00
171285	C T PROPANE 2	461	10/04/2024	CR	P75452	\$1,813.00
29724	CP CONSTRUCTION CO INC	461	10/11/2024	VB	P78459	\$2,218.00
199702	CA COLLISION	201	10/11/2024	VB	P76549	\$937.00
86101	CAMINO REAL FOODS INC	203, 1146.1	10/04/2024	VB	P74904	\$7,026.00
104307	CHANDLER AGGREGATES INC	203	10/17/2024	CR	P75402	\$807.00
169551	CIRCLE K STORES INC (#2709468)	461	10/04/2024	CM	P80955	\$1,513.00
180137	CLENET CLEANERS	203, 1102	10/04/2024	CL	P78556	\$4,800.00
139763	COMILLA CORP	461	10/04/2024	CL	P70230, P70804, P74825	\$1,663.00
177249	CSDS LIMITED	203, 461	10/04/2024	SW	P79359	\$3,027.00
200827	DANNY NAVARRO REAL ESTATE GROUP	1403	10/17/2024	CM	P78610	\$3,023.00
127393	DECRA ROOFING SYSTEMS INC	1147	10/04/2024	CL	P75404	\$2,277.00
171476	DUARTE UNIVERSAL INC	461	10/25/2024	SW	P80948	\$2,297.00
105761	DUKE SERVICE CENTER	461, H&S 41960	10/04/2024	CM	P74813	\$1,500.00
189454	EL SEGUNDO CHEVRON	461	10/25/2024	SW	P80620	\$4,049.91
136202	EPSILON PLASTICS INC	3002	10/11/2024	CL	P75303	\$2,305.00
197223	FONTANA ARCO	201	10/04/2024	CL	P76172	\$971.00
110173	G & M OIL CO LLC (#52)	203, 461	10/17/2024	CM	P80202	\$1,059.00
192082	G&M OIL CO (#177)	461, H&S 41960.2	10/17/2024	CM	P74671	\$1,588.00
154515	GALAXY FIRESTONE 76, GALAXY OIL CO.	461	10/17/2024	VB	P79377	\$1,556.00
178714	GALLERY BUILDERS INC	403	10/04/2024	CM	P79329	\$5,242.00
3153	GOLDEN STATE FOODS CORP	1146	10/25/2024	VB	P73233	\$2,647.00
198942	GRIFFITH COMPANY	403	10/11/2024	VB	P74470	\$1,942.00
194405	GTP TOWERS V LLC	203	10/11/2024	SW	P79214	\$1,009.00
110560	HIDDEN VALLEY GOLF CLUB LLC	203, 461	10/04/2024	VB	P74190	\$7,413.00
134018	INDUSTRIAL CONTAINER SERVICES CA LLC	3002	10/04/2024	CL	P62775, P62780, P63945, P74874, P75982	\$8,463.00
189555	J&P OIL COMPANY INC	461	10/11/2024	VB	P79608	\$1,631.00
151835	JADE RANGE LLC	203	10/11/2024	SW	P80264	\$2,218.00
196071	JB CONTRACTORS INC	403	10/04/2024	CM	P75958	\$1,715.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
193598	JET CENTER	203	10/17/2024	CM	P74140	\$958.00
46581	JUAN'S BODY SHOP	1151	10/04/2024	CL	P74483	\$1,662.00
175454	KALEIDOSCOPE MISSION VIEJO	203	10/25/2024	CR	P80154	\$1,009.00
20197	LAC/USC MEDICAL CENTER	461	10/11/2024	VB	P75981	\$526.00
182655	LHSW, INC DBA ARROYO SHELL	461	10/04/2024	CM	P80921	\$2,418.00
169220	LONG BEACH WILLOW INC	461	10/04/2024	CM	P79363	\$5,984.00
195581	MAGIC WITH 786	461, H&S 41960.2	10/04/2024	CR	P80914	\$1,210.00
175268	MALTY CHEVRON (MALTY INT'L GROUP INC)	203	10/04/2024	CM	P79368	\$1,800.00
195687	MERITAGE HOMES	403	10/17/2024	CM	P73919	\$4,036.00
104004	MICROMETALS INC	3002	10/04/2024	CL	P79212	\$1,209.00
146300	MJM VALLEJO MINI MKT INC (DBA "ARCO #82442")	203	10/25/2024	VB	P74809	\$1,027.00
180105	MY GOODS MARKET (#5706)	461	10/04/2024	CM	P80946	\$2,012.00
177227	NEWPORT BEACH CARWASH	461, H&S 41960.2	10/17/2024	CL	P79354	\$2,561.00
156737	PARAMOUNT OIL INC	461, H&S 41960.2	10/11/2024	VB	P79375	\$1,588.00
162473	PARAMOUNT PICTURES	1403, 40 CFR 61.145	10/17/2024	SW	P78615	\$1,663.50
140552	PERFORMANCE COMPOSITES INC	3002	10/04/2024	VB	P75330	\$4,594.00
8916	PLACENTIA CITY CORPORATE YARD	461	10/04/2024	VB	P69796	\$953.00
199885	QUEVEDO ALEJANDRO	1403	10/25/2024	SW	P79156	\$8,735.00
11301	SAN BERNARDINO CITY MUN WATER DEPT	201, 203	10/11/2024	CR	P72949	\$2,018.00
158341	SHAATH & OUDEH GROUP INC	201	10/04/2024	VB	P73139	\$995.00
182985	SIGNAL HILL PETROLEUM INC	203, 463, 1148.1	10/17/2024	CL	P75685	\$5,598.00
1334	SOC CO PLASTIC COATING CO	1147	10/25/2024	VB	P78910	\$2,772.00
147779	SONDH INVESTMENT INC	461	10/11/2024	CM	P80204	\$1,588.00
194885	SPEEDWAY (# 4514 (USA))	461, H&S 41960.2	10/04/2024	CM	P80908	\$1,513.00
153338	STEWART FAMILY INC (DBA "SAN JUAN SHELL")	461	10/04/2024	CL	P69884	\$1,023.00
187136	STUDIO MANAGEMENT SERVICES INC	222	10/04/2024	CM	P76283	\$4,836.00
180588	SUNSTATE EQUIPMENT CO LLC	203	10/17/2024	VB	P74662	\$1,109.00
204623	TRAN'S GROUP INC	203	10/25/2024	SW	P74877	\$1,009.00
197716	TRIPOINTE HOMES	403	10/04/2024	VB	P79215	\$2,418.00
194122	UP2 (#0257)	461, H&S 41960	10/11/2024	VB	P74814	\$1,513.00
126383	VALLEY BETH SHALOM	1403	10/04/2024	VB	P75264	\$1,816.00
194664	VEER SERVICE PARTNERS INC	461, H&S 41960.2	10/11/2024	CM	P80941	\$4,050.00
139543	WOODSIDE VILLAGE CLEANERS	203, 1102	10/04/2024	CM	P73226	\$1,715.00
86119	YMCA OF METROPOLITAN LA	203	10/04/2024	VB	P75996	\$1,593.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
52142	YOLANDAS PLATING	1426	10/04/2024	CL	P76130	\$850.00
Total MSPAP Settlements: \$227,205.41						

SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX FOR OCTOBER 2024 PENALTY REPORT

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust
- Rule 430 Breakdown Provisions
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 461.1 Gasoline Transfer and Dispensing for Mobile Fueling Operations
- Rule 462 Organic Liquid Loading
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1102 Petroleum Solvent Dry Cleaners
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1147 NOx Reductions from Miscellaneous Sources
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
- Rule 1168 Adhesive and Sealant Applications
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems
- Rule 1426 Emissions from Metal Finishing Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 2024 PENALTY REPORT**

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

- Rule 2305 Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waive) Program

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

- 41960 Certification of Gasoline Vapor Recovery System
- 41960.2 Gasoline Vapor Recovery
- 42402 Violation of Emission Limitations – Civil Penalty

CALIFORNIA CODE OF REGULATIONS

- 13 CCR 2485 Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling
- 17 CCR 95669 Leak Detection and Repair

[↑ Back to Agenda](#)

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 14

REPORT: Intergovernmental Review of Environmental Documents and CEQA Lead Agency Projects

SYNOPSIS: This report provides a listing of environmental documents prepared by other public agencies seeking review by South Coast AQMD between October 1, 2024 and October 31, 2024, and proposed projects for which South Coast AQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

SR:MK:BR:SW:ET

Background

The California Environmental Quality Act (CEQA) Statute and Guidelines require public agencies, when acting in their lead agency role, to provide an opportunity for other public agencies and members of the public to review and comment on the analysis in environmental documents prepared for proposed projects. A lead agency is when a public agency has the greatest responsibility for supervising or approving a proposed project and is responsible for the preparation of the appropriate CEQA document.

Each month, South Coast AQMD receives environmental documents, which include CEQA documents, for proposed projects that could adversely affect air quality. South Coast AQMD fulfills its intergovernmental review responsibilities, in a manner that is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4, by reviewing and commenting on the adequacy of the air quality analysis in the environmental documents prepared by other lead agencies.

The status of these intergovernmental review activities is provided in this report in two sections: 1) Attachment A lists all of the environmental documents prepared by other public agencies seeking review by South Coast AQMD that were received during the reporting period; and 2) Attachment B lists the active projects for which South Coast AQMD has reviewed or is continuing to conduct a review of the environmental documents prepared by other public agencies. Further, as required by the Board's October 2002 Environmental Justice Program Enhancements for FY 2002-03, each attachment includes notes for proposed projects which indicate when South Coast AQMD has been contacted regarding potential air quality-related environmental justice concerns. The attachments also identify for each proposed project, as applicable: 1) the dates of the public comment period and the public hearing date; 2) whether staff provided written comments to a lead agency and the location where the comment letter may be accessed on South Coast AQMD's website; and 3) whether staff testified at a hearing.

In addition, South Coast AQMD will act as lead agency for a proposed project and prepare a CEQA document when: 1) air permits are needed; 2) potentially significant adverse impacts have been identified; and 3) South Coast AQMD has primary discretionary authority over the approvals. Attachment C lists the proposed air permit projects for which South Coast AQMD is lead agency under CEQA.

Attachment A – Log of Environmental Documents Prepared by Other Public Agencies and Status of Review, and Attachment B – Log of Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies

Attachment A contains a list of all environmental documents prepared by other public agencies seeking review by South Coast AQMD that were received pursuant to CEQA or other regulatory requirements. Attachment B provides a list of active projects, which were identified in previous months' reports, and which South Coast AQMD staff is continuing to evaluate or prepare comments relative to the environmental documents prepared by other public agencies. The following table provides statistics on the status of review¹ of environmental documents for the current reporting period for Attachments A and B combined²:

¹ The status of review reflects the date when this Board Letter was prepared. Therefore, Attachments A and B may not reflect the most recent updates.

² Copies of all comment letters sent to the lead agencies are available on South Coast AQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

Statistics for Reporting Period from October 1, 2024 to October 31, 2024	
Attachment A: Environmental Documents Prepared by Other Public Agencies and Status of Review	75
Attachment B: Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies (which were previously identified in the August and September 2024 reports)	6
Total Environmental Documents Listed in Attachments A & B	81
<i>Comment letters sent</i>	9
<i>Environmental documents reviewed, but no comments were made</i>	65
<i>Environmental documents currently undergoing review</i>	7

Staff focuses on reviewing and preparing comments on environmental documents prepared by other public agencies for proposed projects: 1) where South Coast AQMD is a responsible agency under CEQA (e.g., when air permits are required but another public agency is lead agency); 2) that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement); 3) that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); 4) where environmental justice concerns have been raised; and 5) which a lead or responsible agency has specifically requested South Coast AQMD review.

If staff provided written comments to a lead agency, then a hyperlink to the “South Coast AQMD Letter” is included in the “Project Description” column which corresponds to a notation in the “Comment Status” column. In addition, if staff testified at a hearing for a proposed project, then a notation is included in the “Comment Status” column. Copies of all comment letters sent to lead agencies are available on South Coast AQMD’s website at: <http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>. Interested parties seeking information regarding the comment periods and scheduled public hearings for projects listed in Attachments A and B should contact the lead agencies for further details as these dates are occasionally modified.

In January 2006, the Board approved the Clean Port Initiative Workplan (Workplan). One action item of the Workplan was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In accordance with this action item, Attachments A and B organize the environmental documents received according to the following categories: 1) goods movement projects; 2) schools; 3) landfills and wastewater projects; 4) airports; and 5) general land use projects. In response to the action item relative to mitigation, staff maintains a compilation of mitigation measures presented as a series of tables relative to off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases which are available on South Coast AQMD’s website at:

<http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources such as ground support equipment.

Attachment C – Proposed Air Permit Projects for Which South Coast AQMD is CEQA Lead Agency

The CEQA lead agency is responsible for determining the type of environmental document to be prepared if a proposal requiring discretionary action is considered to be a “project” as defined by CEQA. South Coast AQMD periodically acts as lead agency for its air permit projects and the type of environmental document prepared may vary depending on the potential impacts. For example, an Environmental Impact Report (EIR) is prepared when there is substantial evidence that the project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if a proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are types of CEQA documents which analyze the potential environmental impacts and describe the reasons why a significant adverse effect on the environment will not occur such that the preparation of an EIR is not required.

Attachment C of this report summarizes the proposed air permit projects for which South Coast AQMD is lead agency and is currently preparing or has prepared environmental documentation pursuant to CEQA. As noted in Attachment C, South Coast AQMD is lead agency for four air permit projects during October 2024.

Attachments

- A. Environmental Documents Prepared by Other Public Agencies and Status of Review
- B. Active Projects with Continued Review of Environmental Documents Prepared by Other Public Agencies
- C. Proposed Air Permit Projects for Which South Coast AQMD is CEQA Lead Agency

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers RVC241001-02 Ethanac Business Park - General Plan Amendment (PLN23-0173), Specific Plan Amendment (PLN23-0175), Zone Change (PLN23-0174), and Plot Plan (PLN23-0171)	The project consists of constructing an approximately 264,710 square foot warehouse consisting of 254,710 square feet of warehouse area and 10,000 square feet of office area on 11.47 acres. The project will include approximately 168 automobile parking spaces and 47 truck trailer parking stalls along with approximately 58,864 square feet of landscaping. The project is located north of McLaughlin Road, east of Trumble Road, south of Ethanac Road, and west of Sherman Road (APNs: 331-110-023, -038, and -039). Comment Period: 9/25/2024 - 10/14/2024 Public Hearing: 10/23/2024	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	Document reviewed - No comments sent
Warehouse & Distribution Centers RVC241010-03 First March Logistics Project	The project consists of constructing two warehouse buildings totaling 559,005 square feet on 27.26 acres. The project is located near the northeast corner of Interstate 215 and Nandina Avenue. Reference RVC230502-03 and RVC211221-03 Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/june-2023/RVC230502-03.pdf . Comment Period: N/A Public Hearing: 10/16/2024	Response to Comments	City of Perris	Under review, may submit comments
Warehouse & Distribution Centers RVC241016-19 Murrieta Road Warehouse Project	The project consists of constructing an approximately 517,720 square foot distribution warehouse facility on 28.27 acres. The project would include 90 dock-high doors and 4 grade-level truck doors, 409 automobile parking spaces, and 192 truck trailer parking spaces. The project is located north of McLaughlin Road, east of Geary Street, south of Floyd Avenue, and west of Murrieta Road (APNs: 330-210-010, -011, -013, and -062, 330-560-001 through 330-560-040, 330-570-001 through 330-570-033, and 330-571-001 through 330-571-005). Reference RVC240604-05 and RVC231108-01 Staff previously provided comments on the Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/june-2024/rvc240604-05-draft-eir-murrieta-road-warehouse-project.pdf . Comment Period: N/A Public Hearing: 10/23/2024	Final Environmental Impact Report	City of Menifee	Document reviewed - No comments sent

Key:

= Project has potential environmental justice concerns due to the nature and/or location of the project.

LAC = Los Angeles County, ORC = Orange County, RVC = Riverside County, SBC = San Bernardino County, ALL = All counties within the South Coast AQMD jurisdiction, and ODP = Outside District Jurisdiction

Project Notes:

1. Disposition may change prior to Governing Board Meeting

2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers RVC241023-06 Ethanac Logistics Center	The project consists of constructing a 412,348 square foot industrial warehouse on 19.9 acres and improving offsite storm drain facilities and roadways. The Planning Commission considered the project on September 18, 2024, and recommended to the City Council that the project be Denied by a vote of 5 ayes, 0 noes. The project is located at the northwest corner of Shennan Road and Ethanac Road (APNs: 329-240-016 through -020 and -023 through -027). Reference RVC240911-10, RVC240911-08, RVC240221-09 and RVC230927-10 Comment Period: N/A Public Hearing: 11/12/2024	Other	City of Perris	Document reviewed - No comments sent
Warehouse & Distribution Centers SBC241023-09 Southeast Corner 5th and Victoria Warehouse Project	The project consists of constructing an approximately 173,976 square foot warehouse distribution logistics facility on approximately 7.23 acres. The project site is composed of 11 parcels, one in the City of San Bernardino and 10 in the City of Highland. The project proposes to adjust the Sphere of Influence for the City of Highland and to annex Assessor's Parcel Number (APN) 1192-551-01 into the City of Highland, detaching from the City of San Bernardino, requiring approval by the Local Agency Formation Commission (LAFCO). This parcel is approximately 0.56 acre. The project is located at the southeast corner of 5th Street and Victoria Avenue (APNs: 1192-551-01 [City of San Bernardino], -02, -03, -04, -05, -06, -07, -12, -13, -14, and -15). Reference SBC241016-10 and SBC230124-03 https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/november-2024/sbc241023-09-is-mnd-southeast-corner-5th-and-victoria-warehouse-project.pdf Comment Period: 10/18/2024- 11/18/2024 Public Hearing: N/A	Mitigated Negative Declaration	City of Highland	Comment letter sent on 11/13/2024

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Project Notes:

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
Industrial and Commercial LAC241002-06 2222 Rosemead Boulevard Warehouse Development	The project consists of constructing a 156,877 square foot concrete tilt-up warehouse with 13 dock doors on 5.14 acres. The warehouse will consist of 113,703 square feet of warehouse space, 7,879 square feet of retail use, 20,305 square feet of accessory warehouse office use, and 14,990 square feet of warehouse storage. The project is located at 2200, 2212, 2218, and 2226 Rosemead Boulevard (APNs: 8102-039-029, 8102-039-030, 8102-039-031, and 8102-039-035). https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/october-2024/lac241002-06-mnd-2222-rosemead-boulevard-warehouse-development.pdf Comment Period: 10/1/2024 - 10/30/2024 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of South El Monte	Comment letter sent on 10/30/2024
Industrial and Commercial LAC241003-01 ENV-2023-7591: 16201, 16215, 16227, 16231, 16239, 16251 and 16275 West Raymer Street	The project consists of demolishing approximately 48,944 square feet of industrial space with associated surface parking and landscaping and constructing an approximately 123,464 square foot warehouse facility on three lots totaling 240,365 square feet. The project is located at 16201, 16215, 16227, 16231, 16239, 16251, and 16275 West Raymer Street. https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/november-2024/lac241003-01-mnd-16201-16215-16227-16231-16239-16251-and-16275-west-raymer-street-project.pdf Comment Period: 10/10/2024 - 11/12/2024 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Los Angeles	Comment letter sent on 11/12/2024
Industrial and Commercial LAC241010-04 14005 Live Oak Avenue Project	The project consists of demolishing an existing industrial office building and constructing a one-story concrete tilt-up warehouse building totaling 102,500 square feet on 5.13 acres. The project would include 12 dock doors, 65 parking spaces, 13 trailer stalls, and four long-term and four short-term bicycle spaces. The project is bounded by Rivergrade Road to the north, vacant land currently undergoing grading to the east, Live Oak Avenue and the City of Baldwin Park to the south, and Stewart Avenue to the west. The project is located at 14005 Live Oak Avenue (APN: 8535-001-033). https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/october-2024/lac241010-04-mnd-14005-live-oak-avenue-project.pdf Comment Period: 9/30/2024 - 10/30/2024 Public Hearing: N/A	Initial Study / Mitigated Negative Declaration	City of Irwindale	Comment letter sent on 10/30/2024
Industrial and Commercial ORC241023-05 R+L Carriers Anaheim Transit Facility Project	The project consists of constructing a transit facility comprised of a 47,340-square foot truck terminal building, a 12,355-square foot maintenance building, a 1,408-square foot private fueling station, and 120 parking spaces on approximately 8.61 acres. The project is located north of Cerritos Avenue, south of Winston Road, and approximately 290 feet west of Sunkist Street at 2300 East Winston Road (APN: 083-210-02). https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/november-2024/orc241023-05-mnd-r-l-carriers-anaheim-transit-facility-project.pdf Comment Period: 10/17/2024 - 11/6/2024 Public Hearing: 12/2/2024	Mitigated Negative Declaration	City of Anaheim	Comment letter sent on 11/5/2024

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Project Notes:

1. Disposition may change prior to Governing Board Meeting

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> RVC241002-09 457,444 Square-Foot Warehouse Building	The project consists of requesting amendment to Plot Plan No. 04-PP-18 to add an approximately 457,444 square foot warehouse building and associated improvements within the Rolling Hills Ranch Industrial Park Specific Plan (Crossroads Logistics Center). The project is located at 1022 Prosperity Way (APN: 424-050-016). Comment Period: N/A Public Hearing: 10/17/2024	Site Plan	City of Beaumont	Document reviewed - No comments sent
<i>Industrial and Commercial</i> RVC241008-01 Inland Harbor - PP2024-0053, PLAN2024-0118, PLAN2024-0119, and PLAN2024-0120	The project consists of requesting: 1) annexation to annex two Riverside County parcels into the city limits; 2) a General Plan Amendment to change land use designation from High Density Residential and Employment District to Industrial; 3) a Re-Zone from Residential Traditional Neighborhood and W-2 (Riverside County Zoning Designation) to Manufacturing; and 3) a Plot Plan for the construction of five industrial buildings totaling 1,145,183 square feet. The project is located northwest of State Route 79 and west of California Avenue (APNs: 424-080-009, 424-080-007, and 424-080-015). Comment Period: N/A Public Hearing: 10/24/2024	Site Plan	City of Beaumont	Document reviewed - No comments sent

Key:

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Project Notes:

1. Disposition may change prior to Governing Board Meeting
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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Waste and Water-related</i> LAC241010-02 Amendment to Conditional Use Permit Case No. 733 and Amendment to Modification Permit Case No. 1255 (Universal Waste Systems Inc.)	The project consists of amending Condition Use Permit Case No. 733 to increase the processing capacity of an existing recycling facility from 1,500 tons per day (TPD) to 2,500 TPD, to allow for the processing of organic waste, and to expand the hours of operation. The project also consists of amending Modification Permit Case No. 1255 to waive the requirement for the full number of parking spaces. The project is located at 9016 Norwalk Boulevard and encompasses approximately 3.81 acres (APNs: 8168-001-044 and 8168-001-815). Reference LAC240807-12, LAC150602-05, and LAC150519-07 Comment Period: N/A Public Hearing: 10/14/2024	Other	City of Santa Fe Springs	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC241016-01 Cudahy Seniors#	The project consists of requesting a community survey on the clean-up activity at the Cudahy Seniors (Site). Environmental investigations conducted at the 1.33-acre site found contamination in soil vapor, including chloroform, benzene, tetrachloroethene and trichloroethene above regulatory screening levels. The project is located at 4610 Santa Ana Street, Cudahy, CA 90201 and is within the designated AB 617 Southeast Los Angeles community. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC241016-12 Amendment to CUP No. 733 - Universal Waste Systems, Inc., Materials Recovery Facility and Transfer Station	The project consists of amending Condition Use Permit Case No. 733 to increase the processing capacity of an existing recycling facility from 1,500 tons per day (TPD) to 2,500 TPD, to allow for the processing of organic waste, and to expand the hours of operation. The project also consists of amending Modification Permit Case No. 1255 to waive the requirement for the full number of parking spaces. The project is located at 9016 Norwalk Boulevard and encompasses approximately 3.81 acres (APNs: 8168-001-044 and 8168-001-815). Reference LAC241010-02, LAC240807-12, LAC150602-05, and LAC150519-07 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Santa Fe Springs	Document reviewed - No comments sent

Key:

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Project Notes:

1. Disposition may change prior to Governing Board Meeting

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ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> ORC241001-03 Elm Street Commons	The project consists of requesting a community survey for the clean-up activity at Elm Street Commons (Site). Previous investigations identified tetrachloroethene (PCE), trichloroethene, and other volatile organic compounds (VOCs) in the soil, soil vapor, and groundwater beneath the 0.77-acre site. The project is located at 111 West Elm Street in Anaheim. Comment Period: N/A Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
<i>Waste and Water-related</i> ORC241002-01 A & John Auto Body	The project consists of cleanup activities at A & John Auto Body due to findings of Volatile Organic Compounds (VOCs), primarily tetrachloroethylene (PCE) and trichloroethylene (TCE), and metals including arsenic and lead on site. The project is located at 130 West Elm Street in Anaheim. Reference ORC240319-04 Comment Period: 9/30/2024 - 10/30/2024 Public Hearing: N/A	Other	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent
<i>Waste and Water-related</i> ORC241010-07 Lower Newport Bay Maintenance Dredging Project	The project consists of performing maintenance dredging to provide for the need of continued, safe navigation for recreational and commercial boats in Lower Newport Bay. The project is located at Lower Newport Bay in Newport Harbor. Comment Period: N/A Public Hearing: N/A	Draft Environmental Assessment	United States Army Corps of Engineers	Document reviewed - No comments sent
<i>Waste and Water-related</i> ODP241016-05 Southern California Edison Company, San Onofre Nuclear Generating Station (SONGS)	The project consists of approving a class 2 permit modification request to make changes to the San Onofre Nuclear Generating Station (SONGS) facility closure plan for its Hazardous Waste Facility Permit (HWFP). SONGS submitted a request to modify the closure performance standards for soil to reflect the latest regulatory risk-based screening levels and established background values. The project is located at 5000 Pacific Coast Highway, San Clemente, CA 92672. Reference ODP240403-08, ODP210406-08, ODP200922-11, and ODP191203-04 Comment Period: 9/24/2024 - 10/24/2024 Public Hearing: N/A	Notice of Hazardous Waste Facility Permit Modification Decision	Department of Toxic Substances Control (DTSC)	Document reviewed - No comments sent

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<u>SOUTH COAST AQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Transportation</i> LAC241002-04 I-405 from Wilmington Avenue to Main Street Improvements Project#	The project consists of improving traffic operations and safety for vehicle traffic and providing additional access and connectivity for pedestrians and bicyclists at local interchanges throughout the Project corridor. The project includes adding four auxiliary lanes, (two in the northbound (NB) direction and two in the southbound (SB) direction) between postmiles (PM) 9 .6 and 12.6 to improve weaving, merging, and diverging operations and/or the implementation of Transportation System Management (TSM) and Transportation Demand Management (TDM) elements. The project is located along Interstate 405 between Wilmington Avenue to Main Street in the City of Carson. The project is also located in the designated AB 617 Wilmington, Carson, and West Long Beach community. Reference LAC240910-01 and LAC240904-14 Comment Period: N/A Public Hearing: N/A	Other	California Department of Transportation (Caltrans)	Document reviewed - No comments sent
<i>Transportation</i> LAC241002-07 Vincent Thomas Bridge Deck Replacement Project#	The project consists of replacing the entire bridge deck, seismic sensors, the median concrete barriers, and the bridge railing of the Vincent Thomas Bridge. The project is located on State Route 47 (Bridge #53-1471) in Los Angeles, within the designated AB 617 Wilmington, Carson, and West Long Beach community. Reference LAC240416-04, LAC230606-09, and LAC230418-09 Staff previously provided comments on the Draft Environmental Impact Report and Environmental Assessment for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/july-2024/lac240416-04-vincent-thomas-bridge-deck-replacement-project.pdf . Comment Period: N/A Public Hearing: N/A	Response to Comments	California Department of Transportation (Caltrans)	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Transportation ODP241023-11 State Route 14 North Los Angeles County Safety & Mobility Improvements Project (PA/ED)	The project consists of enhancing safety consistent with Statewide Vision Zero, enhancing multimodal transportation options, reducing diversion onto parallel routes, and providing equitable multimodal components, while minimizing impacts to the areas and the environment within the State Route 14 (SR-14) corridor. The project corridor is considered in three segments: Segment 1 is approximately 6.5 miles within the City of Santa Clarita from Newhall Avenue to Golden Valley Road in the northbound direction and from Via Princessa to Newhall Avenue in the southbound direction, Segment 2 is approximately 8.9 miles in the City of Santa Clarita and unincorporated Los Angeles County from Agua Dulce Canyon Road to Sand Canyon Road in the southbound direction and from Sand Canyon Road to Soledad Canyon Road in the northbound direction, and Segment 3 is approximately 21.1 miles in unincorporated Los Angeles County from Pearblossom Highway to Escondido Canyon Road in the southbound direction and from Puritan Mine Road to Pearblossom Highway in the northbound direction. The project is in the City of Santa Clarita and unincorporated Los Angeles County. Comment Period: N/A Public Hearing: 11/14/2024	Notice of Preparation	California Department of Transportation (Caltrans)	Document reviewed - No comments sent
Transportation ORC241004-01 Yorba Linda Boulevard Improvements Project – From Imperial Highway to Lakeview Avenue	The project consists of widening 0.28 mile of existing roadways to accommodate additional and extended turn lanes. The project also includes improvements such as traffic signal modifications, utility relocations, retaining wall construction, grading, curb ramps, and landscaping. The project limits include the intersections of Yorba Linda Boulevard with Imperial Highway and Lakeview Avenue. The project is located along Yorba Linda Boulevard, east of Park Avenue and west of Avocado Avenue. Comment Period: 10/3/2024- 11/14/2024 Public Hearing: N/A	Mitigated Negative Declaration	City of Yorba Linda	Document reviewed - No comments sent
Transportation ORC241010-06 Barranca Chanel Trail – Barranca Parkway to Jamboree Road	The project consists of developing an approximately 1.35-mile bidirectional multi-use trail with safety fencing. The trail would connect with the Kelvin (bicycle-pedestrian) Bridge, and the Kelvin Bridge Pathway Connection linking the Kelvin Court Apartments and the driveway near the Main Street Village Apartments. The project also includes street crossings and associated improvements for a paved trail on Alton Parkway and McGaw Avenue, and an at-grade crossing for a private driveway (south of Alton Parkway). The project is located along the Barranca Flood Control Channel from Barranca Parkway to Jamboree Road in the Irvine Business Complex (IBC) area. Comment Period: 10/10/2024- 11/11/2024 Public Hearing: N/A	Mitigated Negative Declaration and Initial Study	City of Irvine	Document reviewed - No comments sent

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<i>Transportation</i> RVC241023-04 Interstate 15 Express Lanes Project Southern Extension (ELPSE)	The project consists of extending the tolled express lanes in both directions along Interstate 15 (I-15) in Riverside County between the cities of Lake Elsinore and Corona. The project is intended to improve and manage traffic operations, congestion, and travel times along the corridor by extending the 1-15 Express Lanes an additional 15.8 miles. The proposed improvements would extend from El Cerrito Road in Corona, through Temescal Valley, to State Route (SR-) 74 (Central Avenue) in Lake Elsinore. The Project would also add southbound auxiliary lanes between both the Main Street (post mile [PM] 21.2) Off-Ramp and SR-74 (Central Avenue) On-Ramp (approximately 0.75 mile), and the SR-74 (Central Avenue) Off-Ramp and Nichols Road On-Ramp (PM 23.9) (approximately 1 mile). The project also includes widening 15 bridges, creating multiple express lane access points, and constructing potential noise barriers, retaining walls, drainage systems, electronic toll collection equipment, ramp meters, and signage that would be located within the Project limits between PM 20.3 and PM 40.1. The project site encompasses the cities of Corona, Lake Elsinore, and Temescal Valley. Reference RVC191022-03, RVC160513-04 and RVC150730-09 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/november/RVC191022-03.pdf . Comment Period: N/A Public Hearing: 10/29/2024	Draft Environmental Impact Report / Environmental Assessment	California Department of Transportation (Caltrans)	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> LAC241001-09 Federal Consistency: CD-0007-24 (United States Space Force)	The project consists of considering consistency determination for the United States Space Force to increase Space Exploration Technologies' (SpaceX) Falcon 9 launch activities at Vandenberg Space Force Base (VSFB) from 36 to 50 per year. The project is located at Space Launch Complex 4 (SLC-4) on VSFB in the County of Santa Barbara. Comment Period: N/A Public Hearing: 10/10/2024	Other	California Coastal Commission	Document reviewed - No comments sent

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<i>Institutional (schools, government, etc.)</i> RVC241016-23 Planning Case PR-2024-001705 (VAC) – Street Vacation and Traffic Pattern Modification of Eastside Elementary School	The project consists of considering the following entitlements: A) Street Vacation to vacate the following streets: 1) Park Avenue between 13th Street and 14th Street; 2) Alleyway between Howard Avenue and Lincoln High School; 3) 2-foot 14th Street along APN 211-233-021; and B) Traffic Pattern Modification of: 1) Convert 13th Street between Howard Avenue and Park Avenue into one-way westbound; 2) Add a traffic circle at the intersection of Victoria Avenue and 13th Street, to accommodate a new elementary school. The project encompasses 6.5 acres and is located on the north side of 14th Street, between Howard Avenue and Victoria Avenue, in the R-1-7000 – Single-Family Residential, R-3-1500-SP – Multi-Family Residential, CR – Commercial Retail, CG – Commercial General and Specific Plan (Marketplace) Overlay Zones, in Ward 1. Comment Period: N/A Public Hearing: N/A	Site Plan	City of Riverside	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> SBC241016-14 Bear Valley Unified School District Education Foundation Youth Sports Complex Project	The project consists of constructing a three field multi-use sports complex totaling approximately 250,000 square feet on 13.53 acres. The Youth Sports Complex would be installed east of Baldwin Lane Elementary School in the unincorporated area of Sugarloaf. The project is located at 44500 Baldwin Lane, Sugarloaf, CA 92314. Comment Period: 10/17/2024- 11/18/2024 Public Hearing: N/A	Mitigated Negative Declaration	Bear Valley Unified School District	Document reviewed - No comments sent
<i>Medical Facility</i> LAC241010-09 Conditional Use Permit Case No. 844 - Viewpoint Ambulance Services	The project consists of requesting approval to allow the establishment, operation, and maintenance of ambulance services use on property located within the M-2 (Heavy Manufacturing) Zone. The project is located at 10740 Forest Street. Comment Period: N/A Public Hearing: 10/14/2024	Other	City of Santa Fe Springs	Document reviewed - No comments sent

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Retail LAC241010-10 Amendment to Conditional Use Permit Case No. 803 – Majestic Gymnastics	The project consists of requesting approval to allow the expansion of the previously approved gymnastics facility into the adjacent tenant space at 10833 Shoemaker Avenue, within the M-2 (Heavy Manufacturing) Zone. The project is located at 10829 & 10833 Shoemaker Avenue. Comment Period: N/A Public Hearing: 10/14/2024	Other	City of Santa Fe Springs	Document reviewed - No comments sent
Retail LAC241022-05 ENV-2020-1322: 8401 & 8431 North Sunland Boulevard	The project consists of demolishing existing remains of a burnt down one-story restaurant totaling 5,763 square feet and constructing a 4,295 square foot car wash and new landscaping on a 37,801 square-foot lot (0.87 acre) that is zoned with C2-1VLCUGU and P-1VL-CUGU. The project is located at 8401 and 8431 North Sunland Boulevard, Sun Valley, CA 91352. Comment Period: 10/24/2024- 11/23/2024 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
Retail RVC241001-10 SDRM24-001 ARCO AMPM	The project consists of constructing a 5,000 square feet food mart, a 6,321 square feet fuel canopy, a 2,600 square feet car wash, and two quick service restaurants with drive-thru (both 2,703 square feet). The project is located at the northeast corner of Soboba Street and Florida Avenue. Comment Period: N/A Public Hearing: 10/10/2024	Site Plan	City of Hemet	Document reviewed - No comments sent
Retail RVC241002-03 Menifee West Coast Self-Storage – Major Plot Plan (PP) No. (PLN23-0215), Conditional Use Permit (CUP) No. (PLN23-0216), and Minor Exception (PLN23-0218)	The project consists of constructing a self-storage facility consisting of seven single-story buildings totaling 71,741 square feet on 4.06 acres. The project is located north of Jackson Avenue, east of Third Street, south of Highway 74, and west of Antelope Road on three parcels (APNs: 329-141-003, -008, and 329-172-011). Comment Period: N/A Public Hearing: 10/9/2024	Other	City of Menifee	Document reviewed - No comments sent

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Retail RVC241004-02 Ethanac Travel Center Project – Conditional Use Permit 22-05002, Conditional Use Permit 22-05003, and Variance 24-05022	The project consists of considering the following entitlements to facilitate the construction of a travel center: 1) Conditional Use Permit for a travel center consisting of 2,228 square foot drive-thru restaurant, an 11,752 square foot convenience store, and fueling facilities for trucks and passenger vehicles; 2) Conditional Use Permit for an 8,452 square foot truck shop; and 3) Variance to allow a freeway-oriented sign. The project is located on the northwest corner of Trumble Road and Ethanac Road (APNs: 329-250-011 and 329-250-012) in the Commercial Community (CC) Zone. Reference RVC240926-05, RVC240709-06, and RVC240201-03 Comment Period: N/A Public Hearing: 10/16/2024	Response to Comments	City of Perris	Document reviewed - No comments sent
Retail RVC241022-01 Oaktree Engraving & Monument - CUP2024-0006	The project consists of establishing an engraving and monument business within an existing 1,973 square foot building. Business operations include designing on a computer, selling stock and custom items, spray paint, and engraving items with laser or sand blasting. The project is located at 506 Wellwood Avenue (APN: 417-062-001). Comment Period: N/A Public Hearing: N/A	Site Plan	City of Beaumont	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC241002-02 The Courtyard at Signal Hill	The project consists of demolishing all existing buildings, concrete, asphalt, and vegetation from the existing site and developing eight new detached single-family homes and ancillary facilities. The project would require a zoning ordinance amendment from the current designation of Residential High Density (RH, i.e., 21 dwelling units based on lot size greater than 20,000 square feet) to The Courtyard Specific Plan (SP-21). The project is located at 1933-1939 Temple Avenue. Comment Period: 10/4/2024- 11/4/2024 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Signal Hill	Document reviewed - No comments sent

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PROJECT TITLE				
General Land Use (residential, etc.) LAC241016-11 Monrovia LAFCO#2023-02 Reorganization (Tenth Avenue Annexation) Project - General Plan Amendment GPA 2024-0001/Resolution No. 2024-57 and Zoning Amendment ZA2024-00/ Ordinance No. 2024-10	The project consists of detaching a single-family dwelling (the subject parcel) currently located at 923 South 10th Avenue from the City of Arcadia and Arcadia Sphere of Influence and related annexing into the City of Monrovia and Monrovia Sphere of Influence to allow future construction of up to six total residential units on 0.46 acres. The project is located at 923 South 10th Avenue, Arcadia, California (Anticipated Address after reorganization: 1853 Tenth Avenue, Monrovia, California). Comment Period: 10/11/2024- 10/31/2024 Public Hearing: 11/13/2024	Initial Study / Negative Declaration	City of Monrovia	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC241022-03 3401 Cerritos Project	The project consists of constructing an approximately 73,787 square foot apartment complex consisting of 73 residential units on 0.7 acre. The project will include a front five-story element and rear two-story and three-story element with a mix of three-, two-, and one-bedroom apartments. The project is bounded by residential uses to the north, Cerritos Avenue to the east, East Wardlow Road to the south, and an existing alley to the west. The project is comprised of two parcels located at 1131 East Wardlow Road and 3401 Cerritos Avenue (APNs: 7146-024-025 and 7146-024-028). Comment Period: 10/22/2024- 11/21/2024 Public Hearing: 10/28/2024	Notice of Preparation	City of Long Beach	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC241023-01 5700 Hannum Mixed Use Comprehensive Plan	The project consists of demolishing a 30,672 square foot building and constructing a mixed-use building with 309 residential units and 5,600 square feet of retail space on 2.23 acres. The project is located at 5700 Hannum Avenue, near the southwest corner of Buckingham Parkway and Hannum Avenue. Reference LAC240621-01, LAC240404-03, and LAC230901-11 Comment Period: N/A Public Hearing: 11/11/2024	Final Environmental Impact Report	City of Culver City	Document reviewed - No comments sent

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PROJECT TITLE				
<i>General Land Use (residential, etc.)</i> RVC241010-08 Riverside Alive Project	The project consists of developing a new mixed-use entertainment and hospitality facility on approximately 10 acres. The project includes a combination of residential, office, retail, and hotel uses; a Convention Center expansion; and new parking facilities in place of the existing Lot 33 and Outdoor Plaza area. The project's maximum densities include 168 residential units; 376 hotel rooms; 220,000 square feet of office space; 61,981 square feet of commercial retail space; 189,000 square feet of additional exhibition, reception, back-of-house and support facilities for the Riverside Convention Center; a subterranean parking facility; and an outdoor pedestrian plaza and flexible outdoor gathering space. The project is located at the Parking Lot (Lot 33), the Riverside Convention Center, and Outdoor Plaza in front of the Riverside Convention Center. The Riverside Convention Center is located at 3637 Fifth Street and Lot 33 is the adjoining boundary on Third Street to the north (APNs: 213-11-011, 213-111-012, 213-111-014, 213-111-015, 213-111-016). The Project also includes potential off-site impacts located within roadway right-of-way along Third Street and Market Street. Comment Period: 10/9/2024 - 11/8/2024 Public Hearing: 10/23/2024	Notice of Preparation	City of Riverside	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> RVC241016-06 Planning Case PR-2024-001656 (Tentative Tract Map): Warmington Residential	The project consists of subdividing a 9.91-acre parcel into 49 single family lots to construct 49 residential units. The project site is currently developed as an orange grove and is located at the southeast corner of La Sierra Avenue and Victoria Avenue. Comment Period: 10/11/2024 - 10/31/2024 Public Hearing: 11/7/2024	Mitigated Negative Declaration	City of Riverside	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> RVC241016-13 The Wren Multiple-Family Development Project - General Plan Amendment GPA 23-002, Design Review 23-002, and Change of Zone 23-001	The project consists of amending the General Plan land use designation from General Commercial (GC) to Residential High Density (RH) and changing the zone district from Planned Community Commercial (PCC) to Multiple-Family Residential (R3) to permit construction of 204 residential units on 10.48 acres. The project is located north of McCallum Way, east of Date Palm Drive, and south of 30th Avenue on northeast corner of Date Palm Drive and the future west extension of Rosemount Road (APN: 670-110-043). Comment Period: 10/14/2024 - 11/4/2024 Public Hearing: N/A	Mitigated Negative Declaration	City of Cathedral City	Document reviewed - No comments sent

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<i>General Land Use (residential, etc.)</i> RVC241016-16 Specific Plan Amendment (PEN23-0109), General Plan Amendment (PEN23-0127), Change of Zone (PEN24-0041), Tentative Tract Map No. 38850 (PEN23-0118), and Development Agreement (PEN23-0119)	The project consists of amending land uses to accommodate the development of a 15,000 multi-family and workforce housing unit options, a 24-acre mixed-use commercial and retail town center (with a 300-room hotel), 80-acres of parks, and 40-acres of schools on approximately 668.6 acres. The project site consists of the area designated Aquabella Specific Plan (Specific Plan No. 218), together with one small parcel located along the eastern boundary of the project site. The project is located north of Iris Avenue, east of Lasselle Street, south of Brodiaea Street, and west of Oliver Street on Cactus Avenue and Nason Street. Comment Period: N/A Public Hearing: 10/24/2024	Other	City of Moreno valley	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> RVC241016-22 Aquabella Specific Plan Amendment Project	The project consists of proposing a Specific Plan Amendment, General Plan Amendment, Tentative Tract Map, Change of Zone, and Development Agreement for future development of 15,000 residential units, a 49,900 square foot mixed-use commercial and retail town center, 80 acres of parks, and 40 acres of schools on a total of 770.5 acres. The project is located north of Iris Avenue, east of Lasselle Street, south of Brodiaea Street, and west of Oliver Street at the corner of Cactus Avenue and Nason Street. Reference RVC240605-09 and RVC231101-07 Comment Period: N/A Public Hearing: 10/24/2024	Final Subsequent Environmental Impact Report	City of Moreno Valley	Document reviewed - No comments sent
<i>Plans and Regulations</i> ALL241001-07 Replacement Tire Efficiency Program (RTEP)#	The project consists of proposing the Replacement Tire Efficiency Program (RTEP) to include the following key features applicable to replacement tires sold or offered for sale in the state: 1) A tire efficiency consumer information program. 2) Reporting requirements for tire manufacturers. 3) A California Energy Commission (CEC) tire rolling resistance efficiency database. 4) Tire minimum performance standards. The proposed RTEP seeks to improve the energy efficiency of replacement tires through the establishment of minimum performance standards for replacement tires for passenger cars and light-duty trucks sold in California. The RTEP also proposes to improve consumer access to information on the energy efficiency of replacement tires. The project has statewide applicability and includes six designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) Eastern Coachella Valley, 3) San Bernardino, Muscoy, 4) Southeast Los Angeles, 5) South Los Angeles, and 6) Wilmington, Carson, West Long Beach. Comment Period: N/A Public Hearing: N/A	Notice of Preparation of a Draft Environmental Impact Report	California Energy Commission	Document reviewed - No comments sent

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SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Plans and Regulations</i> ALL241016-04 Licensing Fee Amendments, 2024 - Title 14 of the California Code of Regulations (14 CCR), Division 1.5, Chapter 10: Article 1: Amend § 1605 (b)#	The project consists of requiring at a minimum a \$70 increase in the current renewal fee for Registered Professional Foresters (RPF), 30-year RPFs, and Certified Rangeland Managers (CRM). The effect of the proposed action is to increase the available revenue to the RPF fund at operable levels by increasing renewal fees associated with the Office of Professional Foresters Registration, thereby ensuring the RPF fund solvency to 2030. The proposed action equates to a 20% biennial fee increase for RPFs, a 25% increase for 30-year RPF registrants, and approximately 53% for CRM. The project has statewide applicability and includes six designated AB 617 communities: 1) East Los Angeles, Boyle Heights, West Commerce, 2) Eastern Coachella Valley, 3) San Bernardino, Muscoy, 4) Southeast Los Angeles, 5) South Los Angeles, and 6) Wilmington, Carson, West Long Beach. Comment Period: N/A Public Hearing: N/A	Other	California Board of Forestry and Fire Protection	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC241016-21 Southwest Valley Community Plans Update	The project consists of adopting changes to community plan boundaries, land use designations, zoning, and ordinances, and development of land use policies to accommodate and promote future growth in urbanized and transit-oriented areas in seven community plan areas that include: 1) Reseda-West Van Nuys, 2) Van Nuys-North Sherman Oaks, 3) Mission Hills-Panorama City-North Hills, 4) Northridge, 5) Chatsworth-Porter Ranch, 6) Canoga Park-Winnetka-Woodland Hills-West Hills, and 7) Encino-Tarzana. Reference LAC190404-03 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2019/may/LAC190404-03.pdf . Comment Period: 10/10/2024- 11/12/2024 Public Hearing: 10/22/2024	Recirculation of Notice of Preparation of a Combined Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC241022-04 ENV-2022-4857: Landscape and Site Design Ordinance#	The project consists of adopting a new ordinance that will amend the City's current Landscape Ordinance (No. 170,978), Los Angeles Municipal Code (LAMC) Sections 12.40-12.43 previously adopted in May 1996 and amended in April 2005. The amendment to LAMC Sections 12.40-12.43 will create new landscape and site design objective standards (Landscape and Site Design Point System) using a dynamic and flexible performance-based point system, to implement healthy building design and climate-adapted site design. The project is applicable citywide in the City of Los Angeles and is within three designated AB 617 communities: 1) South Los Angeles; 2) Southeast Los Angeles; and 3) East Los Angeles, Boyle Heights, and West Commerce. Comment Period: 10/24/2024- 11/25/2024 Public Hearing: N/A	Negative Declaration	City of Los Angeles	Document reviewed - No comments sent

Key:

= Project has potential environmental justice concerns due to the nature and/or location of the project.

LAC = Los Angeles County, ORC = Orange County, RVC = Riverside County, SBC = San Bernardino County, ALL = All counties within the South Coast AQMD jurisdiction, and ODP = Outside District Jurisdiction

Project Notes:

1. Disposition may change prior to Governing Board Meeting

2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT A
ENVIRONMENTAL DOCUMENTS PREPARED BY OTHER PUBLIC AGENCIES AND STATUS OF REVIEW
October 1, 2024 to October 31, 2024

<u>SOUTH COAST AQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Plans and Regulations RVC241009-01 Winchester Community Plan - VMT Fee Nexus Study	This is Winchester Community Plan VMT Fee Nexus Study for Winchester Community Plan. The Winchester Community Plan consists of developing land use designations, community design guidelines, and zoning consistency program to identify and guide future land use growth opportunities in residential, commercial, mixed use, industrial, agricultural, and open space uses on 23,153 acres. The project is bounded by Stetson Road and Double Butt to the north, Diamond Valley Lake and City of Hemet to the east, Scott Road to the south, and Briggs Road to the west in the unincorporated areas of Riverside County between the cities of Menifee and Hemet. Reference RVC240911-14, RVC220712-01 and RVC190418-05 Comment Period: N/A Public Hearing: N/A	Other	County of Riverside	Document reviewed - No comments sent
Plans and Regulations RVC241010-05 Winchester Community Plan - General Plan Amendment No. 1207	The project consists of developing land use designations, community design guidelines, and zoning consistency program to identify and guide future land use growth opportunities in residential, commercial, mixed use, industrial, agricultural, and open space uses on 23,153 acres. The project is bounded by Stetson Road and Double Butt to the north, Diamond Valley Lake and City of Hemet to the east, Scott Road to the south, and Briggs Road to the west in the unincorporated areas of Riverside County between the cities of Menifee and Hemet. Reference RVC241009-01, RVC240911-14, RVC220712-01, and RVC190418-05 Comment Period: N/A Public Hearing: 10/22/2024	Other	County of Riverside	Document reviewed - No comments sent
Plans and Regulations RVC241010-11 Finding of Consistency with the Eastvale General Plan 2040 and The Leal Master Plan -Amendment to Development Agreement No. 003	The project consists of considering a finding of consistency with the Eastvale General Plan 2040 and the Leal Master Plan for an amendment to Development Agreement No. 003, dated May 11, 2021, by and between the City of Eastvale and The New Home Company. Development Agreement No. 003 alters the timeline and conditions precedent for the transfer of Lots 5 and J from The New Home Company to the City for the construction of the future Civic Center and reduces the amount of commercial that must be constructed within the Mixed-Use Areas of the project. The project encompasses 158.6 acres and is located at the northwest corner of Hammer Avenue and Limonite Avenue commonly known as the Leal Property. The project boundaries are 58th Street, Hamner Avenue, Limonite Avenue, and Scholar Way (APNs: 1640300-10, 16430012-14, and 164030024-25). Comment Period: N/A Public Hearing: 10/16/2024	Other	City of Eastvale	Document reviewed - No comments sent

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Project Notes:

1. Disposition may change prior to Governing Board Meeting
2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT B
ACTIVE PROJECTS WITH CONTINUED REVIEW OF ENVIRONMENTAL DOCUMENTS
PREPARED BY OTHER PUBLIC AGENCIES**

SOUTH COAST AQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial LAC240910-02 3505 Pasadena Ave Warehouse Project	The project consists of constructing a 60,000 square foot light industrial warehouse on a 2.6-acres site. The site is a brownfield and former dry-cleaning facility. The project is bounded by Arroyo Seco River to the north, commercial and residential properties to the northeast and south, the Hillside Elementary School to the east, and the Metro Rail Pasadena Blue Line to the west. The project is located at 3505 Pasadena Avenue on Assessor’s Parcel Number 5205-004-010. Comment Period: N/A Public Hearing: N/A	Other	City of Los Angeles	Under review, may submit comments
Waste and Water-related ORC240904-11 Increase in Maximum Daily Operations at Prima Deshecha Landfill	The project consists of increasing the permitted daily maximum tonnage of waste received at the Landfill from 4,000 tons per day (TPD) to 8,000 TPD and allowing 36 operational emergency days on which the 8,000 TPD limit could be exceeded on 1,530 acres. The project is located at 32250 La Pata Avenue near the southeast corner of La Pata Avenue and Stallion Ridge in San Juan Capistrano. Reference ORC230927-11 Staff previously provided comments on the Notice of Preparation for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2023/october-2023/ORC230927-11.pdf . Comment Period: N/A Public Hearing: N/A	Preliminary Review	County of Orange Waste & Recycling	Under review, may submit comments
Waste and Water-related ORC240904-12 FRB Flare Facility Master Plan	The project consists of improving and upgrading the existing Flare Facility at the County’s Frank R. Bowerman (FRB) Landfill to ensure the landfill meets or exceeds all legal and regulatory requirements. The project consists of replacing existing Flares 1 through 5 with new flares (ultra-low nitrogen oxide [NOx] flares), installing a new Flare 7 (ultra-low NOx flare), and installing associated hydrogen sulfide (H2S) removal vessels, which will require additional electrical power. The project is located at 11002 Bee Canyon Access Road near the southeast corner of Bee Canyon Access Road and State Route 241 within the City of Irvine on approximately 2.3 acres. Comment Period: N/A Public Hearing: N/A	Preliminary Review	County of Orange Waste & Recycling	Under review, may submit comments

Key:
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- Project Notes:
 1. Disposition may change prior to Governing Board Meeting
 2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT B
ACTIVE PROJECTS WITH CONTINUED REVIEW OF ENVIRONMENTAL DOCUMENTS
PREPARED BY OTHER PUBLIC AGENCIES

SOUTH COAST AQMD LOG-IN NUMBER	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
PROJECT TITLE				
<i>Warehouse & Distribution Centers</i> RVC240828-02 Palm Springs Fulfillment Center	The project consists of constructing a 739,360 square foot warehouse on 38 acres. The project is located near the northwest corner of Indian Canyon Drive and 19th Avenue (APN: 666-320-018) Reference RVC240501-06 and RVC230809-04 Staff previously provided comments on the Notice of Availability of a Draft Environmental Impact Report for the project, which can be accessed at: https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/june-2024/rvc240501-06-deir-palm-springs-fulfillment-center-project.pdf . https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/october-2024/rvc240828-02-recirculated-deir-palm-springs-fulfillment-center-project.pdf Comment Period: 8/26/2024 - 10/9/2024 Public Hearing: N/A	Notice of Availability of a Recirculated Draft Environmental Impact Report	City of Palms Springs	Comment letter sent on 10/9/2024
<i>Waste and Water-related</i> ORC240911-09 Canyon Crest Cleaners	The project consists of removing tetrachloroethylene (PCE) and lead from soil and soil vapor on 3.75 acres. The project is located at 2380 North Tustin Avenue, Santa Ana, CA 92705. https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/october-2024/orc240911-09-draw-canyon-crest-cleaners-project.pdf Comment Period: 9/12/2024 - 10/11/2024 Public Hearing: N/A	Draft Removal Action Workplan	Department of Toxic Substances Control (DTSC)	Comment letter sent on 10/11/2024
<i>Waste and Water-related</i> SBC240820-03 Inland Valley Infrastructure Corridor (IVIC)	The project consists of improving the following infrastructure systems: water; wastewater/sewer; dry utilities, including communications; drainage; roads; and other future utility integration. The project is bounded by San Bernardino International Airport to the north, State Route 210 to the east, and Tippecanoe Avenue to the west. References SBC231206-03 https://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2024/october-2024/sbc240820-03-draft-eir-inland-valley-infrastructure-corridor-ivic-project.pdf Comment Period: 8/20/2024 - 10/21/2024 Public Hearing: N/A	Notice of Availability and Notice of Completion for a Draft Environmental Impact Report	Inland Valley Development Agency	Comment letter sent on 10/18/2024

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Project Notes:

1. Disposition may change prior to Governing Board Meeting
2. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT C PROPOSED AIR PERMIT PROJECTS FOR
WHICH SOUTH COAST AQMD IS CEQA LEAD AGENCY
THROUGH OCTOBER 31, 2024**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Quemetco is proposing to modify its existing South Coast AQMD permits to allow the facility to recycle more batteries and to eliminate the existing daily idle time of the furnaces. The proposed project will increase the rotary feed drying furnace feed rate limit from 600 to 750 tons per day and increase the amount of total coke material allowed to be processed. In addition, the project will allow the use of petroleum coke in lieu of or in addition to calcined coke and remove one existing emergency diesel-fueled internal combustion engine (ICE) and install two new emergency natural gas-fueled ICEs.</p>	<p>Quemetco</p>	<p>Environmental Impact Report (EIR)</p>	<p>The Draft EIR was released for a 124-day public review and comment period from October 14, 2021 to February 15, 2022 and approximately 200 comment letters were received.</p> <p>South Coast AQMD held two community meetings on November 10, 2021, and February 9, 2022, which presented an overview of the proposed project, the CEQA process, detailed analysis of the potentially significant environmental topic areas, and the existing regulatory safeguards. Response to written comments submitted relative to the Draft EIR and oral comments made at the community meetings are currently being prepared by the consultant.</p> <p>After the Draft EIR public comment and review period closed, Quemetco submitted additional applications for other permit modifications. South Coast AQMD staff is evaluating the effect of these new applications on the EIR process.</p>	<p>Trinity Consultants</p>
<p>Sunshine Canyon Landfill is proposing to modify its South Coast AQMD permits for its active landfill gas collection and control system to accommodate the increased collection of landfill gas. The proposed project will: 1) install two new low-emission flares with two additional 300-horsepower electric blowers; and 2) increase the landfill gas flow limit of the existing landfill gas collection system.</p>	<p>Sunshine Canyon Landfill</p>	<p>Subsequent Environmental Impact Report (SEIR)</p>	<p>The consultant is working on a Draft SEIR which South Coast AQMD staff is reviewing.</p>	<p>Castle Environmental Consulting</p>
<p>Tesoro is proposing to modify its Title V permit to: 1) add gas oil as a commodity that can be stored in three of the six new crude oil storage tanks at the Carson Crude Terminal (previously assessed in the May 2017 Final EIR); and 2) drain, clean and decommission Reservoir 502, a 1.5-million-barrel concrete-lined, wooden-roof topped reservoir used to store gas oil.</p>	<p>Tesoro Refining & Marketing Company, LLC (Tesoro)</p>	<p>Addendum to the Final Environmental Impact Report (EIR) for the May 2017 Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)</p>	<p>South Coast AQMD certified the Final Addendum and issued the Title V Permit Revision on October 11, 2024.</p>	<p>Environmental Audit, Inc.</p>

**ATTACHMENT C PROPOSED AIR PERMIT PROJECTS FOR
WHICH SOUTH COAST AQMD IS CEQA LEAD AGENCY
THROUGH OCTOBER 31, 2024**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>SoCalGas is proposing to modify their Title V permit for the Honor Rancho Natural Gas Storage Field to: 1) replace five compressor engines with four new natural gas-fueled compressor engines (each rated at 5,000 horsepower (hp)), new selective catalytic reduction systems and a new aqueous urea storage tank; 2) install two new electric compressors (each rated at 5,500 hp) with associated ancillary equipment; 3) construct a new building to house the new compressors; 4) install an advanced renewable energy system, which will include hydrogen electrolyzers, hydrogen storage, and fuel blending equipment to mix hydrogen with natural gas which will fuel the compressor engines; 5) install a hydrogen vehicle fueling station; 6) install an electric microgrid with an energy storage system and a natural gas fuel cell system; and 7) install one new electricity transmission line which will connect to Southern California Edison.</p>	<p>Southern California Gas Company (SoCalGas)</p>	<p>Addendum to the Final Subsequent Environmental Assessment for Rule 1110.2 and Rule 1100, and the Final Program EIR for the 2016 Air Quality Management Plan</p>	<p>The consultant has prepared a preliminary Draft Addendum which South Coast AQMD staff is reviewing.</p>	<p>Dudek</p>

[↑ Back to Agenda](#)

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 15

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights South Coast AQMD rulemaking activities and public hearings scheduled for 2025.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

SLR:MK:IM:JA:ZS

2025 MASTER CALENDAR

The 2025 Master Calendar provides a list of proposed or proposed amended rules for each month, with a brief description, and a notation in the third column indicating if the rulemaking is for an AQMP, either the 2016 AQMP or 2022 AQMP, when adopted, Toxics, AB 617 (for BARCT) or measures identified in an AB 617 Community Emission Reduction Plan (CERP), SIP to address comments or actions from U.S. EPA for a rule that is in an approved SIP, or Other. Rulemaking efforts that are noted for implementation of the 2016 AQMP or 2022 AQMP when adopted, Toxics, and AB 617 are either statutorily required and/or are needed to address a public health concern. Projected emission reductions will be determined during rulemaking.

The following symbols next to the rule number indicate if the rulemaking will be a potentially significant hearing, will reduce criteria pollutants, or is part of the RECLAIM transition. Symbols have been added to indicate the following:

- * *This rulemaking may have a substantial number of public comments.*
- + *This rulemaking will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*
- # *This rulemaking is part of the transition of RECLAIM to a command-and-control regulatory structure.*

2025 MASTER CALENDAR

Month	Title and Description	Type of Rulemaking
January		
1179.1	<p>Emission Reductions from Combustion Equipment at Publicly Owned Treatment Works Facilities</p> <p>Proposed Amended Rule 1179.1 corrects erroneous rule references. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
Regulation XXX	<p>Title V Permits</p> <p>Proposed amendments to four Regulation XXX rules will remove provisions and references relating to the Emergency Affirmative Defense and Greenhouse Gas Tailoring Rule pursuant to recent rulings from U.S. EPA and U.S. Supreme Court. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
February		
1111**	<p>Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces</p> <p>Proposed Amended Rule 1111 will require zero-emission NO_x limits on new installations of applicable residential and commercial furnaces based on future effective dates, along with alternative compliance options. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1121**	<p>Control of Nitrogen Oxides from Residential Type, Natural-Gas-Fired Water Heaters</p> <p>Proposed Amended Rule 1121 will require zero-emission NO_x limits on new installations of applicable small water heaters based on future effective dates, along with alternative compliance options. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
March		
1445*	<p>Control of Toxic Emissions from Laser and Plasma Arc Metal Cutting</p> <p>Proposed Rule 1445 will establish requirements to reduce hexavalent chromium and other metal toxic air contaminant particulate emissions from laser arc cutting. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AB 617 CERP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
May		
1171	<p>Solvent Cleaning Operations Proposed Amended Rule 1171 will seek to phase out two toxic compounds, pCBtF and tBAC, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AB 617 CERP
Regulation III	<p>Fees Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and 316, will be amended to increase most fees to be consistent with the California Consumer Price Index as established in Rule 320 and other possible fee revisions. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
June		
223	<p>Emission Reduction Permits for Large Confined Animal Facilities Proposed Amended Rule 223 will seek additional ammonia emission reductions from large, confined animal facilities by lowering the applicability threshold. Proposed amendments will implement BCM-04 in the 2016 AQMP. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
462	<p>Organic Liquid Loading Proposed Amended Rule 462 will incorporate the use of advanced techniques to detect fugitive emissions and vapor leaks. Other amendments may be needed to streamline implementation and add clarity. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1124	<p>Aerospace Assembly and Component Manufacturing Operations Proposed Amended Rule 1124 will seek to phase out two toxic compounds, pCBtF and tBAC, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 MASTER CALENDAR *(Continued)*

Month	Title and Description	Type of Rulemaking
3rd Quarter		
2304*+ 316.1	<p>Commercial Marine Ports – Container Terminals Fees for Rule 2304</p> <p>Proposed Rule 2304 will establish requirements to reduce emissions from container terminals located at commercial marine ports and the mobile sources attracted to these facilities. Proposed Rule 316.1 will establish fees to recover the South Coast AQMD’s anticipated cost of implementing Proposed Rule 2304.</p> <p style="text-align: center;"><i>Elaine Shen 909.396.2715; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 CERP
445*	<p>Wood Burning Devices</p> <p>Proposed Amended Rule 445 will address additional U.S. EPA requirements for Best Available Control Measures, including lowering the curtailment threshold.</p> <p style="text-align: center;"><i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1107	<p>Coating of Metal Parts and Products</p> <p>Proposed Amended Rule 1107 will seek to phase out two toxic compounds, pCBtF and tBAC, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity.</p> <p style="text-align: center;"><i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1133.3	<p>Emission Reductions from Greenwaste Composting Operations</p> <p>Proposed Amended Rule 1133.3 will seek additional VOC and ammonia emission reductions by requiring composting of chipped and ground greenwaste and other best management practices.</p> <p style="text-align: center;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
1138+	<p>Control of Emissions from Restaurant Operations</p> <p>Proposed Amended Rule 1138 will address U.S. EPA requirements to be no less stringent than other air districts.</p> <p style="text-align: center;"><i>Elaine Shen 909.396.2715; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
4th Quarter	Title and Description	Type of Rulemaking
404	<p>Particulate Matter – Concentration</p> <p>Proposed Amended Rule 404 seeks to address operations of air curtain incinerators with new provisions and requirements.</p> <p style="text-align: center;"><i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
4th Quarter (Continued)		
1136	<p>Wood Products Coatings Proposed Amended Rule 1136 will seek to phase out two toxic compounds, pCBtF and tBAC, and consider interim VOC limits for certain coatings that are being reformulated as well as other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1146	<p>Emissions of Oxides of Nitrogen from Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters Proposed amendments to Rule 1146 will seek further emission reductions from an updated BARCT analysis. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Other
1146.1 [#]	<p>Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters Proposed amendments to Rule 1146.1 seeks further emission reductions from an updated BARCT analysis. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Other
1420.2	<p>Emission Standards for Lead from Metal Melting Facilities Proposed Amended Rule 1420.2 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Additional amendments may be needed to address monitoring and post closure requirements. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1426.1	<p>Hexavalent Chromium Emissions from Metal Finishing Operations Proposed Rule 1426.1 will reduce hexavalent chromium emissions from heated chromium tanks used at facilities with metal finishing operations that are not subject to Rule 1469. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 MASTER CALENDAR (Continued)

Month	Title and Description	Type of Rulemaking
4th Quarter (Continued)		
1435*	<p>Control of Toxic Air Contaminant Emissions from Metal Heating Operations Proposed Rule 1435 will establish requirements to reduce point source and fugitive toxic air contaminants including hexavalent chromium emissions from heat treating processes. Proposed Rule 1435 will also include monitoring, reporting, and recordkeeping requirements. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 CERP
1469	<p>Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations Amendments to Rule 1469 may be needed to address potential changes with the CARB’s Hexavalent Chromium Airborne Toxic Control Measure for Chrome Plating and Chromic Acid Anodizing Operations. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
Regulation XIII**	<p>New Source Review Proposed Amended Regulation XIII will revise New Source Review provisions to address facilities that are transitioning from RECLAIM to a command-and-control regulatory structure and to reconcile Regulation XIII with 2002 NSR Reform. Additional rules under Regulation XIII may be needed to address offsets and other provisions under Regulation XIII. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
Regulation XX**	<p>RECLAIM Proposed Amended Regulation XX will address the transition of NOx RECLAIM facilities to a command-and-control regulatory structure. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined

2025	Title and Description	Type of Rulemaking
102	<p>Definition of Terms Proposed amendments may be needed to update and add definitions, and potentially modify exemptions. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
103	<p>Definition of Geographical Areas Proposed amendments are needed to update geographic areas to be consistent with state and federal references to those geographic areas. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
209	<p>Transfer and Voiding of Permits Proposed amendments may be needed to clarify requirements for change of ownership and permits and the assessment of associated fees. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
403	<p>Fugitive Dust Proposed Amended Rule 403 will seek to remove outdated provisions and clarify existing provisions to enhance compliance. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
403.1	<p>Supplemental Fugitive Dust Control Requirements for Coachella Valley Sources Proposed Amended Rule 403.1 will clarify existing requirements for dust control and remove outdated provisions contained in supporting documents for Rule 403.1. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
407 [#]	<p>Liquid and Gaseous Air Contaminants Proposed Amended Rule 407 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT
410	<p>Odors from Transfer Stations and Material Recovery Facilities Proposed Amended Rule 410 will clarify existing provisions. Additional provisions may be needed to address activities associated with diversion of food waste to transfer stations or material recovery facilities. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other

* Potentially significant hearing

+ Reduce criteria air contaminants and assist toward attainment of ambient air quality standards

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
425	<p>Odors from Cannabis Processing Proposed Rule 425 will establish requirements for control of odors from cannabis processing. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
430	<p>Breakdown Provisions Amendments to Rule 430 will be needed to remove exemptions for facilities that exit the RECLAIM program and update references to CEMS rules. Other amendments may be needed to address current policies from U.S. EPA regarding startup, shutdown, and malfunction requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	RECLAIM / Other
431.1 [#]	<p>Sulfur Content of Gaseous Fuels Proposed Amended Rule 431.1 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
431.2 [#]	<p>Sulfur Content of Liquid Fuels Proposed Amended Rule 431.2 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
431.3 [#]	<p>Sulfur Content of Fossil Fuels Proposed Amended Rule 431.3 will assess exemptions, including RECLAIM, and update other provisions, if needed. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
444	<p>Open Burning Amendments may be needed to clarify existing provisions. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
444.1	<p>Air Curtain Incinerators Proposed Rule 444.1 may be needed to address the operations of air curtain incinerators with provisions and requirements. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
461	<p>Gasoline Transfer and Dispensing Amendments to Rule 461 may be needed to address potential regulatory gaps. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
468 [#]	<p>Sulfur Recovery Units Proposed Amended Rule 468 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (*Continued*)

2025	Title and Description	Type of Rulemaking
469 [#]	<p>Sulfuric Acid Units Proposed Amended Rule 469 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT
1101 [#]	<p>Secondary Lead Smelters/Sulfur Oxides Proposed Amended Rule 1101 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT
1102	<p>Dry Cleaners Using Solvent Other Than Perchloroethylene Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 CERP
1105 [#]	<p>Fluid Catalytic Cracking Units SOx Proposed Amended Rule 1105 will update SOx emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
1108	<p>Cutback Asphalt Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1108.1	<p>Emulsified Asphalt Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1110.2* ^{+ #}	<p>Emissions from Gaseous- and Liquid-Fueled Engines Proposed amendments will address use of emergency standby engines, incorporate possible comments by U.S. EPA for approval into the SIP, and address monitoring provisions for new engines. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 BARCT

* *Potentially significant hearing*

+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*

Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
1110.4	<p>Emissions from Emergency Generators Proposed Rule 1110.4 will establish and revise rule provisions to reduce NO_x, CO, and PM emissions from emergency generators. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other / AQMP
1113	<p>Architectural Coatings Proposed amendments may be needed to address delisted compounds and other amendments to improve clarity and to remove obsolete provisions. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1114	<p>Petroleum Refinery Coking Operations Proposed Amended Rule 1114 will seek to add notification requirements when coke particles, liquid and/or gas is ejected from the coke drum during cutting. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1119 [#]	<p>Petroleum Coke Calcining Operations – Oxides of Sulfur Proposed Amended Rule 1119 will update SO_x emission limits to reflect Best Available Retrofit Control Technology, if needed, remove exemptions for RECLAIM facilities, and update monitoring, reporting, and recordkeeping requirements. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AB 617 BARCT / AB 617 CERP
1122	<p>Solvent Degreasers Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1125	<p>Metal Container, Closure, and Coil Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1126	<p>Magnet Wire Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
1128	<p>Paper, Fabric, and Film Coating Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1130	<p>Graphic Arts Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1130.1	<p>Screen Printing Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1142	<p>Marine Tank Vessel Operations Proposed Amended Rule 1142 will address VOC and hydrogen sulfide emissions from marine tank vessel operations, applicability, noticing requirements, and provide clarifications. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1143	<p>Consumer Paint Thinners and Multi-Purpose Solvents Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1144	<p>Metalworking Fluids and Direct-Contact Lubricants Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1145	<p>Plastic, Rubber, Leather, and Glass Coatings Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
1162	<p>Polyester Resin Operations Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1166	<p>Volatile Organic Compound Emissions from Decontamination of Soil Proposed Amended Rule 1166 will update requirements, specifically concerning notifications and usage of mitigation plans (site specific versus various locations). <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1174	<p>Control of Volatile Organic Compound Emissions from the Ignition of Barbecue Charcoal Proposed amendments may be needed to address certain exempt compounds, VOC limits for certain applications, and other amendments to improve clarity. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Other
1176	<p>VOC Emissions from Wastewater Systems Proposed Amended Rule 1176 will clarify the applicability of the rule to include bulk terminals under definition of “Industrial Facilities,” and streamline and clarify provisions. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other / AB 617 CERP
1186.1, 1191, 1192, 1193, 1194, 1195, 1196* +	<p>Fleet Rules Proposed amendments to Rules 1186.1, 1191, 1192, 1193, 1194, 1195, 1196 will seek to align South Coast AQMD fleet rules with CARB’s final Advanced Clean Fleets regulation. <i>Sang-Mi Lee: 909.396.3169; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Other
1401	<p>New Source Review of Toxic Air Contaminants Proposed Amended Rule 1401 will amend Table 1 to include new toxic air contaminants identified by California Office of Environmental Health Hazard Assessment (OEHHA). <i>Kalam Cheung 909.396. 3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1403*	<p>Asbestos Emissions from Demolition/Renovation Activities Proposed Amended Rule 1403 will enhance implementation, improve rule enforceability, update provisions, notifications, exemptions, and align provisions with the applicable U.S. EPA National Emission Standard for Hazardous Air Pollutants (NESHAP) and other state and local requirements as necessary. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
1404	<p>Hexavalent Chromium Emissions from Cooling Towers Amendments may be needed to provide additional clarifications regarding use of process water that is associated with sources that have the potential to contain chromium in cooling towers and address VOC emissions. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AQMP
1411	<p>Recovery or Recycling of Refrigerants from Motor Vehicle Air Conditioners Proposed Amended Rule 1411 seeks amendments to coincide with Section 609 of the Clean Air Act. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1415 1415.1	<p>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems, and Reduction of Refrigerant Emissions from Stationary Refrigeration Systems Proposed Amended Rules 1415 and 1415.1 will align requirements with the proposed CARB Refrigerant Management Program and U.S. EPA’s Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Other
1420	<p>Emissions Standard for Lead Proposed Amended Rule 1420 will update requirements to address arsenic emissions to close a regulatory gap between Rule 1420 and Rule 1407 - Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations. Other provisions may be needed to address storage and handling requirements, and revise closure requirements. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1420.1	<p>Emission Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities Proposed Amendments are needed to update applicable test methods and provide clarifications regarding submittal of a source-test protocol. Additional amendments may be needed to address monitoring and post closure requirements. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
1420.3	<p>Emissions Standards for Lead from Firing Ranges Proposed Rule 1420.3 will establish requirements to address lead emissions from firing ranges. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / Other
1450*	<p>Control of Methylene Chloride Emissions Proposed Rule 1450 will reduce methylene chloride emissions from furniture stripping and establish monitoring, reporting, and recordkeeping requirements. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1455	<p>Control of Hexavalent Chromium Emissions from Torch Cutting and Welding Proposed Rule 1455 will establish requirements to reduce hexavalent chromium emissions from torch cutting and welding of chromium alloys. <i>Kalam Cheung 909.396.3281; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics / AB 617 CERP
1466	<p>Control of Particulate Emissions from Soils with Toxic Air Contaminants Amendments may be needed for residential cleanup projects. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1466.1	<p>Control of Particulate Emissions from Demolition of Buildings Proposed Rule 1466.1 will establish requirements to minimize PM emissions during the demolition of buildings that housed equipment and processes with metal toxic air contaminants and pollution control equipment. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1470	<p>Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines Proposed Amended Rule 1470 seeks to reduce NOx emissions from stationary internal combustion engines (ICEs) by replacing older ICEs with alternative cleaner technology. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Toxics
1470.1	<p>Emissions from Emergency Standby Diesel-Fueled Engines Proposed Rule 1470.1 seeks to reduce NOx emissions from emergency standby internal combustion engines (ICEs) by replacing older ICEs and requiring the use of commercially available lower emission fuels, such as renewable diesel. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / Toxics

* Potentially significant hearing

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
1472	<p>Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines Proposed Amended Rule 1472 will remove provisions that are no longer applicable, update and streamline provisions to reflect the latest OEHHA Health Risk Assessment Guidelines and assess the need for Compliance Plans. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1480.1	<p>Ambient Monitoring and Sampling of Gaseous Toxic Air Contaminants Proposed Rule 1480.1 will establish requirements to conduct monitoring and sampling for those facilities identified as significant high-risk level. <i>Heather Farr 909.396.3672; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	Toxics
1901	<p>General Conformity Proposed Amended Rule 1901 will establish a new General Conformity determination process for applicable projects receiving federal funding or approval. <i>TBD; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP
Regulation XX	<p>RECLAIM - Requirements for Oxides of Sulfur (SO_x) Emissions Amendments to Regulation XX rules to address SO_x requirements at RECLAIM facilities if there is consideration to transition SO_x RECLAIM to command-and-control regulatory structure. <i>Michael Morris 909.396.3282; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	RECLAIM / Other
Regulation XXIII* ⁺	<p>Facility-Based Mobile Sources Proposed rules within Regulation XXIII would reduce emissions from indirect sources and the mobile sources attracted to these facilities. <i>Elaine Shen 909.396.2715; CEQA and Socio: Barbara Radlein 909.396.2716</i></p>	AQMP / AB 617 CERP

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Part of the transition of RECLAIM to a command-and-control regulatory structure

2025 To-Be-Determined (Continued)

2025	Title and Description	Type of Rulemaking
<p>Regulation II, III, IV, V, VII, VIII, XI, XIV, XIX, XXIII, XXIV, XXX and XXXV</p>	<p>Various rule amendments may be needed to meet the requirements of state and federal laws; implement OEHHA’s latest risk assessment guidance; incorporate changes from OEHHA to new or revised toxic air contaminants or their risk values; address variance issues, emission limits, technology-forcing emission limits, and conflicts with other agency requirements; abate substantial endangerment to public health; apply additional reductions to meet SIP short-term measure commitments; address issues raised by U.S. EPA or CARB for the SIP or for a rule that was submitted into the SIP; and address compliance issues raised by the Hearing Board. In addition, administrative changes could be necessary for Hearing Board procedures, filings, petitions, noticing, etc. Amendments to existing rules may be needed to address use of materials that contain chemicals of concern. The associated rule development or amendments include, but are not limited to, South Coast AQMD existing, or new rules to implement measures in the 2012, 2016 or 2022 AQMP. This includes measures in the 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule adoption or amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures, U.S. EPA’s National Emission Standards for Hazardous Air Pollutants, or to address the lead National Ambient Air Quality Standard. Rule adoption or amendments may be needed to implement AB 617 including but not limited to BARCT rules, Community Emission Reduction Plans prepared pursuant to AB 617, or new or amended rules to abate a public health issue identified through emissions testing or ambient monitoring.</p>	<p>Other / AQMP/ Toxics / AB 617 BARCT / AB 617 CERP</p>

* *Potentially significant hearing*

+ *Reduce criteria air contaminants and assist toward attainment of ambient air quality standards*

Part of the transition of RECLAIM to a command-and-control regulatory structure

[↑ Back to Agenda](#)

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 16

REPORT: Annual Audited Financial Statements for FY Ended June 30, 2024

SYNOPSIS: This item transmits the annual audited financial statements of South Coast AQMD. South Coast AQMD has received an unmodified opinion (the highest obtainable) on its financial statements.

COMMITTEE: Administrative, November 8, 2024, Reviewed

RECOMMENDED ACTION:

Receive and file South Coast AQMD's Annual Comprehensive Financial Report, Single Audit Report, and Audit Communication Letter for the FY 2023-24.

Wayne Natri
Executive Officer

SJ:gp

Background

The audit of South Coast AQMD's financial statements, along with the Single Audit Report for the FY 2023-24, have been completed by Lance, Soll & Lunghard, LLP. South Coast AQMD has received an unmodified opinion on its financial statements. An unmodified opinion is the highest obtainable opinion, assuring interested parties that South Coast AQMD's financial statements fairly present the agency's financial position.

Attachments

- A. The Annual Comprehensive Financial Report, which includes the Independent Auditors' Report
- B. Single Audit Reports that include Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- C. Audit Communication Letter



Annual Comprehensive Financial Report

Year Ended June 30, 2024



South Coast Air Quality Management District
Diamond Bar, California



MISSION STATEMENT

South Coast AQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.

South Coast
Air Quality Management District

Diamond Bar, California

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Prepared by:
Finance Office
Sujata Jain, Chief Financial Officer

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Annual Comprehensive Financial Report
Year Ended June 30, 2024

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SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

GOVERNING BOARD

June 30, 2024

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Senate Rules Committee Representative

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JOSÉ LUIS SOLACHE

Cities of Los Angeles County

Western Region Representative



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

October 24, 2024

Chair, Member of the Governing Board and Residents
of the South Coast Air Quality Management District

State law requires that local governments publish within nine months of the close of each fiscal year a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of the South Coast Air Quality Management District (South Coast AQMD), Diamond Bar, California. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

South Coast AQMD's financial statements have been audited by Lance, Soll, Lunghard, LLP, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of South Coast AQMD for the fiscal year ended June 30, 2024 are free of material misstatements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that South Coast AQMD's financial statements for the fiscal year ended June 30, 2024 are fairly presented in conformity with accounting principles generally accepted in the United States. The independent auditor's report is located at the front of the financial section of this report.

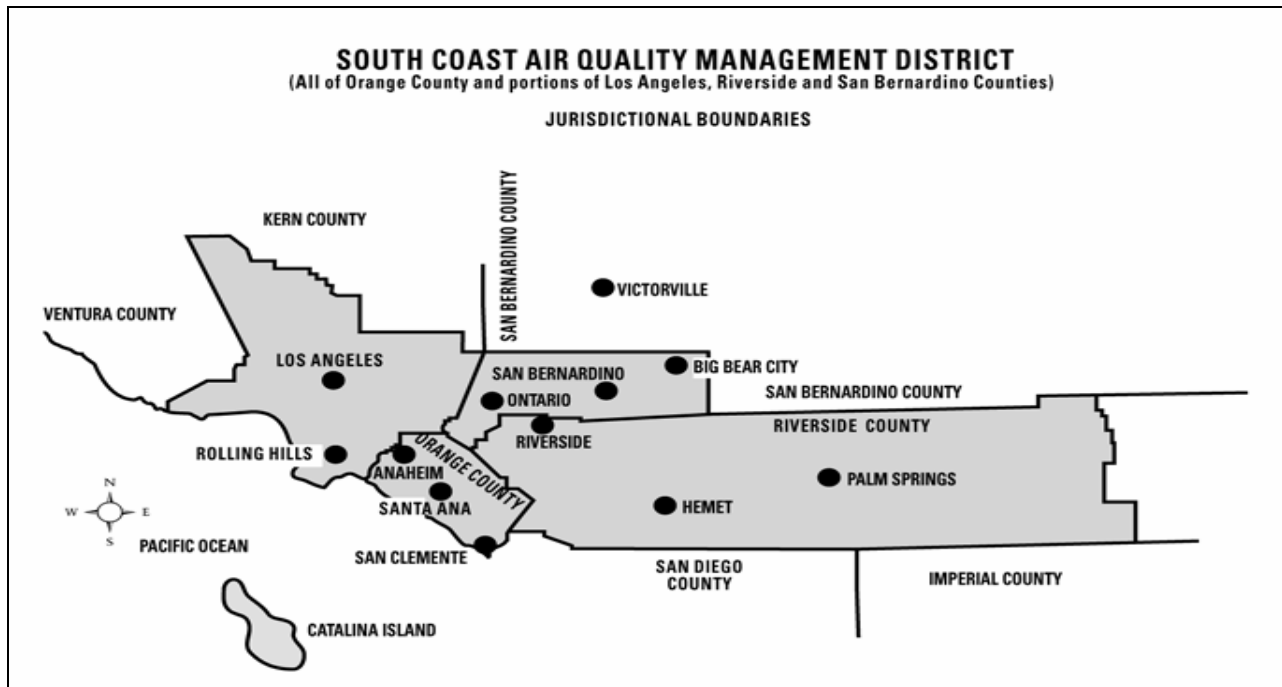
The independent audit of the financial statements of South Coast AQMD was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal

grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with special emphasis on internal controls and compliance with federal statutes, regulations, and terms and conditions involving the administration of Federal awards. These reports are available in South Coast AQMD's separately issued Single Audit Report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the South Coast Air Quality Management District

The South Coast Air Quality Management District began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties, representing over 17 million residents. It succeeded the Southern California Air Pollution Control District and its predecessor four county air pollution control districts, of which the Los Angeles County Air Pollution Control District was the oldest in the nation, having been formed in 1947.



South Coast AQMD's Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in South Coast AQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the various Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions of the county and one member representing the City of Los Angeles. Each Board member serves a four year term. The Board appoints the agency's Executive Officer and General Counsel. The Executive Officer in turn appoints the heads of the various agency departments.

Southern California has the most serious air quality problem in the country. A combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains and sunny days act to enhance smog formation and effectively trap pollutants in the Basin. South Coast AQMD is responsible for monitoring air pollution within the Basin and for developing and administering programs to reduce air pollution levels below the health-based standards established by the state and federal governments.

South Coast AQMD provides a full range of air pollution control activities, including permitting, site inspection, air quality attainment planning, rulemaking, air quality monitoring and technology advancement. Government Accounting Standards Board Statement No. 61 requires that certain separate but related component units be included with South Coast AQMD for reporting purposes. This report includes the South Coast Air Quality Management District Building Corporation (Corporation) as a blended component unit. South Coast AQMD may impose its will on the component unit, including the ability to appoint, hire, reassign or dismiss management. There are also financial benefit/burden relationships between South Coast AQMD and the Corporation. For additional information, see Note 1 to the financial statements.

The annual budget serves as the foundation for South Coast AQMD's financial planning and control. The Governing Board is required to adopt an annual budget by July 1 of each fiscal year. South Coast AQMD's annual appropriated budgets are adopted for the General Fund. Budgets are adopted on a budgetary basis that includes encumbrances as expenditures. All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered. Amendments to increase the budget must be approved by the Governing Board. Budgets for Special Revenue Funds are not adopted due to the narrow focus (advance technology demonstration projects/emission reduction projects) and limited life of many of these special revenues. Expenditures from the Special Revenue Funds require Governing Board approval and are primarily related to contractual obligations with vendors and grantees. Administrative expenditures related to managing

and accounting for Special Revenue Fund projects are appropriated within the General Fund budget.

South Coast AQMD maintains budgetary controls through both signature authority and automated budget checking. The objective of these controls is to ensure compliance with specific special revenue fund appropriations and the annual appropriated budget approved by the Governing Board. South Coast AQMD maintains an encumbrance accounting system of purchase orders and contracts at the fund level as a means of accomplishing budgetary control. Open encumbrances are reported as committed fund balance at the end of the fiscal year. Purchase orders and contracts are reviewed to ensure that funds are available and that requests are properly authorized prior to being released or executed.

The accounting principles applied in reporting budgetary expenditures differ in some respects from the generally accepted accounting principles applied in the reporting of the financial statements. Reconciliation of these differences is presented in the Required Supplementary Information section of this report.

As reflected in the statements and schedules included in the financial section of this report, South Coast AQMD continues to meet its responsibility for sound financial management.

Factors Affecting Financial Condition

South Coast AQMD is a fee-supported agency and does not receive sales or property tax support. Approximately 68% of its General Fund revenue is derived from permit evaluation fees, annual permit renewal fees, emission fees, Hearing Board fees, Area Sources, Air Toxic Hot Spots, penalties and settlements, interest earnings, and other revenues. The remaining 32% of its General Fund revenue is derived from federal grants, state grants, California Air Resources Board (CARB) subvention funds, transportation, motor vehicle fees and transfers-in.

To meet its program commitments, despite new federal and state mandates, increased workload complexity, and ongoing cost containment efforts, South Coast AQMD continues to streamline many of its operations. Compared to the fiscal year 1991-92 General Fund budget, the fiscal year 2023-24 General Fund budget reflects funded staffing levels that are approximately 13% below the 1991-92 level. The budgeted General Fund expenditures, when adjusted for inflation, are approximately 7% less than the 1991-92 period.

Government-wide revenues during this fiscal year increased by 67% as compared to the prior fiscal year, primarily due to an increase in revenue from special funds. General Fund revenues increased by 6.3% as compared to the prior fiscal year, primarily due to an increase in annual operating, permit fees, and interest income. Future changes in

government-wide revenue are highly dependent on the timing of receipts and continuation of state and federal grant funding, while General Fund revenues are expected to continue to remain generally stable.

Government-wide expenses increased when compared to the prior fiscal year by 2.0% primarily due to expenditures related to higher salaries, due to increase in COLA from 3% to 6% for six months of the fiscal year. General Fund expenditures increased by 8% as compared to the prior fiscal year due to an increase in salaries and benefits, insurance, communication and capital outlays, and offset by lower expenditures in contracts and special services. Future changes in government-wide expenses are highly dependent on the timing of receipts and continuation of state and federal grant funding, while General Fund expenditures for salaries and benefits are expected to increase through the next three years due to increases set forth in the four year labor contract that was effective January 1, 2024.

Long-term Financial Planning

In addressing long-term program costs, South Coast AQMD has pursued actions over the past several years including legislative changes to the employee retirement plan and setting funds aside to lower its long-term retirement costs. As part of the annual budget process, South Coast AQMD prepares a five year financial plan that demonstrates the commitment to meet future financial challenges and uncertainties while continuing to protect the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. During the current fiscal year and beyond, South Coast AQMD continues to look for operational efficiencies as a means of balancing revenues and expenditures to ensure long term financial sustainability.

Relevant Financial Policies

In recent years, South Coast AQMD's Governing Board has made several policy decisions to meet future financial challenges and uncertainties while continuing to protect the health of the residents within the South Coast AQMD boundaries and remaining sensitive to business. These policy decisions include reducing debt and reviewing and revising fee policies. In fiscal year 2012-13, debt associated with the Headquarters building was eliminated. Starting fiscal year 2017-18 employer pick-up of employee retirement plan contributions was completely phased out and the entire employee contribution portion of the pension cost is picked up by employees. This was eliminated at the direction of the Governing Board and was part of a three-year labor agreement.

In fiscal year 2010-11, South Coast AQMD's Governing Board approved a rule which provides that certain fees be automatically adjusted effective July 1 of each year by the California Consumer Price Index for the preceding calendar year unless the Governing Board by rule decides not to implement such fee increase for a given year, either for all

fees or for a specified fee or fees. In fiscal year 2023-24 budget, the Governing Board approved the fees to be increased by an amount equal to CPI of 5.6% and for annual renewal and permit fees, an additional 2% increase above CPI.

Additionally, the Governing Board adopted a fund balance policy for the General Fund so that an amount equal to at least 20% of General Fund revenues is maintained in the combination of Assigned and Unassigned General Fund Balance. The policy serves to mitigate current and future risks related to potential revenue shortfalls and/or unanticipated expenditures.

Uncertain economic issues such as high inflation create challenges for South Coast AQMD. These challenges include global economic impacts and resulting fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability. Other challenges include changes in federal and state grant revenue funding levels, the need for major information technology and building infrastructure improvement projects, and annual variations in penalties and settlement revenue. South Coast AQMD staff will monitor funding sources, the retirement plan, and actual financial results on a continuous basis and is prepared to make timely resource allocation adjustments as warranted.

Major Initiatives

South Coast AQMD's Mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies. To carry out this mission, South Coast AQMD has developed the following goals:

- I. Achieve clean air standards.
- II. Enhance public education and equitable treatment for all communities.
- III. Operate efficiently and transparently.

During fiscal year 2023-24, South Coast AQMD advanced many projects which were particularly important to achieving our mission and goals, including: emissions reductions as specified in the 2022 Air Quality Management Plan; conduct air monitoring and implementation of community emission reduction plans for 2020 designated communities and implement plans for each of the five new communities; complete all Title V facilities inspections and support development of Cleaner Advanced Technology, development of enhanced emissions/ambient monitoring capabilities, increased communication between South Coast AQMD and all stakeholders, and internal business process improvement such as reducing the number of pending permit applications in the backlog.

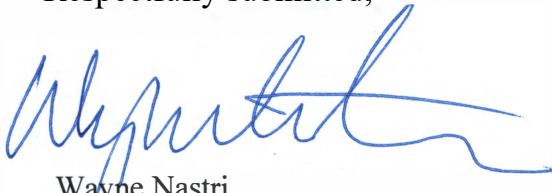
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the South Coast Air Quality Management District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of our annual comprehensive financial report was made possible by the dedicated services of the accounting, financial services, and management staff of the Finance Office. These members have our sincere appreciation for the contribution made in the preparation of this report.

Recognition is also given to the Governing Board for their leadership and support and to all employees of South Coast AQMD who continue their work to accomplish South Coast AQMD's mission to clean the air.

Respectfully submitted,



Wayne Natri
Executive Officer



Sujata Jain, CPA
Chief Financial Officer, Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**South Coast Air Quality Management District
California**

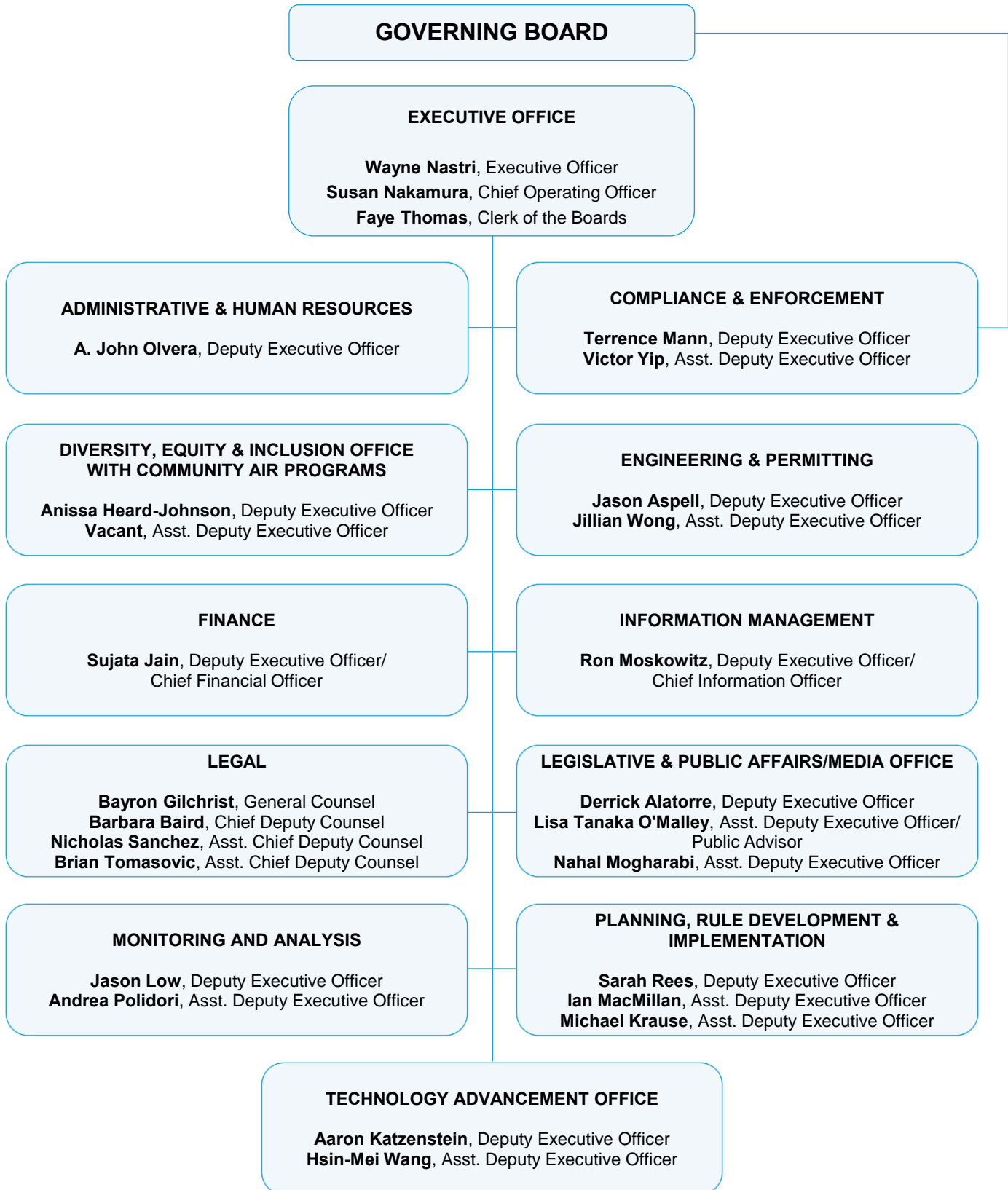
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

**South Coast Air Quality Management District, California
Organizational Chart
June 30, 2024**





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the South Coast Air Quality Management District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the blended component unit, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in note 1F to the financial statements, in 2024, the District adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Irvine, California
October 24, 2024

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

As management of the South Coast Air Quality Management District (South Coast AQMD), we offer readers of South Coast AQMD's financial statements this narrative overview and analysis of the financial activities of South Coast AQMD for fiscal year ended June 30, 2024. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

A. Financial Highlights

- Total assets and deferred outflows of resources of South Coast AQMD exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.4 billion (net position), an increase of \$315.9 million was the change in net position for the current year. The net position of \$1.4 billion consisted of: \$34.5 million net investment in capital assets; \$1.4 billion restricted for long-term emission-reduction projects; and a deficit of \$95.0 million unrestricted net position primarily due to a net pension liability of \$202.3 million.
- As of the close of the fiscal year, South Coast AQMD's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$304.3 million in comparison to the prior year. Of the \$1.5 billion combined ending fund balances, \$106.4 million represents the fund balance of the General Fund.
- Out of the general fund balance of \$106.4 million at the end of the fiscal year, \$85,547 was non-spendable, \$15.3 million was committed, \$6.1 million was assigned and \$84.8 million was unassigned, which is 43% of the general fund expenditures.
- South Coast AQMD's capital assets increased by \$2.2 million from the prior year.
- South Coast AQMD's long-term debt decreased by \$5.1 million or 19.1% of the long-term debt outstanding. This was primarily due to the increase of \$1.2 million in compensated absences offset by the decrease of \$2.0 million in workers compensation and reduction of pension obligation bonds of \$4.0 million. As of June 30, 2024, the pension obligation bonds were paid in full.
- South Coast AQMD's net pension liability decreased by \$7.7 million or 3.7% from the prior year. The decrease was primarily due to the change on the employer's proportionate share from 9.03% to 8.53%.
- Lease and SBITA liability increased by \$0.8 million from the prior year which was primarily due to the leased equipment.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

B. Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to South Coast AQMD's basic financial statements. South Coast AQMD's basic financial statements have three components: 1) Government-wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Basic Financial Statements. This report also contains supplementary information in addition to the basic financial statements.

In general, the purpose of financial reporting is to provide the external parties that read financial statements with information that will help them make decisions or draw conclusions about an entity. In order to address the needs of as many parties as reasonably possible, South Coast AQMD, in accordance with required reporting standards, presents government-wide financial statements and fund financial statements.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of South Coast AQMD. These financial statements are constructed around the concept of a primary government and its component unit.

The government-wide financial statements are designed to provide readers with a broad overview of South Coast AQMD's finances in a manner similar to a private sector business. These financial statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position reports all assets and deferred outflows of resources held and liabilities and deferred inflows of resources owed by South Coast AQMD using the accrual basis of accounting which is similar to the accounting method used by most private sector companies. The difference between assets and liabilities is reported as net position. Over time increases or decreases in net position serve as a useful indicator of whether South Coast AQMD's financial position is improving or deteriorating.

The Statement of Activities presents information showing how South Coast AQMD's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as earned but unused vacation leave.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. South Coast AQMD, like other state and local governments, uses fund accounting to ensure and demonstrate

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

compliance with finance-related legal requirements. All of the funds of South Coast AQMD are under governmental funds category.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Non-financial assets such as land and building and long-term liabilities such as pension obligation bonds payable or long term liabilities that will not be paid with current assets are excluded. Such information on available spendable resources may be useful in evaluating South Coast AQMD's near-term financing requirements. The Basic Governmental Fund Statements can be found under the Fund Financial Statements section of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of South Coast AQMD's near-term financing decisions. Information from the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances is used to facilitate the comparison between governmental funds and governmental activities. The reconciliation between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position can be found under the Fund Financial Statements section. The reconciliation of the total change in fund balances for all governmental funds to the change in net position can also be found under that same section.

South Coast AQMD maintains 46 individual special revenue funds, one debt service fund, one capital projects fund, and a blended component unit in addition to the General Fund. Three of the special revenue funds are considered major funds. The information for the major special revenue funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balances. Data for the other 43 nonmajor special revenue funds, debt service fund, capital projects fund and blended component unit are combined into a single, aggregated presentation. Individual fund data for each of the 43 nonmajor governmental funds, debt service fund, capital projects fund, and blended component unit, is reported in the Other Supplementary Information section of this report.

South Coast AQMD adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This is presented in the Required Supplementary Information (RSI) section of this report. Also, presented in RSI are

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

South Coast AQMD’s schedule of changes in net pension liability, schedule of changes in net OPEB liability, and schedules of contributions for pensions and OPEB.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a RSI section concerning the General Fund's budgetary comparison schedule and budgetary reconciliation. Also included in RSI are South Coast AQMD’s schedule of proportionate share of net pension liability, schedule of changes in net OPEB liability, and schedules of contributions for pensions and OPEB.

Individual fund data for each of the nonmajor governmental funds is included in the Other Supplementary Information section.

The Statistical section provides readers with information covering financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

C. Government-wide Financial Analysis

Our analysis focuses on the net position and changes in net position of South Coast AQMD’s governmental activity.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

The schedule below presents a condensed Statement of Net Position as of June 30, 2024 compared with the prior fiscal year.

**South Coast AQMD’s Net Position
(Amounts expressed in thousands)**

	Governmental Activities	
	<u>FY 2023-24</u>	<u>FY 2022-23</u>
Current and other assets	\$ 1,647,112	\$ 1,314,867
Capital assets	<u>39,749</u>	<u>37,537</u>
Total assets	<u>1,686,861</u>	<u>1,352,404</u>
Deferred outflow of resources-pension	87,881	82,240
Deferred outflow of resources-OPEB	<u>193</u>	<u>210</u>
Total deferred outflow of resources	<u>88,074</u>	<u>82,450</u>
Other liabilities	108,034	80,135
Long-term liabilities	<u>230,924</u>	<u>243,023</u>
Total liabilities	<u>338,958</u>	<u>323,158</u>
Deferred inflow of resources-pension	63,578	55,007
Deferred inflow of resources-OPEB	193	265
Deferred inflow of resources-long term receivables	17	-
Deferred inflow of resources-leases	<u>309</u>	<u>410</u>
Total deferred inflow of resources	<u>64,097</u>	<u>55,682</u>
Net Position:		
Net investment in capital assets	34,485	33,286
Restricted for:		
Restricted for long-term emission-reduction projects	1,432,416	1,134,392
Unrestricted	<u>(95,021)</u>	<u>(111,664)</u>
Total net position	<u>\$ 1,371,880</u>	<u>\$ 1,056,014</u>

As noted earlier, net position may serve over time as a useful indicator of South Coast AQMD’s financial position. At the close of the most recent fiscal year, South Coast AQMD’s assets exceeded liabilities by \$1.4 billion.

The largest portion of South Coast AQMD’s net position, \$1.4 billion, represents resources that are subject to external restrictions on how they may be used. The revenue in special revenue funds is restricted to expenditures for specific purposes. Approximately \$34.5 million of South Coast AQMD’s net position reflects its investment in capital assets, net of accumulated depreciation (e.g., land, buildings, equipment, and vehicles). South Coast AQMD uses these capital assets in carrying out its mission of protecting public health while being sensitive to the economic needs of local businesses.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

Consequently, these assets are not available for future spending. It should be noted that the resources needed to pay the long-term debt must be provided from other sources. The debt service installment schedules for the 2004 Pension Obligation Bonds were paid in full during fiscal year 2024.

The remaining portion of South Coast AQMD's net position of governmental activities, a deficit of \$95.0 million, is unrestricted. The deficit is mainly due to the net pension liability. At the end of the current fiscal year, South Coast AQMD had a negative balance in the unrestricted categories of net position and positive fund balance in restricted and net investment in capital asset category.

The net position for governmental activities increased by \$315.9 million compared with the prior fiscal year. Most of the increase was due to program revenue for operating grants and subventions in long-term emission-reduction projects.

Program revenues increased by approximately \$282.5 million, 77.0% change from the prior year. This is largely due to an increase in state grant revenue of approximately \$229.9 million in long-term emission reduction projects. Larger Carl Moyer funding of \$58.4 million and Community Air Protection (CAP) AB 134 funding of \$187.1 million were received when compared with prior year. Overall General Revenue increased by \$3.6 million, compared with the prior fiscal year primarily due to higher interest revenue.

Expenses increased by \$6.3 million largely due to higher salaries and employee benefits for fiscal year 2023-24 as compared to fiscal year 2022-23.

A condensed Schedule of Changes in Net Position for the fiscal year ending June 30, 2024 compared with the prior fiscal year can be found on the following page.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

**South Coast AQMD's Changes in Net Position
(amount expressed in thousands)**

	<u>Governmental Activities</u>	
	<u>FY 2023-24</u>	<u>FY 2022-23</u>
Revenues:		
Program Revenues:		
Fees and charges – stationary sources	\$ 123,623	\$ 117,310
Fees and charges – mobile sources	31,231	29,309
Operating grants and subventions	464,436	220,132
General Revenues:		
Grants and subventions – not restricted to specific programs	2,745	2,821
Interest	6,620	3,723
One-time non-program penalties and settlements	6,820	6,007
Other revenues	2,355	2,382
Total revenues	<u>637,830</u>	<u>381,684</u>
Expenses:		
Advance clean air technology	15,609	13,898
Ensure compliance with clean air rules	53,139	52,819
Customer service and business assistance	11,802	13,898
Develop programs to achieve clean air	14,695	13,408
Develop rules to achieve clean air	17,095	15,885
Monitoring air quality	32,209	32,964
Timely review of permits	39,547	36,208
Policy support	415	836
Interest on long-term debt	231	353
Long-term emission reduction projects	137,223	135,414
Total expenses	<u>321,965</u>	<u>315,683</u>
Increase/(Decrease) in net position	315,865	66,001
Net position beginning	1,056,014	990,013
Net position ending	<u>\$ 1,371,879</u>	<u>\$ 1,056,014</u>

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

Governmental Activities

The objective of the statement of activities is to report the full cost of providing government services for that year. The format also permits the reader to ascertain the extent to which each function is either self-financing or draws from the general funds of the government.

The Statement of Activities presents information showing how South Coast AQMD’s net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the cash flows.

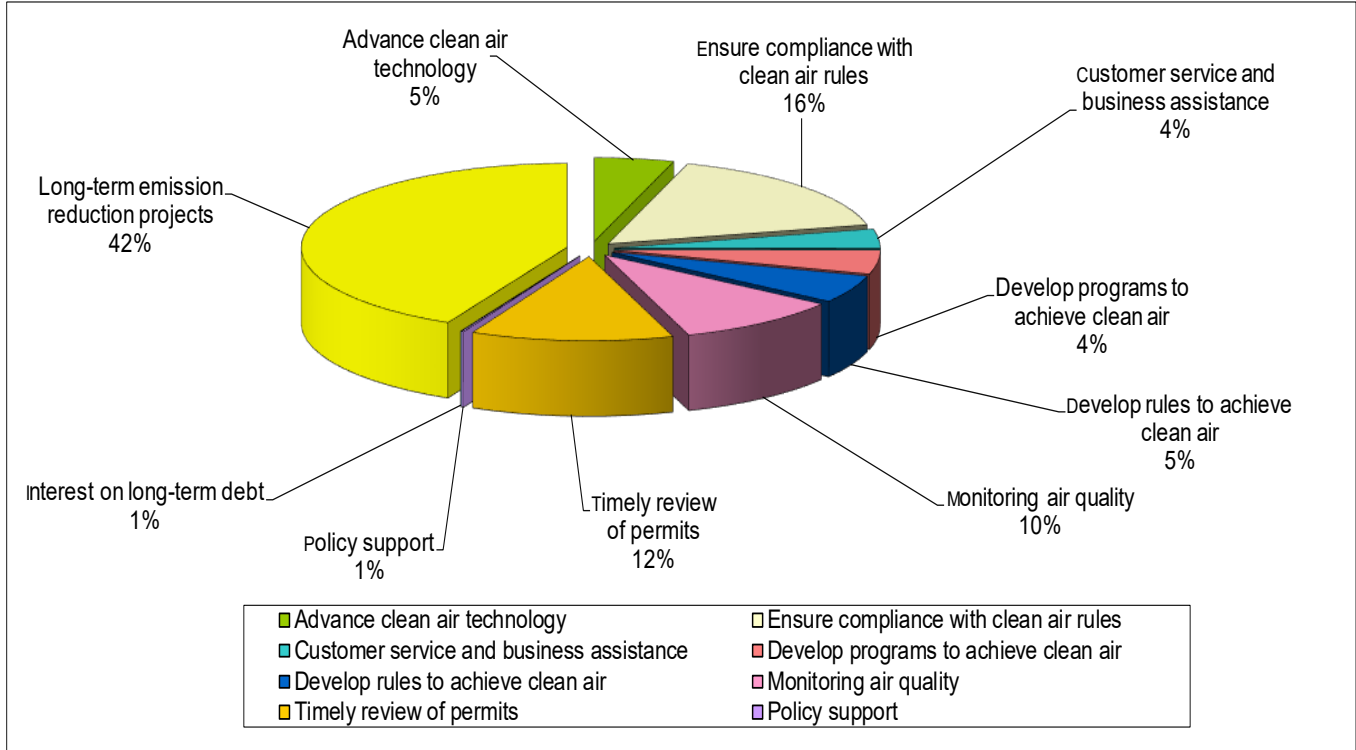
The Governmental activities of South Coast AQMD are predominantly supported by fees, grants, state subvention, penalties, and settlements. The penalties and settlements are one-time revenues which are over and above the regular revenues and not directly related to the programs. The governmental activities of South Coast AQMD are: Advance Clean Air Technology, Ensure Compliance with Clean Air Rules, Customer Service and Business Assistance, Develop Programs to Achieve Clean Air, Develop Rules to Achieve Clean Air, Monitoring Air Quality, Timely Review of Permits, Policy Support, Interest on Long-Term Debt, and Long-Term Emission Reduction Projects.

There was an increase in program revenues in the long-term emission reduction projects. The program revenues in the long-term emission reduction projects category are made up of revenues from special revenue funds. Following are the explanations of the significant revenue variances from fiscal year 2022-23 to fiscal year 2023-24:

- **Carl Moyer Program Fund** – This fund is to account for activities related to the administration of state funds set aside for the replacement of diesel-powered vehicles with cleaner-technology vehicles. In fiscal year 2023-2024, the state grant increased by \$58.3 million. South Coast AQMD received more funding as compared to prior fiscal year.
- **CAP AB 134 Fund** – This fund is to account for AB 617 CAP incentive funds. In fiscal year 2023-2024, the state grant increased by \$187.1 million. We did not receive any funding in prior fiscal year.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
EXPENSES BY ACTIVITY**

**Government Activities
FY 2023-24**

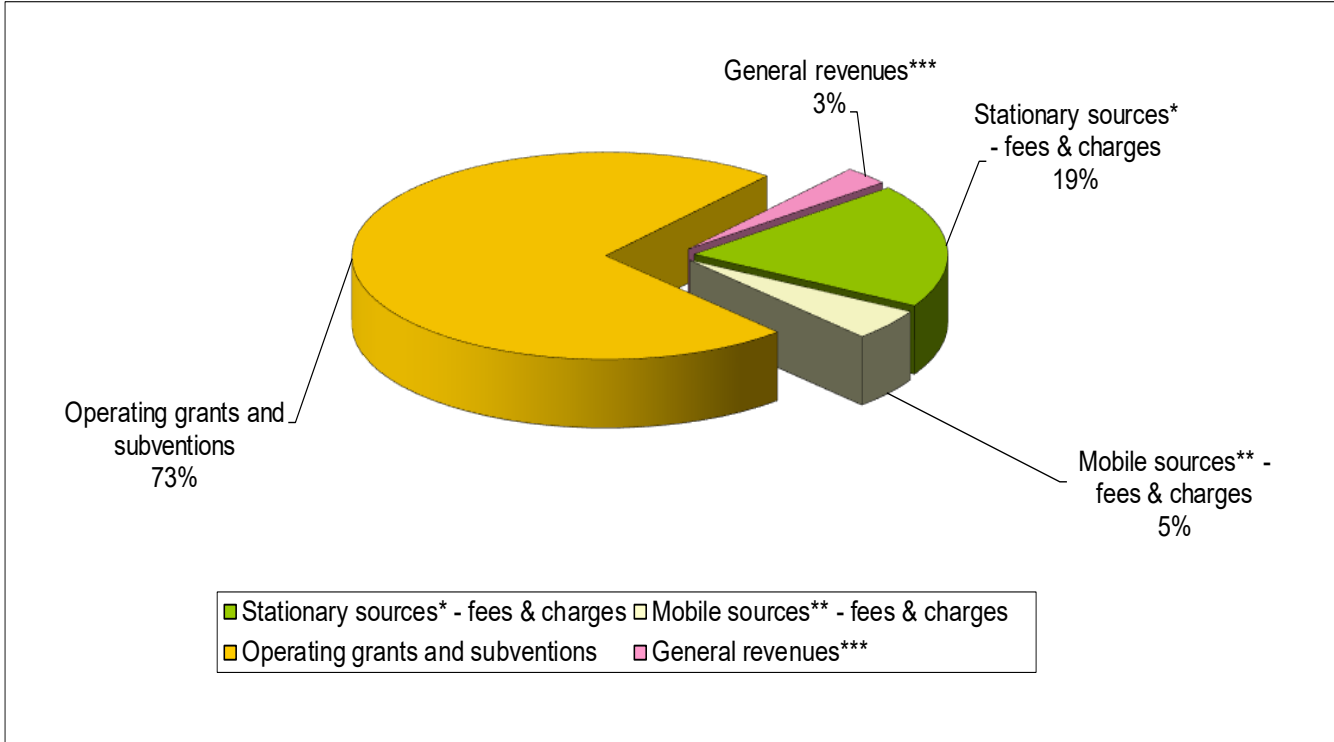


Activity	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Advance clean air technology	\$ 15,608,973	\$ 13,897,495	\$ 11,484,237	\$ 14,560,468	\$ 12,827,393	\$ 11,520,547
Ensure compliance with clean air rules	53,138,925	52,818,828	46,714,649	59,823,114	55,167,960	52,353,479
Customer service and business assistance	11,802,012	13,897,970	10,488,458	14,979,824	13,032,003	11,637,664
Develop programs to achieve clean air	14,694,946	13,408,190	12,387,784	15,522,501	12,471,639	9,407,869
Develop rules to achieve clean air	17,095,583	15,884,660	12,435,707	17,228,755	14,131,578	14,275,590
Monitoring air quality	32,209,013	32,963,667	29,106,009	36,114,354	31,910,536	26,547,245
Timely review of permits	39,546,541	36,208,322	31,042,335	38,832,790	35,511,594	33,951,378
Policy support	415,034	835,445	736,426	1,773,352	1,945,852	1,028,495
Interest on long-term debt	230,579	353,141	700,202	3,302,637	3,463,254	3,605,251
Long-term emission reduction projects	137,222,958	135,414,259	146,966,402	231,305,871	206,806,917	163,187,839
Total	\$321,964,564	\$315,681,977	\$302,062,209	\$433,443,666	\$387,268,726	\$327,515,357

Source: FY 2023-2024 Annual Comprehensive Financial Report Statement of Activities

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
REVENUES BY MAJOR SOURCE**

Government Activities
FY 2023-24



Source	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Stationary sources* - fees & charges	\$ 123,622,856	\$ 117,309,958	\$ 109,776,713	\$ 106,917,251	\$ 106,450,095	\$ 101,804,325
Mobile sources** - fees & charges	31,230,917	29,308,987	27,772,271	26,995,162	29,214,922	26,106,160
Operating grants and subventions	464,436,224	220,132,286	365,668,049	304,766,572	303,621,322	295,516,665
General revenues***	18,540,095	14,931,457	10,711,118	10,336,674	18,272,157	13,460,793
Total	\$ 637,830,092	\$ 381,682,688	\$ 513,928,151	\$ 449,015,659	\$ 457,558,496	\$ 436,887,943

* Stationary sources consist of refineries, power plants, manufacturing facilities and small businesses.

** Mobile sources are motorized vehicles that typically include automobiles, trucks, aircraft, ships, trains, and self-propelled construction equipment.

*** General Revenues include Penalties/Settlements, Interest, and dollars that are not restricted to specific stationary source programs.

Source: FY 2023-2024 Annual Comprehensive Financial Report Statement of Activities

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024**

The following schedule presents the cost of each South Coast AQMD program as well as each program’s net cost (total cost less revenues generated by the activities):

GOVERNMENTAL ACTIVITIES

**Net (Expense) Revenue
(amounts expressed in thousands)**

	<u>FY 2023-24</u>	
	<u>Total Cost of Program Activities</u>	<u>Net Cost of Program Activities</u>
Advance clean air technology	\$ 15,609	\$ (1,555)
Ensure compliance with clean air rule	53,139	(1,296)
Customer service and business assistance	11,802	(254)
Develop programs to achieve clean air	14,695	(215)
Develop rules to achieve clean air	17,096	(404)
Monitoring air quality	32,209	(411)
Timely review of permits	39,547	(592)
Policy support	415	(7)
Interest on long-term debt	230	(230)
Long-term emission reduction projects	137,223	302,292
Total	<u>\$ 321,965</u>	<u>\$ 297,327</u>

The program activities are described as follows:

- **Advance Clean Air Technology** – Identify technologies from anywhere in the world that may have application in reducing emissions from mobile and stationary sources in South Coast AQMD’s jurisdiction. Promote development and assess the use of clean fuels and low-emitting technologies. Implement and administer state- and federal-funded programs for retrofitting, re-powering, or replacing diesel engines with newer and cleaner engines and projects to reduce air pollution associated with freight movement along California’s trade corridors.
- **Ensure Compliance with Clean Air Rules** – Perform inspections, source tests, sample collection, the certification of Continuous Emission Monitoring Systems (CEMS), emissions audits, and respond to and resolve public complaints to ensure compliance with South Coast AQMD rules for existing major and small stationary sources of all pollutants.
- **Customer Service and Business Assistance** – Provide local government, business, and the public with access and input into the regulatory and policy processes of South Coast AQMD. Assist cities and others with AB 2766 projects. Interact with local, state and federal agencies and others to share air quality information, resolve jurisdictional questions, and implement joint programs. Implement comprehensive public information, legislative and customer service programs.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

- **Develop Programs to Achieve Clean Air** - Develop a regional Air Quality Management Plan (AQMP) to achieve federal and state ambient air quality standards and to meet all other requirements of the federal and California Clean Air Acts. Analyze air quality data and provide an estimate of pollutant emissions by source category. Develop pollutant control strategies and project future air quality using computer models and statistical analysis of alternative control scenarios.
- **Develop Rules to Achieve Clean Air** - Develop emission reduction regulations for sulfur dioxide, nitrogen dioxide, organic gases, particulate matter, toxics, and other pollutants to implement the regional AQMP, Tanner Air Toxics Process (AB 1807), National Emission Standards for Hazardous Air Pollutants (NESHAPS), and Prevention of Significant Deterioration (PSD) requirements.
- **Monitoring Air Quality** - Operate and maintain within South Coast AQMD's jurisdiction a network of air quality monitoring sites for ozone, nitrogen oxides, sulfur oxides, particulate matter, carbon monoxide and other pollutants to obtain data regarding public exposure to air contaminants. Analyze, summarize, and report air quality information generated from the monitoring sites. Prepare meteorological forecasts and models.
- **Timely Review of Permits** - Ensure timely processing of permits for new sources based on compliance with New Source Review and other applicable local, state and federal air quality rules and regulations.
- **Policy Support** - Provide support staff to the Governing Board, Board committees, and various advisory and other groups as well as ad hoc committees and Rule working groups. Monitor potential changes to state and federal legislation and budgets that may affect South Coast AQMD.
- **Interest on Long-Term Debt** - Identify the cost of borrowing on Pension Obligation Bonds to partially retire the Unfunded Actuarial Accrued Liability (UAAL) due to San Bernardino County Employees' Retirement Association (SBCERA).
- **Long-term Emission Reduction Projects** - Generate funding for long-term projects that reduce emissions in the South Coast Air Basin. Funding for special funds activities are recognized when received and projects carried out may extend over multiple fiscal years.

D. Financial Analysis of South Coast AQMD's Funds

As noted earlier, South Coast AQMD uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

Governmental Funds

The focus of South Coast AQMD's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing South Coast AQMD's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, South Coast AQMD's governmental funds reported combined ending fund balances of \$1.5 billion, an increase of \$304.3 million in comparison with the prior year. Approximately 93.1% of these fund balances (\$1.4 billion) constitutes the portion pertaining to special revenue funds. Expenditures under these funds are restricted for specific purposes. The long-term contractual commitments related to these special fund programs, such as replacement of diesel- fueled trucks, involve multiple-year spending.

- **The General Fund** is the operating fund of South Coast AQMD. At the end of the fiscal year, the total fund balance of the General Fund was \$106.4 million. The unassigned fund balance was \$84.8 million or 79.8% of the total fund balance; assigned was \$6.1 million or 5.8% of the total fund balance. The assigned amount represents South Coast AQMD's intended use of the financial resources in future periods. One measure of the General Fund's liquidity is the comparison of both assigned and unassigned fund balance to total expenditures. The assigned and unassigned fund balance represent 45.7% of total General Fund expenditures, while total fund balance represents 53.5% of the total General Fund expenditures. In the General Fund, the assigned and unassigned fund balance may serve as a useful measure of South Coast AQMD's net resources available for spending at the end of the fiscal year.

General Fund's revenue increased in fiscal year 2023-24 by \$11.8 million as compared to prior fiscal year. This increase is primarily due to an increase in annual renewal fees and interest revenue.

Overall, General Fund's expenditures increased in fiscal year 2023-24 by \$14.1 million primarily due to higher salaries and employee benefit expenditures as compared to prior fiscal year. This is due primarily to increased cost associated with the labor agreement, increased cost in retirement plan contribution, and adding positions.

Fund balance changes in other major governmental funds are noted below:

- **Carl Moyer Program (CMP) Fund** – The fund balance increased by \$78.6 million due to revenues exceeding expenditures. This fund recognized \$91.9 million in state grant revenue that was offset by contract and special service expenditures. Many of

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

the contracts executed in this special revenue fund are multi-year expenditures and expenditures can vary significantly from year to year.

- **CAP AB 134 Fund** – The fund balance increased by \$181.4 million due to revenues exceeding expenditures. This fund recognized \$187.1 million in state grant revenue that was offset by contract and special service expenditures. Many of the contracts executed in this special revenue fund are multi-year expenditures and expenditures can vary significantly from year to year.
- **CMP AB 923 Fund** – The fund balance increased by \$10.3 million due to revenues exceeding expenditures in fiscal year 2023-24. In fiscal year 2023-24, this fund recognized \$26.9 million in state grant revenue that was offset by contract and special service expenditures. Many of the contracts executed in this special revenue fund are multi-year and expenditures can vary significantly from year to year.

E. General Fund Budgetary Highlights

Overall, the fiscal year 2023-24 Adopted Budget represented a \$7.2 million (3.8%) increase in expenditures over the fiscal year 2022-23 Adopted Budget. The fiscal year 2023-24 Adopted Budget increased due to adding forty positions, cost increases associated with the labor agreement and an increase in retirement contribution rates. On a budgetary basis, actual fiscal year 2023-24 General Fund revenues/transfers-in exceeded expenditures/transfers out by \$2.7 million.

South Coast AQMD adopts an annual operating budget for the General Fund. During budget preparation, South Coast AQMD estimates its revenues using realistic but conservative methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, South Coast AQMD adopts budget amendments during the fiscal year to reflect availability of additional revenues for expansion of existing programs and any budget transfers between major accounts.

The fiscal year 2023-24 Amended Budget compared to the Adopted Budget reflected an increase in appropriations of \$15.2 million. The changes to the budget were the result of Governing Board actions that allocated additional funding after the budget was adopted. Also, changes can be attributed to the Governing Board's approved use of unassigned fund balance for program needs that were unknown at the time the budget was developed.

Additional funding was appropriated during fiscal year 2023-24 from the following:

CARB - \$1,508,000 of AB 617 funding to develop an air monitoring plan for the state and then select the highest priority locations for community air monitoring systems.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

EPA - \$2,678,000 for the following programs: PM 2.5 Monitoring, Photochemical Assessment Monitoring Stations (PAMS), Science to Achieve Results (STAR) research grant for low-cost air monitoring sensors, the National Air Toxics Monitoring Program, Enhanced Particulate Monitoring Programs, Community Scale Air Toxics Mobile Monitoring, and NASA Citizen Science Program to deploy low-cost PM sensors.

Rule 1180 Special Revenue Fund - \$700,000 for the installation and operation of community air monitoring stations near refineries.

Clean Fuels Program Fund - \$2,171,000 for the MATES IV programs of air toxics measurements.

F. Capital Assets and Debt Administration

Capital Assets

South Coast AQMD's investment in capital assets is for its governmental activities. The book value was \$39.8 million (net of accumulated depreciation of \$118.3 million) as of June 30, 2024. This investment in capital assets includes land, buildings, laboratory equipment, air monitoring stations, intangible assets (internally generated software), South Coast AQMD fleet vehicles, leased buildings, leased equipment, and subscriptions. Depreciation and amortization on capital assets is recognized in the Government-wide financial statements.

Additional information on the capital assets can be found in Note V under the Notes to the Basic Financial Statements section.

Long-Term Debt

At the end of the current fiscal year, South Coast AQMD had total long-term debt outstanding of \$21.8 million, including the current portion of \$2.4 million. Out of the \$21.8 million long-term debt, \$20.3 million represents compensated absences and general liability claims and workers' compensation claims payable of \$3.8 million.

Additional information on South Coast AQMD's long-term debt can be found in Note VII under the Notes to the Basic Financial Statements section of this report.

G. Economic Factors and Next Year's Budget and Rates

The fiscal year 2024-25 expenditure budget slightly decreased by 0.5% compared to the fiscal year 2023-24 Amended Budget. The budget reflects a decrease of \$97 thousand in expenditures from the fiscal year 2023-24 Amended Budget and a \$15.1 million increase from the fiscal year 2023-24 Adopted Budget. The increase in expenditures from the fiscal year 2023-24 Adopted Budget can be attributed to increase in salary and employee benefits due to the labor agreements approved in FY 2023-24 and increase in the capital

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

outlays and the professional and special services. The FY 2024-25 Adopted Budget also reflected a transfer out to the Debt Service Fund, which is intended to satisfy a potential funding gap in future retirement costs.

In fiscal year 2024-25 revenues are projected to increase by approximately \$13.2 million from the fiscal year 2023-24 Adopted Budget. The increase in revenue can be attributed to a 3.5% CPI fee increase in most stationary source fees and steady progress on the implementation of the Volkswagen Mitigation Action, AB 617 and CAPP (incentive) programs. Nevertheless, in recent years, South Coast AQMD's revenues have not kept pace with program costs mainly due to increases in retirement rates as the result of market losses to the retirement system's investments.

Moreover, since fiscal year 1991-92, the South Coast AQMD has reduced staffing and program costs despite increased program requirements. The fiscal year 2024-25 expenditure budget is \$211.4 million and includes 1,008 authorized positions. Compared to fiscal year 1991-92, this reflects a reduction of 13% in authorized positions. Program costs, however, will exceed the fiscal year 1991-92 budget by \$98.4 million (approximately 87%). Using inflation-adjusted dollars, however, this year's budget request is 1% less than the budget approved in fiscal year 1991-92.

H. Requests for Information

This financial report is designed to provide a general overview of South Coast AQMD's finances for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91765-4182.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,479,386,619
Investments	127,239,421
Interest receivable	14,963,507
Due from other governmental agencies	17,377,709
Accounts receivable, net	7,717,409
Lease receivable	330,051
Inventories	97,690
Total current assets	1,647,112,406
Noncurrent Assets:	
Capital assets not being depreciated:	
Land	8,829,792
Capital assets, net of accumulated depreciation/amortization:	
Buildings and improvements	4,935,778
Intangibles (software)	9,809,101
Equipment, vehicles and furniture	11,529,842
Leased buildings	959,310
Leased equipment	2,213,635
Subscription assets	1,471,051
Total noncurrent assets	39,748,509
TOTAL ASSETS	1,686,860,915
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources-pension	87,880,927
Deferred outflow of resources-OPEB	193,644
TOTAL DEFERRED OUTFLOWS OF RESOURCES	88,074,571
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	35,022,360
Interest payable	24,860
Salaries and benefits payable	12,832,797
Unearned revenue	60,171,796
Long term debt - due within one year	2,433,416
Lease and subscription liability - due within one year	1,600,941
Total current liabilities	112,086,170
Noncurrent liabilities - due in more than one year:	
Long term debt	19,388,815
Net pension liability	202,290,111
Net OPEB liability	2,375,000
Lease and subscription liability	2,835,959
Total noncurrent liabilities	226,889,885
TOTAL LIABILITIES	338,976,055
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources-pension	63,577,699
Deferred inflow of resources-OPEB	193,000
Deferred inflow of resources-leases	309,358
TOTAL DEFERRED INFLOWS OF RESOURCES	64,080,057
NET POSITION	
Net investment in capital assets	34,484,800
Restricted for:	
Long-term emission-reduction projects	1,432,415,844
Unrestricted	(95,021,270)
TOTAL NET POSITION	\$ 1,371,879,374

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

Functions/ Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Fees and Charges		Operating Grants and Subventions	Governmental Activities **
		Stationary Sources **	Mobile Sources		
Governmental Activities:					
Advance clean air technology	\$ 15,608,973	\$ -	\$ 13,931,497	\$ 122,152	\$ (1,555,324)
Ensure compliance with clean air rules	53,138,925	45,530,981	2,893,758	3,418,384	(1,295,802)
Customer service and business assistance	11,802,012	7,900,068	2,186,824	1,460,510	(254,610)
Develop programs to achieve clean air	14,694,946	6,683,078	2,970,848	4,825,632	(215,388)
Develop rules to achieve clean air	17,095,583	12,544,188	2,701,716	1,445,396	(404,283)
Monitoring air quality	32,209,013	12,783,452	6,347,598	12,665,966	(411,997)
Timely review of permits	39,546,541	37,971,486	-	983,098	(591,957)
Policy support	415,034	209,603	198,676	-	(6,755)
Interest on long-term debt	230,579	-	-	-	(230,579)
Long-term emission reduction projects *	137,222,958	-	-	439,515,086	302,292,128
Total governmental activities	\$ 321,964,564	\$ 123,622,856	\$ 31,230,917	\$ 464,436,224	\$ 297,325,433
General Revenues **					
					2,745,349
					6,620,336
					6,819,690
					2,354,720
					<u>18,540,095</u>
					315,865,528
					<u>1,056,013,846</u>
					<u>\$ 1,371,879,374</u>

* Long-term emission reduction projects consist of pass-through and/or one-time or limited duration funding sources that are restricted for specific programs such as Carl Moyer Program Fund, Clean Fuels Program Fund, Mobile Sources Air Pollution Reduction Fund and the Air Quality Investment Fund.

** General Revenue and excess Stationary Source Fees are used to offset a portion of the Permit Processing shortfall.

*** Penalties and settlement are one-time revenues which are over and above the regular revenues and not directly related to the programs.

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2024**

<u>Assets</u>	General Fund	Carl Moyer Program Fund	CAP AB 134 Fund	CMP AB 923 Fund	Other Governmental Funds	Total
Cash and cash equivalents	\$ 128,414,467	\$ 263,986,754	\$ 294,474,915	\$ 147,338,078	\$ 645,172,405	\$ 1,479,386,619
Investments	49,022,430	-	-	19,530,965	58,686,026	127,239,421
Interest receivable	1,359,180	2,408,946	2,901,877	1,639,225	6,653,597	14,962,825
Due from other governmental agencies	3,976,060	-	-	4,602,291	8,799,358	17,377,709
Due from other funds	2,950,499	-	-	-	7,049,665	10,000,164
Accounts receivable, net	2,175,495	-	-	-	5,541,914	7,717,409
Lease receivable	330,051	-	-	-	-	330,051
Inventories	97,690	-	-	-	-	97,690
Total assets	<u>\$ 188,325,872</u>	<u>\$ 266,395,700</u>	<u>\$ 297,376,792</u>	<u>\$ 173,110,559</u>	<u>\$ 731,902,965</u>	<u>\$ 1,657,111,888</u>
 <u>Liabilities, Deferred Inflow of Resources and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 8,669,692	\$ 5,196,009	\$ 3,733,168	\$ 5,443,066	\$ 11,980,425	\$ 35,022,360
Salaries and benefits payable	12,832,797	-	-	-	-	12,832,797
Due to other funds	-	276,133	413,369	28,905	9,281,757	10,000,164
Unearned revenue	60,154,457	-	-	-	-	60,154,457
Total liabilities	<u>81,656,946</u>	<u>5,472,142</u>	<u>4,146,537</u>	<u>5,471,971</u>	<u>21,262,182</u>	<u>118,009,778</u>
 <u>Deferred Inflow of Resources:</u>						
Long-term receivables	-	-	-	-	17,340	17,340
Lease	309,358	-	-	-	-	309,358
	<u>309,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,340</u>	<u>326,698</u>
 <u>Fund Balances:</u>						
Nonspendable	97,689	-	-	-	-	97,689
Restricted	-	260,923,558	293,230,255	167,638,588	401,194,127	1,122,986,528
Committed	15,276,812	-	-	-	30,408,528	45,685,340
Assigned	6,149,673	-	-	-	279,020,788	285,170,461
Unassigned	84,835,394	-	-	-	-	84,835,394
Total fund balances	<u>106,359,568</u>	<u>260,923,558</u>	<u>293,230,255</u>	<u>167,638,588</u>	<u>710,623,443</u>	<u>1,538,775,412</u>
Total assets	<u>\$ 188,325,872</u>	<u>\$ 266,395,700</u>	<u>\$ 297,376,792</u>	<u>\$ 173,110,559</u>	<u>\$ 731,902,965</u>	<u>\$ 1,657,111,888</u>
 Combined liabilities, deferred inflow of resources and fund balances						

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balances – total governmental funds \$ 1,538,775,412
 Amounts reported for governmental activities in the Statement of Net
 Position are different because:

Capital assets used in governmental activities are not current financial
 resources and therefore are not reported in the Governmental Funds
 Balance Sheet. These capital assets net of accumulated depreciation
 are reported in the Statement of Net Position as capital assets of South
 Coast AQMD as a whole. 39,748,509

Deferred outflows of resources are not current financial resources and
 therefore are not reported in the Governmental Fund Balance Sheet. 88,074,571

Interest payable on long-term debt, lease, and SBITA do not require
 current financial resources. Therefore, interest payable is not reported
 as a liability in Governmental Funds Balance Sheet. (24,860)

Interest receivable on lease does not require current financial
 resources. Therefore, interest receivable is not reported as a receivable
 in Government Fund Balance Sheet. 682

Long-term liabilities and deferred inflows are not due and payable in
 the current period and accordingly are not reported as fund liabilities
 and deferred inflows. All liabilities and deferred inflows of resources,
 both current and long-term, are reported in the Statement of Net
 Position.

Net pension liability	(202,290,111)
Net OPEB liability	(2,375,000)
General liability	(9,790)
Workers' compensation	(1,464,038)
Compensated absences	(20,348,403)
Lease liability	(4,436,900)
Deferred inflows of resources related to pension and OPEB	(63,770,699)
	\$1,371,879,374
Net position of governmental activities	\$1,371,879,374

See accompanying notes to the basic financial statements.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General	Carl Moyer	CAP	CMP	Other	
	Fund	Program	AB 134	AB 923	Governmental	Total
<u>Revenues:</u>		Fund	Fund	Fund	Funds	
Emission fees	\$ 21,380,049	\$ -	\$ -	\$ -	\$ -	\$ 21,380,049
Annual renewal fees	76,945,135	-	-	-	-	76,945,135
Area Sources	2,190,750	-	-	-	-	2,190,750
Permit processing fees	19,194,955	-	-	-	-	19,194,955
Mobile sources/clean fuels	30,136,169	-	-	26,852,990	26,568,271	83,557,430
Air Toxics "Hot Spots"	2,662,910	-	-	-	501,220	3,164,130
Transportation programs	1,094,749	-	-	-	-	1,094,749
State subvention	3,804,905	-	-	-	-	3,804,905
Federal grant	8,849,529	-	-	-	1,073,399	9,922,928
State grant	15,012,053	91,892,671	187,116,693	-	30,593,946	324,615,363
Interest revenue	6,620,336	7,841,134	6,704,035	6,666,377	28,466,978	56,298,860
Lease revenue	107,860	-	-	-	-	107,860
Source test/analysis fees	430,590	-	-	-	-	430,590
Hearing Board fees	818,469	-	-	-	-	818,469
Penalties and settlements	6,819,691	-	-	-	40,000	6,859,691
Other revenues	2,246,860	-	-	-	25,201,126	27,447,986
Total revenues	<u>198,315,010</u>	<u>99,733,805</u>	<u>193,820,728</u>	<u>33,519,367</u>	<u>112,444,940</u>	<u>637,833,850</u>
<u>Expenditures:</u>						
Current:						
Salaries and employee benefits	159,688,983	-	-	-	-	159,688,983
Insurance	2,288,753	-	-	-	-	2,288,753
Rent	382,239	-	-	-	-	382,239
Supplies	3,634,204	-	-	-	-	3,634,204
Contract and special services	9,951,696	21,060,758	12,365,265	23,216,655	79,815,479	146,409,853
Maintenance	2,103,225	-	-	-	-	2,103,225
Travel and auto	846,647	-	-	-	-	846,647
Utilities	1,985,398	-	-	-	-	1,985,398
Communications	875,776	-	-	-	-	875,776
Uncollectible accounts	923,584	-	-	-	4,808	928,392
Other expenditures	1,098,780	-	-	-	763,747	1,862,527
Capital outlay	6,357,220	-	-	-	-	6,357,220
Capital outlay - lease and SBITA	2,653,290	-	-	-	-	2,653,290
Debt service:						
Principal	4,010,000	-	-	-	-	4,010,000
Interest	118,896	-	-	-	-	118,896
Lease and SBITA Principal	1,800,730	-	-	-	-	1,800,730
Lease and SBITA Interest	225,421	-	-	-	-	225,421
Total expenditures	<u>198,944,842</u>	<u>21,060,758</u>	<u>12,365,265</u>	<u>23,216,655</u>	<u>80,584,034</u>	<u>336,171,554</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>(629,832)</u>	<u>78,673,047</u>	<u>181,455,463</u>	<u>10,302,712</u>	<u>31,860,906</u>	<u>301,662,296</u>
<u>Other Financing Sources (uses):</u>						
Transfers in	6,268,042	-	-	-	6,350,000	12,618,042
Transfers out	(2,000,000)	(100,000)	(100,000)	-	(10,418,042)	(12,618,042)
Leases and SBITA	2,653,290	-	-	-	-	2,653,290
Total other financing sources (uses)	<u>6,921,332</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(4,068,042)</u>	<u>2,653,290</u>
Net change in fund balance	<u>6,291,500</u>	<u>78,573,047</u>	<u>181,355,463</u>	<u>10,302,712</u>	<u>27,792,864</u>	<u>304,315,586</u>
Fund balances, July 1, 2023, as previously reported	100,068,068	182,350,511	-	157,335,876	794,705,371	1,234,459,826
Change from nonmajor to major fund	-	-	111,874,792	-	(111,874,792)	-
Fund balance, July 1, 2023, as adjusted	100,068,068	182,350,511	111,874,792	157,335,876	682,830,579	1,234,459,826
Fund balances, June 30, 2024	<u>\$ 106,359,568</u>	<u>\$ 260,923,558</u>	<u>\$ 293,230,255</u>	<u>\$ 167,638,588</u>	<u>\$ 710,623,443</u>	<u>\$ 1,538,775,412</u>

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2024

Net change in fund balances – total governmental funds	\$ 304,315,586
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount of capital outlays recorded in the current period.	9,010,510
Depreciation and amortization expenses on capital assets are reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation or amortization expenses are not reported as expenditures in governmental funds.	(6,782,432)
Pension expense is reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources.	(33,199,518)
Pension contribution made by employer in current fiscal year reduce the net pension liability and do not require current resources.	37,949,166
OPEB expense is reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources.	(31,464)
OPEB contribution made by employer in current fiscal year reduce the net OPEB liability and do not require current resources.	193,644
Repayment of bond principal is an expenditure in the governmental funds. For South Coast AQMD as a whole, principal payments reduce the liabilities in the Government-wide Statement of Net Position and do not result in an expense in the Statement of Activities and Changes in Net Position.	4,010,000
Accrued interest expense on long-term debt, lease, and SBITA are reported in the Government-wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in governmental funds. The amount represents the change in accrued interest from the prior year.	113,733
The issuance of long-term debt related to lease and SBITA provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of lease and SBITA principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.	(844,164)
Interest receivable on lease is reported in the Government-wide Statement of Activities and Changes in Net Position, but do not require current resources.	(277)
Long-term compensated absences and general liability/workers' compensation claims are reported in the Government-wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, they are not reported as expenditures in governmental funds. The following amounts represent the change from the prior year:	
Compensated absences	(1,226,734)
General and auto liability/workers' compensation claims	2,357,478
Change in net position of governmental activities	\$ 315,865,528

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The South Coast Air Quality Management District (South Coast AQMD) was established pursuant to the Lewis Air Quality Management Act on February 1, 1977, commencing at Section 40400 of the Health and Safety Code of the State of California. South Coast AQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino, and Riverside Counties. South Coast AQMD operates a network of air monitoring stations, analyzes air quality data and establishes maximum emission levels for stationary, commercial, and industrial facilities that are enforced through South Coast AQMD's permit system.

As defined by Generally Accepted Accounting Principles (GAAP) in the United States of America that are established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government and its component units, which are legally separate organizations. The financial statements of South Coast AQMD are prepared in accordance with GAAP.

The accompanying financial statements present the financial activities of South Coast AQMD (primary government) and its blended component unit, South Coast Air Quality Management District Building Corporation (Corporation), an entity for which South Coast AQMD is considered to be financially accountable. Legally separate from South Coast AQMD and as a tax-exempt entity, the Corporation is reported as a governmental fund.

The Corporation was incorporated as a nonprofit corporation under the laws of the State of California on September 21, 1978. The purpose of the Corporation is to finance the acquisition and improvement of a building complex/headquarters of South Coast AQMD. South Coast AQMD Governing Board approves the appointment of the Corporation's Board of Directors. South Coast AQMD has had significant transactions with the Corporation for the construction and improvement of South Coast AQMD's headquarters facility. It is legally separate from South Coast AQMD and a tax-exempt entity under Section 501(c)(4) of the Internal Revenue Code.

Separate financial statements for the Corporation may be obtained from South Coast AQMD's Finance Office located at 21865 Copley Drive, Diamond Bar, California 91765.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of South Coast AQMD are composed of the following:

- Government-wide financial statements
- Governmental fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) present summaries of governmental activities of South Coast AQMD as a whole. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of South Coast AQMD's assets and liabilities including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. Revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reporting them as expenditures. Proceeds of long-term debt are also recorded in the government-wide financial statements as a liability, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

The Statement of Activities demonstrates the degree to which the direct expenses of a given functional activity are offset by program revenues directly related to the functional activity. Direct expenses are those that are clearly identifiable with a specific functional activity.

The types of transactions reported as program revenues are reported in three categories: 1) fees and charges including stationary source fees from permitted facilities and mobile source fees from motor vehicle registrations; 2) operating grants and subventions that are in support of air pollution program activities; and 3) long-term emission reduction projects which include capital grants and contributions which are mostly restricted. Program expenses are subtracted from program revenues to present the net cost of each functional activity. Interest income and other miscellaneous items not properly included among program revenues are reported as general revenues.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

South Coast AQMD's functional activities are broken down into the following ten categories:

- Advance clean air technology
- Ensure compliance with clean air rules
- Customer service and business assistance
- Develop programs to achieve clean air
- Develop rules to achieve clean air
- Monitoring air quality
- Timely review of permits
- Policy support
- Interest on long-term debt, and
- Long-term emission reduction projects

When both restricted and unrestricted resources are available for use, it is South Coast AQMD's policy to use restricted resources first within the restricted activities, then use the unrestricted resources as they are needed.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34.

South Coast AQMD has presented all major funds that met those qualifications. These major funds are Carl Moyer Program (CMP) Fund, CAP AB 134 Fund, and CMP AB 923 Special Revenue Fund in addition to the General Fund.

A reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences as a result of the integrated approach of GASB Statement No. 34 reporting.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are generally included in the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

financing uses) in net current assets. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. They are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, South Coast AQMD considers revenues to be available if they are collected generally within 90 days after year-end to be available to finance the expenditures accrued for the reporting period. The primary revenue sources which have been treated as susceptible to accrual by South Coast AQMD are as follows: emissions flat fees, permit fees, air toxics “Hot Spots” fees, and source test/analysis fees from stationary sources; clean fuels revenues from stationary sources; federal and state grants under grants and subventions and interest under general revenues. All other revenue items are recorded when received in cash. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for debt service expenditures, as well as expenditures related to compensated absences, which are recognized when payment is due.

Amounts expended to acquire capital assets are recorded as capital outlay expenditures in the year that resources were expended rather than recording them as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as fund liability. Amounts paid to reduce long-term indebtedness are reported as debt service expenditures.

C. Fund Types and Major Funds

As noted earlier, the funds designated as major funds are determined in accordance with GASB Statement No. 34

South Coast AQMD reports the following major governmental funds:

General Fund – This is the primary operating fund of South Coast AQMD and is used to record transactions relating to its general business operations. It is also used to account for all revenues and expenditures that are not required to be accounted for in another fund.

Special Revenue Funds – These funds are used to record transactions applicable to specific revenue sources that are legally restricted to expenditures for specific purposes. The following are South Coast AQMD’s major special revenue funds:

- Carl Moyer Program Fund – Established in fiscal year 1999 to account for activities related to the administration of state funds set aside for the replacement of diesel-powered vehicles with cleaner-technology vehicles. It has funded over 9,100 vehicles totaling over \$731 million. The Carl Moyer Program provides

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

incentive funds for the replacement of diesel-fueled on-road vehicles such as refuse haulers, heavy duty trucks, transit and school buses, off-road vehicles such as agricultural and construction equipment, marine vessels and supporting charging infrastructure.

- CAP AB 134 Fund - Established in fiscal year 2018 to recognize the first allocation of AB 617 CAP incentive funds (AB 134 revenue) from California Air Resources Board (CARB). This fund will also be used to recognize additional CAP incentive funds awarded and received by CARB. These funds are intended to implement projects that are identified in approved AB 617 Community Emissions Reduction Plans and in other communities that are disproportionately impacted by air pollution. Requirements for expenditure of these funds will be specified in the grant agreements provided by CARB.

- CMP AB 923 Fund - Established in fiscal year 2008 to provide additional funding for the Carl Moyer Program using revenue received from new tire and DMV motor vehicle registration fees. AB 923 expanded the Carl Moyer incentive program to include agricultural sources of air pollution as well as cars and light-duty trucks. The program is intended to fund Moyer-eligible projects that will reduce nitrogen oxide, hydrocarbon, and particulate matter emissions. About \$4 million per year in AB 923 funds are used to fund projects as match requirement to the Carl Moyer Program.

D. Assets, Liabilities, and Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Pooled Cash, and Investments

Cash includes amounts to conduct daily operations of South Coast AQMD in demand deposits with the Los Angeles County Treasurer and various financial institutions. South Coast AQMD deposits virtually all of its cash with the Treasurer of the County of Los Angeles. South Coast AQMD's deposits, along with funds from other local agencies such as the county government, other school districts, and special districts, make up a pool, which the Los Angeles County Treasurer manages for investment purposes. Earnings from the pooled investments are allocated to participating funds based on average investments in the pool during the allocation period.

All South Coast AQMD directed investments are to diversify South Coast AQMD's investments and are in compliance with South Coast AQMD's investment policy and Los Angeles County Treasury investment guidelines. The guidelines limit specific investments to United States Agency securities. The South Coast AQMD securities portfolio is held by the Los Angeles County

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2024**

Treasurer. Interest earned on investments is recorded as revenue of the fund from which the investment was made. All South Coast AQMD investments are stated at fair value based on quoted market prices.

2. Capital Assets and Depreciation/Amortization

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation/amortization are shown in the governmental funds financial statements.

Capital assets, which include land, equipment, vehicles, furniture, buildings and improvements, software and other intangible assets are reported at cost (except for lease and subscription assets, the measurement of which is discussed in Note I Section D.10). Donated capital assets are recorded at the acquisition value at the date of receipt. Capital asset purchases with values of at least \$5,000 and with an expected useful life of three years or more are capitalized.

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Assets disposed of or no longer required for its existing use are removed from the records at actual or estimated cost.

Depreciation/amortization is charged as an expense against operations, and accumulated depreciation/amortization is reported on the respective balance sheet. The tangible and intangible property, plant, equipment, vehicles, furniture, leased equipment and buildings, and subscription assets of South Coast AQMD are depreciated/amortized using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15-30
Equipment, vehicles and furniture	5-7
Software and systems	3-10
Leased equipment	5-7
Leased buildings	15-30
Subscription Assets	3-5

3. Inventories

Inventories as determined by annual physical counts are valued at cost using the first-in/first-out (FIFO) method. They consist principally of office, computer,

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

cleaning and laboratory supplies. The cost is recorded as an expense as inventory items are consumed.

4. Compensated Absences

Regular full-time employees accumulate earned but unused vacation time, sick leave, compensatory time, and other leave time. Certain restrictions apply with respect to the accumulation of leave time and its payment at termination. All vacation, sick leave, compensatory time, and other leave time are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

5. Self-Insurance

South Coast AQMD is self-insured for general, automobile, and workers' compensation liabilities (See note VIII).

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of the San Bernardino County Employees' Retirement Association (SBCERA) and Los Angeles County Employees' Retirement Association (LACERA) and additions to/deductions from SBCERA's fiduciary net position have been determined on the same basis as they are reported by SBCERA and LACERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

9. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the LACERA's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value, which are derived from quoted market prices.

10. Leases and Subscription-Based Information Technology Arrangements (SBITA)

Lessee

South Coast AQMD is a lessee for noncancellable leases of building, air monitoring space, and equipment. South Coast AQMD recognizes lease liability and intangible lease asset in the government-wide financial statements. South Coast AQMD recognizes lease liabilities for leases with an initial value or \$5,000 or more.

South Coast AQMD initially measures the lease liability at the present value of payments expected to be made during the lease term and subsequently reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payment made at or before the lease commencement date. The lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are expected to significantly impact the lease liability.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

South Coast AQMD uses incremental borrowing rate as the discount rate for leases that do not have implicit interest rate.

Lessor

South Coast AQMD is a lessor for noncancellable leases of building. South Coast AQMD recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

South Coast AQMD initially measures the lease receivable at the present value of payments expected to be received during the lease term and is subsequently reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Deferred inflow of resources is recognized as revenue over the life of the lease term. Remeasurement of lease receivable and deferred inflows of resources occurs when there are modifications that are expected to significantly impact the lease receivable.

South Coast AQMD uses the incremental borrowing rate as the discount rate for leases.

Subscription-Based Information Technology Arrangements (SBITA)

South Coast AQMD recognizes subscription liabilities and intangible subscription assets with related accumulated amortization in the government-wide financial statements. South Coast AQMD recognizes subscription liabilities with an initial, individual value of \$50,000 or more with a subscription term greater than one year.

South Coast AQMD initially measures the subscription liability at the present value of payments expected to be made during the subscription term, and subsequently reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payment made at or before the subscription commencement date, less any incentives received. Subscription asset is amortized on a straight-line basis over the shorter of the subscription term or its useful life. Remeasurement of a subscription liability occurs when there is a change in the term and/or other changes that are expected to significantly impact the subscription liability.

South Coast AQMD uses incremental borrowing rate as the discount rate for SBITA that do not have implicit interest rate.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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11. Net Position and Fund Balance Classifications

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources on the government-wide financial statements. Net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure and intangibles, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions enabling legislation.

Unrestricted Net Position

This category represents the residual net position of South Coast AQMD in excess of what can properly be classified in one of the other two categories mentioned above.

Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise hierarchy that is based primarily on the extent to which South Coast AQMD is bound to honor constraints on the specific purposes for which amounts can be spent.

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The fund balance classifications used in the governmental fund financial statements are as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority. The Governing Board, as the highest level of decision-making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Governing Board removes or modifies the use through the adoption of a subsequent resolution.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. South Coast AQMD’s adopted policy requires the Board to assign amounts to specific purposes.

Unassigned – this classification includes the residual fund balance for the General Fund. It also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for use, it is South Coast AQMD’s policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, South Coast AQMD’s Governing Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

The following schedule shows the details of the fund balances as of June 30, 2024:

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Major Governmental Funds						
Fund Balance	General Fund	Carl Moyer Program Fund	CAP AB 134 Fund	CMP AB923 Fund	Other Governmental Funds	Total
Nonspendable:						
Inventory	\$ 97,689	\$ -	\$ -	\$ -	\$ -	\$ 97,689
Total nonspendable	<u>97,689</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,689</u>
Restricted:						
Long term emission reduction	-	260,923,558	293,230,255	167,638,588	401,194,127	1,122,986,528
Total restricted	<u>-</u>	<u>260,923,558</u>	<u>293,230,255</u>	<u>167,638,588</u>	<u>401,194,127</u>	<u>1,122,986,528</u>
Committed:						
Advance clean air technology	631,117	-	-	-	-	631,117
Ensure compliance with clean air	3,174,620	-	-	-	-	3,174,620
Customer service and business	939,732	-	-	-	-	939,732
Develop programs to achieve clean	1,347,457	-	-	-	-	1,347,457
Develop rules to achieve clean air	602,589	-	-	-	-	602,589
Monitoring air quality	6,582,427	-	-	-	-	6,582,427
Timely review of permits	1,329,628	-	-	-	-	1,329,628
Policy support	669,242	-	-	-	-	669,242
Long term emission reduction	-	-	-	-	30,408,528	30,408,528
Total committed	<u>15,276,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,408,528</u>	<u>45,685,340</u>
Assigned:						
Long term emission reduction	-	-	-	-	279,020,788	279,020,788
For self insurance	2,000,000	-	-	-	-	2,000,000
For unemployment claims	80,000	-	-	-	-	80,000
For permit streamlining	234,159	-	-	-	-	234,159
For enhanced compliance activity	883,018	-	-	-	-	883,018
For OPEB obligations	2,952,496	-	-	-	-	2,952,496
Total assigned	<u>6,149,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,020,788</u>	<u>285,170,461</u>
Unassigned:						
General Purpose	84,835,394	-	-	-	-	84,835,394
Total unassigned	<u>84,835,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,835,394</u>
Total fund balances	<u>\$ 106,359,568</u>	<u>\$ 260,923,558</u>	<u>\$ 293,230,255</u>	<u>\$ 167,638,588</u>	<u>\$ 710,623,443</u>	<u>\$ 1,538,775,412</u>

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Adoption of New GASB Pronouncements

GASB Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62

This Statement provides guidance on accounting and financial reporting requirements for accounting changes and the correction of an error in previously issued financial statements (error correction). This Statement requires note disclosure and addresses how information that is affected to be presented in Required Supplementary Information (RSI) and Supplementary Information (SI). This Statement is effective for reporting periods beginning after June 15, 2023. South Coast AQMD implemented the Statement in fiscal year 2023-24.

II. CASH, POOLED CASH AND INVESTMENT

The following is a summary of the cash, pooled cash, and investments for the primary government at June 30, 2024:

Cash on hand	\$	1,574,607
Cash in bank		364,798
Pooled cash		1,477,447,214
Investments		127,239,421
Cash, pooled cash, and investments	\$	1,606,626,040

CASH

At June 30, 2024, the carrying amount of South Coast AQMD’s bank deposits was \$364,798 and the bank balance was \$386,150. The amount covered and insured by Federal Deposit Insurance Corporation (FDIC) was up to \$250,000. The bank deposits and the bank balance exceed FDIC by \$114,798 and \$136,150, respectively. Management believes that South Coast AQMD is not exposed to any significant credit risk related to cash in bank. Cash on hand consists of cash and checks not deposited as of June 30, 2024.

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POOLED CASH

South Coast AQMD's pooled cash and investments are held in the Los Angeles County Pooled Surplus Investment Fund Portfolio (PSI), the Los Angeles County Specific Purpose Investment Portfolio (SPI), and the State of California Local Agency Investment Fund (LAIF). Pooled cash and investments are held in accordance with California Government Code, South Coast AQMD Investment Policy, Los Angeles County Treasurer Investment Policy and LAIF Policies, Goals, and Objectives.

Los Angeles County Pooled Surplus Investment Fund Portfolio (PSI)

South Coast AQMD is a voluntary participant in the PSI, an external investment pool managed by the Los Angeles County Treasurer who reports on a monthly basis to its Board of Supervisors. Its Treasury Oversight Committee reviews and monitors its investment policy. The investment policy is governed by applicable California Government Code. Investments held are stated at fair value. The fair value of pooled cash is determined monthly and is based on current market prices.

Los Angeles County Specific Purpose Investment Portfolio (SPI)

The SPI is managed by the Los Angeles County Treasurer and is used to purchase specific investments for South Coast AQMD. In accordance with California Government Code, South Coast AQMD adopts an investment policy annually that, among other things, authorizes types and concentrations of investments and maximum investment terms. On June 30, 2024, SPI are reported at fair value.

The South Coast AQMD Investment Policy authorizes South Coast AQMD to invest in:

- U.S. Treasuries
- Federal agencies and U.S. government sponsored enterprises
- Los Angeles County Pooled Surplus Investment Portfolio
- State of California Local Agency Investment Fund
- Obligation of State of California or any other local agency within the state - permitted obligations will include bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency, or by a department, board, agency or authority of the state or local agency. Obligations of the State of California or other local agencies within the state must be rated in a rating category of "A" or its equivalent, or higher by a Nationally Recognized Statistical Rating Organizations (NRSRO).
- Shares of money market mutual funds – shall be limited to ratings of "AAA" by two (2) NRSROs or managed by an investment advisor registered with the Securities Exchange Commission with not less than five-years' experience and with assets under management in excess of \$500 million and such investment may not represent more than 10% of the total assets in the money market fund.
- Bankers' acceptances – with maximum maturities of 180 days must be issued by national or state-chartered banks or a state-licensed branch of a foreign bank.

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Eligible banker's acceptance should have the highest rankings or the highest letter and number rating as provided for by the NRSRO.

- Negotiable certificates of deposit – with maximum maturities of three (3) years must be issued by national or state-chartered banks, a federal or state-licensed branch of a foreign bank, savings associations and state or federal credit unions. Negotiable CDs must be rated in a rating category of “A-1” or its equivalent by at least two (2) NRSROs.
- Commercial paper – Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph a or paragraph b; and may not represent more than 10% of the outstanding paper of the issuing corporation. Maximum maturities are 270 days.
 - a. The entity meets the following criteria:
 - i. Is organized and operating in the United States as a general corporation.
 - ii. Have total assets in excess of \$500 million dollars (\$500,000,000).
 - iii. Has debt other than commercial paper, if any, that is rated in a rating category of “A” or the equivalent by a NRSRO.
 - b. The entity meets the following criteria:
 - i. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - ii. Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
 - iii. Has commercial paper that is rated in a rating category of “A-1”, or the equivalent or higher, by a NRSRO.
- Medium term maturity corporate securities – with maximum maturities of three (3) years shall be rated in a rating category of “A” or its equivalent or higher by two (2) NRSROs.
- Mortgage securities or asset-backed securities – with maximum maturities of five (5) years shall be rated “AA” or its equivalent or better by a nationally recognized rating service and issued by an issuer having a rating in the category of “A” or its equivalent, or higher by two (2) NRSROs for its long-term debt.
- Repurchase agreements – with maximum maturity of 30 days and must be collateralized by the U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily, entered into with broker-dealer which is a recognized primary dealer and evidenced by a broker-dealer master purchase agreement signed by County Treasurer and approved by South Coast AQMD.
- Reverse purchase agreements – are not allowed except as part of investments in the PSI and LAIF.
- Floating rate securities – with the maximum security of five (5) years are instruments that have a coupon or interest rate that is adjusted periodically due

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to changes in a base or benchmark rate. Investments in floating rate securities must utilize commercially available U.S. denominated indices such as U.S. Treasury bills of Federal Funds. Investments in floating rate securities whose reset is calculated using more than one of the above indices are not permitted, i.e. dual index notes. Floating Rate Securities that are priced based on a single common index are not considered derivative securities.

- Obligations of Supranational Institutions – permitted obligations will include U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by any of the supranational institutions identified in California Government Code Section 53601(q), which are eligible for purchase and sale within the U.S. Obligations of supranational institutions must be rated in a rating category of “A” or its equivalent, or higher by a NRSRO.

State of California Local Agency Investment Fund (LAIF)

South Coast AQMD is a voluntary participant in LAIF, an external investment pool that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California.

LAIF is part of the Pooled Money Investment Account (PMIA) and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB Board members are the State Treasurer, Director of Finance and the State Controller. Additionally, LAIF has oversight by the Local Investment Advisory Board, which consists of five members, as designated by statute. The Chairman is the State Treasurer, who appoints the other four members to two-year terms.

The fair value of South Coast AQMD’s investment in this pool is reported in the accompanying financial statements at amounts based upon South Coast AQMD’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records of LAIF, which are recorded on an amortized cost basis.

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The following table summarizes South Coast AQMD’s cash and pooled cash and maturities at June 30, 2024:

	Fair Value	Investment Maturities		
		<1 Year	1-2 Years	2-3 Years
Cash:				
On hand	\$ 1,574,607	\$ -	\$ -	\$ -
In bank	364,798	-	-	-
Total cash	<u>1,939,405</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pooled cash:				
Los Angeles County				
Pooled Surplus Investment (PSI)	1,438,285,427	886,127,651	552,157,776	-
Local Agency				
Investment Fund (LAIF)	39,161,787	39,161,787	-	-
Total pooled cash	<u>1,477,447,214</u>	<u>925,289,438</u>	<u>552,157,776</u>	<u>-</u>
Total cash and pooled cash investments	\$ <u>1,479,386,619</u>	\$ <u>925,289,438</u>	\$ <u>552,157,776</u>	\$ <u>-</u>

INVESTMENTS

South Coast AQMD’s investments are comprised of the following as of June 30, 2024:

	Level 1	Level 2	Level 3
U.S. Treasury Notes/Federal Agency	\$ 127,239,421	\$ -	\$ -
Total investments	<u>\$ 127,239,421</u>	<u>\$ -</u>	<u>\$ -</u>

South Coast AQMD categorized its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 is significant unobservable inputs.

South Coast AQMD has investments in U.S. Treasury Notes and Federal Agency in the SPI which are classified as Level 1 as fair market value is determined by observables, unadjusted quoted market price in active or highly liquid and transparent market.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in interest rates. As a means of limiting its exposure to declines in fair value, the South Coast AQMD Investment Policy limits its investment portfolio of SPI with the County of Los Angeles to maturities of less than five years at time of purchase and the weighted average maturity of the SPI portfolio may not exceed three years.

Credit Risk

Credit risk is the risk of default or the inability of an issuer of an investment to fulfill its

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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obligation to the holder of the investment. South Coast AQMD mitigates its credit risk in the SPI portfolio generally by following its three primary investment objectives, in order of safety, liquidity, and yield. South Coast AQMD's Investment Policy further requires only permitted investments with specific credit quality requirements.

The PSI and LAIF are both unrated as to credit quality. The investments that are represented by SPI are held by the Los Angeles County Treasurer on South Coast AQMD's name consist of U.S. Treasury Notes with credit rating of Aaa (Moody's) and securities issued by Federal agency with credit rating of AA+ (Standard and Poors).

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. South Coast AQMD's Investment Policy mitigates concentration of credit risk through diversification requirements so that no one type of issuer or issue will have a disproportionate impact on the portfolio. The investments that are represented by SPI consist of U.S. Treasury Note and securities issued by Federal agencies.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, South Coast AQMD will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risk for investments is the risk that South Coast AQMD will not be able to recover the value of its investment securities that are in the possession of an outside party. South Coast AQMD's deposits are fully insured by the FDIC, pooled cash with the PSI and LAIF are not subject to custodial credit risk, and the investments that are represented by SPI are held by the Los Angeles County Treasurer in the name of South Coast AQMD.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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III. DUE FROM OTHER GOVERNMENT AGENCIES AND ACCOUNTS RECEIVABLE

Due from other government agencies at June 30, 2024 consists of the following:

California Energy Commission (CEC)	\$ 17,340
Department of Homeland Security (DHS)	520,813
Department of Motor Vehicles AB 2766, SB 1928, AB 923	16,102,855
Environmental Protection Agency (EPA)	
IRA Monitoring Equipment	25,500
National Air Toxics Trend Station (NATTS)	41,015
Section 103 PM 2.5 Grant	231,936
Section 105 Air Grant	375,833
State Environmental Justice Cooperative Agreement Grant	19,590
Targeted Air Shed Grant Administration	42,827
Total	<u>\$ 17,377,709</u>

Accounts Receivable consists of the following at June 30, 2024:

Air Toxics "Hot Spots", Emission Fees, Permits, Annuals and Source Testing	\$ 5,885,063
Rule 2305 Mitigation Fees	3,169,666
Miscellaneous Receivables	1,444,680
Subtotal	<u>10,499,409</u>
Less: Allowance for Doubtful Accounts	<u>(2,782,000)</u>
Net Accounts Receivable	<u>\$ 7,717,409</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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IV. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 2,950,499	Air Toxics Fund	\$ 251,456
		Advanced Technology, Outreach & Education Fund	24,876
		Mobile Sources Air Pollution Reduction Fund	216,867
		Air Quality Investment Fund	168,597
		Clean Fuels Program Fund	909,851
		Carl Moyer Fund	276,133
		AES Settlement Projects Fund	17,414
		Rule 1309.1 Priority Reserve Fund	4,398
		CBE/OCE Settlement Agreement Fund	4,878
		Rule 1118 Mitigation Fund	121,883
		HEROS II Special Revenue Fund	173,194
		CAP AB 134 Fund	413,369
		VW Mitigation Special Revenue Fund	115,235
		Carl Moyer AB923 Special Revenue Fund	28,905
		Prop 1B Funding – Goods Movement	62,365
		Clean Shipping Tech Demo Fund	148,333
		Aliso Fund Porter Ranch SEP	12,745
	<u>2,950,499</u>		<u>2,950,499</u>
Air Quality Investment Fund	<u>6,892,165</u>	Clean Shipping Tech Demo Fund	<u>6,892,165</u>
Clean Fuels Program Fund	<u>157,500</u>	Advanced Technology Goods Movement Fund	<u>157,500</u>
Total Receivables	<u>\$ 10,000,164</u>	Total Payables	<u>\$ 10,000,164</u>

The outstanding balances between funds result mainly from the time lag between the date that: (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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Fund Transferred From	Fund Transferred to		
	General Fund	Other Governmental Funds	Total
General Fund	\$ -	\$ 2,000,000	\$ 2,000,000
Carl Moyer Fund	100,000	-	100,000
CAP AB 134 Fund	100,000	-	100,000
Other Governmental Funds	6,068,042	4,350,000	10,418,042
	\$ 6,268,042	\$ 6,350,000	\$ 12,618,042

South Coast AQMD's Governing Board approved the following:

- Transfer \$2,000,000 from the General Fund to the Debt Service Fund.
- Transfer and appropriate \$91,766 from the Clean Fuels Program Fund to General Fund for two zero-emission vehicles for the Enhanced Particulate Monitoring Program and PAMS program.
- Transfer and appropriate \$700,000 from the Rule 1180 Special Revenue Fund to General Fund for an independent audit of Rule 1180 fence line air monitoring network.
- Transfer \$5,024,725 on an as-needed basis from the Clean Fuels Program Fund to the General Fund to cover the cost of resources for the MATES VI program.
- Transfer and appropriate \$720,000 from the Infrastructure Improvement Fund to General Fund to upgrade the fire life safety system in the headquarter building.
- Transfer \$2,100,000 from the Rule 1111 Air Quality Investment Fund into the Advanced Technology, Outreach and Education Fund to increase South Coast AQMD's funding contributions, which would increase incentives from 50 percent to 85 percent for the lawn and garden equipment under U.S. EPA'S Targeted Airshed Grant Program.
- Transfer \$250,000 for South Coast AQMD's project cost-share from Clean Fuels Program Fund into Clean Shipping Technology Demonstration Special Revenue Fund for electrification of Balboa Island Ferries.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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V. CAPITAL ASSETS

In compliance with GASB Statement No. 34 reporting, South Coast AQMD has reported all capital assets in the Government-wide Statement of Net Position. Capital asset activities for the year ended June 30, 2024 were as follows:

	<u>Balance June 30, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2024</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 8,829,792	\$ -	\$ -	\$ 8,829,792
Total capital assets not being depreciated	<u>8,829,792</u>	<u>-</u>	<u>-</u>	<u>8,829,792</u>
Capital Assets being depreciated/amortized:				
Buildings and improvements	80,214,634	415,759	-	80,630,393
Intangibles (software)	15,713,992	2,036,922	-	17,750,914
Equipment, vehicles and furniture	40,382,915	3,904,539	(1,367,509)	42,919,945
Leased Buildings	1,979,768	-	-	1,979,768
Leased Equipment	1,208,746	1,746,496	-	2,955,242
Subscription	2,396,746	906,794	(278,258)	3,025,282
Total capital assets being depreciated	<u>141,896,801</u>	<u>9,010,510</u>	<u>(1,645,767)</u>	<u>149,261,544</u>
Less Accumulated Depreciation for:				
Buildings and improvements	(75,424,602)	(270,013)	-	(75,694,615)
Intangibles (software)	(6,574,859)	(1,366,954)	-	(7,941,813)
Equipment, vehicles and furniture	(29,442,031)	(3,315,581)	1,367,509	(31,390,103)
Less Accumulated Amortization for:				
Leased Buildings	(680,974)	(339,484)	-	(1,020,458)
Leased Equipment	(285,142)	(456,465)	-	(741,607)
Subscription	(781,827)	(1,033,935)	261,531	(1,554,231)
Total accumulated depreciation and amortization	<u>(113,189,435)</u>	<u>(6,782,432)</u>	<u>1,629,040</u>	<u>(118,342,827)</u>
Net capital assets being depreciated	<u>28,707,366</u>	<u>2,228,078</u>	<u>(16,727)</u>	<u>30,918,717</u>
Net capital assets, governmental activities	<u>\$ 37,537,158</u>	<u>\$ 2,228,078</u>	<u>\$ (16,727)</u>	<u>\$ 39,748,509</u>

For the year ended June 30, 2024, the depreciation/amortization expense of \$6,782,432 was charged to South Coast AQMD's functions/programs in the governmental activities as follows:

Advance clean air technology	\$ 266,564
Ensure compliance with clean air rules	1,775,258
Customer service and business assistance	417,701
Develop programs to achieve clean air	272,373
Develop rules to achieve clean air	284,475
Monitoring air quality	2,829,939
Timely review of permits	885,422
Policy support	50,700
Total depreciation and amortization expense	<u>\$ 6,782,432</u>

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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VI. DEFERRED OUTFLOWS/DEFERRED INFLOWS OF RESOURCES, PENSION, AND OPEB

The following is a summary of deferred outflows of resources and deferred inflows of resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred outflows of resources – Pension (SBCERA) (see note XI for details)	\$ 87,880,927	\$ -
Deferred inflows of resources – Pension (SBCERA) (see note XI for details)	-	63,577,699
Deferred outflows of resources – OPEB (LACERA) (see note XII for details)	193,644	-
Deferred inflows of resources – OPEB (LACERA) (see note XII for details)	-	193,000
Total	<u>\$ 88,074,571</u>	<u>\$ 63,770,699</u>

The following is a summary of pension and OPEB Balances:

	<u>SBCERA</u>	<u>LACERA</u>	<u>Total</u>
Pension:			
Net Pension liability	\$ 202,290,111	\$ -	\$ 202,290,111
Pension expense	33,199,518	-	33,199,518
Pension contributions made in fiscal year 2023-24	37,949,166	-	37,949,166
OPEB:			
Net OPEB liability	-	2,375,000	2,375,000
OPEB expense	-	31,464	31,464
OPEB contributions made in fiscal year 2023-24	-	193,644	193,644

VII. LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions of the South Coast AQMD for the year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Addition</u>	<u>Reduction</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Governmental Activities:						
Claims payable:						
General liability*	\$ 356,011	\$ 50,703	\$ 396,924	\$ 9,790	\$ 3,916	\$ 5,874
Workers' compensation*	3,475,295	633,736	2,644,993	1,464,038	603,053	860,985
Compensated absences	19,121,669	2,366,385	1,139,651	20,348,403	1,826,447	18,521,956
Pension Obligation Bonds	<u>4,010,000</u>	<u>-</u>	<u>4,010,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 26,962,975</u>	<u>\$ 3,050,824</u>	<u>\$ 8,191,568</u>	<u>\$ 21,822,231</u>	<u>\$ 2,433,416</u>	<u>\$ 19,388,815</u>

*See Note VIII for details

In prior years, claims payable and compensated absences have been liquidated primarily by the General Fund.

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Series 2004 Pension Obligation Bonds

On June 29, 2004, South Coast AQMD issued and sold taxable pension obligation bonds to retire the UAAL due to the SBCERA. At the time of issuance, it was estimated that the issuance and sale of \$47,030,000 was expected to result in estimated total gross debt service savings of \$22.4 million through August 1, 2023.

The Series 2004 Pension Obligation Bonds are payable on a parity with the 1995 Pension Obligation Bonds. South Coast AQMD may, from time to time, enter into supplemental indentures without the consent of the Bond Owners of the 1995 Bonds or Series 2004 Bonds for the purpose of providing for the issuance of additional series of Pension Obligation Bonds or to refund any other evidence of indebtedness of South Coast AQMD arising pursuant to the Retirement Law. The interest rates range from 4.75% to 5.93% with maturity date of August 1, 2023. During the fiscal year ended June 30, 2024, \$4,010,000 in principal and \$118,897 in interest were paid on the bonds. The bond was fully paid off and there is no outstanding balance as of June 30, 2024.

VIII. RISK MANAGEMENT

South Coast AQMD's risk management program is responsible for purchasing insurance when prudent and cost-effective, self-insuring other exposures to loss when feasible.

South Coast AQMD carries \$200 million of all-risk property insurance, with limits of \$100 million on business interruption and \$25 million on earthquake and flood coverage. The limits of liability for general claims is \$10 million. This coverage is supplemented by excess liability policies for boilers & machinery to a limit of \$100 million, and bodily injury/property damage/public officials' errors and emissions/employment practices liability/personal injury to \$10 million. Self-insured retention levels for excess liability is \$350,000. South Coast AQMD maintains \$25 million excess workers' compensation insurance for losses over \$750,000. South Coast AQMD also maintains policies to protect against some criminal conduct and cyber-attacks.

As of June 30, 2024, \$9,790 and \$1,464,038, respectively, had been reserved for general liability claims and workers' compensation.

An appropriate amount has been recorded in the General Fund's financial statements to the extent that South Coast AQMD anticipates that these amounts will be paid from current resources. While the ultimate amount of losses incurred through June 30, 2024 is dependent on future development based upon information from the independent claims' administrator and others involved with the administration of the programs, South Coast AQMD management believes that the aggregate accrual is adequate to cover such losses. South Coast AQMD management believes that the aggregate accrual is adequate to cover such losses.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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No significant reduction in insurance coverage occurred during the last three fiscal years. Also, during this period, no claim settlement exceeded insurance coverage.

The following represents changes in the aggregate liabilities for claims of South Coast AQMD's general liability and workers' compensation for the years ended June 30, 2023 and 2024:

	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Totals</u>
Claims payable, July 1, 2022	\$ 109,617	\$ 823,847	\$ 933,464
Current year claims and changes in estimates	274,660	3,815,021	4,089,681
Claims payments	<u>(28,266)</u>	<u>(1,163,573)</u>	<u>(1,191,839)</u>
Claims payable, June 30, 2023	<u>\$ 356,011</u>	<u>\$ 3,475,295</u>	<u>\$ 3,831,306</u>
Claims payable, July 1, 2023	\$ 356,011	\$ 3,475,295	\$ 3,831,306
Current year claims and changes in estimates	50,703	633,736	684,439
Claims payments	<u>(396,924)</u>	<u>(2,644,993)</u>	<u>(3,041,917)</u>
Claims payable, June 30, 2024	<u>\$ 9,790</u>	<u>\$ 1,464,038</u>	<u>\$ 1,473,828</u>

IX. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The following is a summary of lease and subscription liabilities for the year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Addition</u>	<u>Reduction</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
Lease Liability	\$ 2,298,324	\$ 1,746,496	\$ 729,190	\$ 3,315,630	\$ 888,994	\$ 2,426,636
Subscription Liability	<u>1,311,139</u>	<u>906,794</u>	<u>1,096,663</u>	<u>1,121,270</u>	<u>785,834</u>	<u>335,436</u>
Total	<u>\$ 3,609,463</u>	<u>\$ 2,653,290</u>	<u>\$ 1,825,853</u>	<u>\$ 4,436,900</u>	<u>\$ 1,674,828</u>	<u>\$ 2,762,072</u>

A. Leases

South Coast AQMD as Lessee

South Coast AQMD, as a lessee, has entered into lease agreements involving building spaces, air monitoring spaces, postage & shipping equipment, printing & imaging equipment, and vehicle. As of June 30, 2024, the total value of the lease liability was \$3,315,630.

As of June 30, 2024, the total value of the lease asset was recorded at a cost of \$4,935,010 with accumulated amortization of \$1,762,065.

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The future lease payments under lease agreements are as follow:

Year Ending June 30	Principal	Interest	Total
2025	\$ 888,994	173,190	1,062,184
2026	931,284	126,636	1,057,920
2027	804,021	80,548	884,569
2028	500,628	38,084	538,712
2029	190,703	6,570	197,273
	<u>\$ 3,315,630</u>	<u>425,028</u>	<u>3,740,658</u>

South Coast AQMD as Lessor

South Coast AQMD, as a lessor, has entered into lease agreements involving building spaces. As of June 30, 2024, the value of the lease receivable is \$330,051. South Coast AQMD recognized \$77,742 in lease revenue during the fiscal year 2023-2024. Also, South Coast AQMD has a deferred inflow of resources associated with leases that will be recognized over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$309,358.

The future lease incomes under lease agreements are as follow:

Year Ending June 30	Principal	Interest	Total
2025	\$ 40,778	\$ 7,724	\$ 48,502
2026	42,782	6,690	49,472
2027	44,856	5,605	50,461
2028	47,001	4,469	51,470
2029	49,222	3,278	52,500
2030-2031	105,412	2,758	108,170
	<u>\$ 330,051</u>	<u>\$ 30,524</u>	<u>360,575</u>

B. Subscription-Based Information Technology Arrangements (SBITA)

South Coast AQMD has entered into SBITA with outside vendors for cloud computing arrangements, such as software as a service, platform as a service and infrastructure as a service. SBITA subscription asset is presented as subscription in the Note V - Capital Assets. As of June 30, 2024, the total value of the subscription liability was \$1,121,270. As of June 30, 2024, the total value of the subscription asset was recorded at a cost of \$3,025,282 with accumulated amortization of \$1,554,231.

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The future subscription payments under SBITA are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 785,834	\$ 53,840	\$ 839,674
2026	335,436	11,758	347,194
	<u>\$ 1,121,270</u>	<u>\$ 65,598</u>	<u>\$ 1,186,868</u>

X. FUND BALANCES ADJUSTMENT/RESTATEMENT

During fiscal year 2023-2024, the beginning fund balances were adjusted for changes to or within the financial reporting entity (nonmajor to major funds), as follows:

Governmental Funds Fund Balances	July 1, 2023 As Previously Reported	Changes to or within the Financial Reporting Entity	July 1, 2023 As Adjusted
Major Funds:			
General Fund	\$ 100,068,068	\$ -	\$ 100,068,068
Carl Moyer Fund	182,350,511	-	182,350,511
CAP 134 Fund	-	111,874,792	111,874,792
CMP AB 923 Fund	157,335,876	-	157,335,876
Nonmajor Funds	794,705,371	(111,874,792)	682,830,579
Total Governmental Funds	<u>\$ 1,234,459,826</u>	<u>\$ -</u>	<u>\$ 1,234,459,826</u>

XI. DEFINED BENEFIT PENSION PLANS

San Bernardino County Employees' Retirement Association (SBCERA)

Plan description

South Coast AQMD participates in the SBCERA pension plan - a cost-sharing multiple-employer defined benefit pension plan (the Plan). SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. South Coast AQMD only has general membership. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA on the first day of employment and are provided with pension benefits pursuant to Plan requirements.

The Plan operates under the provisions of the California County Employees' Retirement Law of 1937 (CERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted SBCERA's Board

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of Retirement (Board). The Plan’s authority to establish and amend the benefit terms are set by the CERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA is a legally separate entity from South Coast AQMD, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, the South Coast AQMD’s annual comprehensive financial report excludes the SBCERA pension plan as of June 30, 2024. SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

	General – Tier 1	General – Tier 2
Final Average Compensation	Highest 12 months	Highest 36 months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or age eligible for	Age 70 any years	Age 70 any years
	10 years age 50	5 years age 52
	30 years any age	N/A
Benefit percent per year of service for normal retirement age	At normal retirement age, 2% per year of final average compensation for every year of service credit	At age 67, 2.5% per year of final average compensation for every year of service credit
Benefit adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67
Final Average Compensation Limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (CPI) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to benefits based on the members years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member’s death.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454 for participating employers, and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan’s actuarial funding policy.

The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that considers mortality, service (including age at entry into the Plan, if applicable, and tier), and compensation experience of the members and beneficiaries, and also includes an evaluation of the Plan’s assets and liabilities. Participating employers may pay a portion of the active members’ contributions and active members may pay a portion of the participating employer contributions, through negotiations and bargaining agreements.

Employee contribution rates for the fiscal year ended June 30, 2024 ranged between 9.54% and 15.82% for Tier 1 General members, 30 year General members are not required to pay any employee contribution. For Tier 2 General members, the contribution is 8.23%.

Employer contribution rates for the year ended June 30, 2024 are as follows:

<u>Actuarially Determined Required Contribution Percentages</u>	<u>Employer Contribution Rates</u>	
	<u>Tier 1 Members</u>	<u>Tier 2 Members</u>
	<u>Total</u>	<u>Total</u>
South Coast AQMD members	44.18%	38.81%

The required employer contributions and the amount paid to SBCERA by the South Coast AQMD for the year ended June 30, 2024 were \$37,949,166. The South Coast AQMD’s employer contributions were equal to the required employer contributions for the year ended June 30, 2024.

Pension Liability

On June 30, 2024, South Coast AQMD reported a net pension liability of \$202,290,111 for its proportionate share of the SBCERA’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The SBCERA’s publicly available financial report provides details on the change in the net pension liability.

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The South Coast AQMD's proportion of the net pension liability was based on the South Coast AQMD's contributions received by SBCERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of SBCERA's participating employers. At June 30, 2024, the South Coast AQMD's proportion was 8.525%, which was a decrease of 0.507% from its proportion measured as of June 30, 2022.

Pension Expense and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2024, the South Coast AQMD recognized pension expense of \$33,199,518 for its proportionate share of SBCERA's pension expense. At June 30, 2024, the South Coast AQMD reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Changes in proportion and differences between South Coast AQMD contributions and proportionate share of contributions	\$ 18,122,494	\$ 51,769,792
Changes in actuarial assumptions	7,848,075	8,404,613
Net difference between projected and actual earnings on pension plan investments	7,320,303	-
Differences between expected and actual experience	16,640,889	3,403,294
South Coast AQMD contributions paid to SBCERA subsequent to the measurement date	37,949,166	-
Total	\$ 87,880,927	\$ 63,577,699

*See note VI for summary

The \$37,949,166 reported as deferred outflows of resources related to South Coast AQMD's contributions made to SBCERA subsequent to the measurement date but before the reporting period ended June 30, 2024, which will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SBCERA pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ (4,271,972)
2026	(21,882,574)
2027	16,053,590
2028	(3,241,333)
2029	(303,649)
Thereafter	-

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial experience study	3-year period ending June 30, 2022
Actuarial cost method	Entry age actuarial cost method
Actuarial assumptions:	
Investment rate of return ⁽¹⁾	7.25%
Inflation	2.50%
Projected Salary increases ⁽²⁾	General: 4.30% to 9.5%
Cost of living adjustments	Contingent upon consumer price index with a 2.00% maximum
Administrative Expenses	0.90% of payroll

⁽¹⁾ Net of pension investment expense, including inflation.

⁽²⁾ Includes inflation at 2.5% plus real across-the-board salary increase of 0.50% and merit and promotional increases.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2019 – June 30, 2022. Same assumptions are used in the June 30, 2023 funding valuation.

For General employees, mortality rates are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is 7.25%. SBCERA’s actuary prepares an analysis of the long-term expected rate of return on a triennial basis using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions are summarized in the following table:

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SBCERA's Long-Term Expected Real Rate of Return

Asset Class	Investment Classification	As of June 30, 2023 Valuation Date	
		Target Allocation (1)	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.5%	6.00%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.5%	6.65%
Developed International Equity	Foreign Common and Preferred Stock	7.00%	7.01%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.97%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	6.48%
Emerging Market Debt	Emerging Market Debt	6.00%	4.76%
Real Estate	Real Estate	2.50%	3.86%
Value Added Real Estate	Real Estate	2.50%	5.40%
International Credit	Foreign Alternatives	11.00%	7.10%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	7.10%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	10.10%
Private Equity	Domestic Alternatives/Foreign Alternative	18.00%	9.84%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	0.63%
Total		100.00%	

(1) For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made based on the actuarially determined rates based on the SBCERA Board's funding policy, which establishes the contractually required rate based on statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the South Coast AQMD's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the South Coast AQMD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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**Sensitivity of Net Pension Liability to Changes in the Discount Rate
As of June 30, 2022**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
South Coast AQMD's proportionate share of the net pension liability	\$347,242,896	\$202,290,111	\$83,746,154

Pension Plan Fiduciary Net Position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA annual comprehensive financial report. That report may be obtained on the Internet at www.SBCERA.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415; or by calling (909) 885- 7980 or (877) 722-3721.

Payables to the Pension Plan

The amount payable to SBCERA at June 30, 2024 for the legally required contribution is \$3,724,229.

Los Angeles County Employees' Retirement Association (LACERA)

Plan Description

South Coast AQMD participates in the LACERA Pension Plan (the plan) (LACERA operates as a cost-sharing multiple-employer defined benefit plan.) As of June 30, 2024, South Coast AQMD had no active members in this plan. For South Coast AQMD, LACERA is a closed plan which means no new members will be added to the plan. LACERA was established on January 1, 1938. It is governed by the California Constitution; CERL of 1937; and the regulations, procedures, and policies adopted by LACERA's Board of Retirement and Board of Investments. The Los Angeles County (County) Board of Supervisors may also adopt resolutions, as permitted by CERL, which may affect the benefits of LACERA members.

Benefits Provided

Vesting occurs when a member accumulates five years' creditable service under contributory plans or accumulates 10 years of creditable service under the general service non-contributory plan. Benefits are based upon 12 or 36 months' average compensation, depending on the plan, as well as age at retirement and length of service as of the retirement date, according to applicable statutory formula. Vested members who terminate employment before retirement age are considered terminated vested (deferred) members. Service-connected disability benefits may be granted regardless of length of service consideration. Five years of service are required for nonservice-connected disability eligibility according to applicable statutory formula. Members of the non-contributory plan, who are covered under separate long-term disability

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provisions not administered by LACERA, are not eligible for disability benefits provided by LACERA.

Contributions

Members and employers contribute to LACERA based on rates recommended by an independent consulting actuary and adopted by the Board of Investments and the Los Angeles County Board of Supervisors. Contributory plan members are required to contribute between approximately 5 percent and 13 percent of their annual covered salary. Member and employer contributions received from the outside districts are considered part of LACERA's pension plan as a whole.

Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees (members) through monthly or annual prefunded contributions at actuarially determined rates. Rates for the contributory plan tiers for members who entered the Plan prior to January 1, 2013 are based upon age at entry to the Plan and plan type enrollment.

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

South Coast AQMD has no balances for the proportionate share of net pension liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions.

Pension Plan Fiduciary Net Position

Detailed information about LACERA's fiduciary net position is available in a separately issued LACERA annual comprehensive financial report. That report may be obtained on the Internet at www.LACERA.com; by writing to LACERA at 300 N. Lake Avenue, Suite 650, Pasadena, CA 91101; or by calling (626) 564-6000.

XII. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

SBCERA does not provide any post-employment benefits to South Coast AQMD retirees. LACERA, however, in addition to providing pension benefits, essentially provides a comprehensive health care benefits program to its retirees that include several medical, dental, vision, and death benefits. LACERA administers the defined benefit OPEB on behalf of Los Angeles County and its participating agencies. South Coast AQMD is one of the participating agencies. Prior to fiscal year 2019-20, the OPEB was under a cost sharing multiple-employer structure. Starting in fiscal year 2019-20, the OPEB was changed to an agent plan structure. This is the third year of the GASB 75 disclosure report under an agent plan structure.

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South Coast AQMD is subject under the April 20, 1982 agreement between Los Angeles County and LACERA (County Agreement). In April 1982, Los Angeles County adopted an ordinance pursuant to the CERL of 1937 that provided for a retiree health insurance program and death/burial benefits for retired employees and their eligible dependents. In 1982, Los Angeles County and LACERA entered into an agreement whereby LACERA would administer the program subject to the terms and conditions of the agreement. In 1994, Los Angeles County amended the agreement to continue to support LACERA's retiree insurance benefits program, regardless of the status of the active member insurance. In 2018, this agreement was further updated to specify the sharing of expenses between South Coast AQMD and Los Angeles County for South Coast AQMD retirees who also had Los Angeles County service credit.

LACERA is a closed plan to employees who were hired after December 31, 1979. Currently, there are 33 retirees covered by the benefit terms under the OPEB.

LACERA is a legally separate entity from South Coast AQMD, not a component unit, and there is no financial interdependency with Los Angeles County. For these reasons, the South Coast AQMD's annual comprehensive financial report excludes the LACERA OPEB as of June 30, 2024. LACERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, which can be obtained by writing LACERA at 300 N. Lake, Pasadena, CA 91101 or visiting the website at: www.LACERA.com.

Benefits Provided

LACERA OPEB program offers members choice of medical plan as well as dental/vision plans. Medical and dental/vision are provided through third-party insurance carriers with the participant's cost for medical and dental/vision insurance varying according to the years of retirement service credit, the plan selected, and the number of persons covered. There is a one-time lump-sum \$5,000 death/burial benefit payable to the designated beneficiary upon the death of a retiree.

Contributions

South Coast AQMD and/or Los Angeles County and each retired employee participating in the OPEB contributes a portion of the total cost per month of the premium for the plan in which the retiree is enrolled according to the terms of the Retiree Health Care Program under the County Agreement. The portion of the premium to be paid by South Coast AQMD and/or the Los Angeles County is calculated based on the years of retirement service credit under the terms of the County Agreement, as they may change from time to time. LACERA subsidizes the retiree's cost starting at 10 years of service credit and up to a maximum of 100% for a member with 25 years of service credit with the County. LACERA, at its own discretion, may increase the premium to cover additional expenses.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

Net OPEB Liability

The net OPEB liability was measured at \$2,375,000 as of June 30, 2024. South Coast AQMD's total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions and was projected forward to the measurement date. The total OPEB liability is the same as the net OPEB liability since the fiduciary net position is zero.

OPEB Expense and Deferred Outflows/Inflows of Resources

For the fiscal year ended June 30, 2024, the South Coast AQMD recognized OPEB expense of \$31,464. As of June 30, 2024, South Coast AQMD's reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Differences between projected and actual plan investment earnings	\$ -	\$ -
Differences between expected and actual economic experience	-	58,000
Changes of assumptions	-	135,000
South Coast AQMD contributions paid to LACERA subsequent to the measurement date	193,644	-
Total	\$ 193,644	\$ 193,000

* See note VI for summary

The \$193,644 reported as deferred outflows of resources related to South Coast AQMD's contributions made to LACERA subsequent to the measurement date but before the reporting period ended June 30, 2024, which will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (72,000)
2026	(73,000)
2027	(48,000)
2028	-
Thereafter	-

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

Actuarial Assumptions and Methods

The significant actuarial assumptions and methods used to measure the total OPEB's liability are as follows:

Actuarial Valuation Date	July 1, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry age normal, level percent of pay
Inflation	2.75%
Salary Increases	3.25%
Investment Rate of Return	3.65%

Mortality rates were based on the PubG-2010 Healthy and Disabled mortality tables and including projection for expected future mortality improvement using the MP-2021 Ultimate Projection Scale.

Healthcare Cost Trend Rates:

	FY 2023 to FY 2024
LACERA Medical Under 65	8.5%
LACERA Medical Over 65	3.70%
Part B Premiums	8.20%
Dental Under and Over 65	3.70%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of a 2022 actuarial retirement experience study and a 2020 actuarial OPEB experience study.

Discount Rate

The discount rate used to measure the net OPEB liability under the agent structure was 3.65%. The discount rate was determined from the 20-year tax-exempt municipal bond yield.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

Sensitivity of the South Coast AQMD’s Net OPEB Liability to Changes in the Discount Rate

The following presents the South Coast AQMD’s net OPEB liability as well as what the South Coast AQMD’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability	\$2,592,000	\$2,375,000	\$2,187,000

Sensitivity of the South Coast AQMD’s Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the South Coast AQMD’s net OPEB liability, calculated using the healthcare cost trend rates as reported on the July 1, 2022 OPEB Actuarial Valuation Health Cost Trend Assumptions, as well as what the net OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$2,183,000	\$2,375,000	\$2,593,000

OPEB Plan Fiduciary Net Position

Detailed information about LACERA’s fiduciary net position is available as a separately issued LACERA annual comprehensive financial report. That report may be obtained on the internet at www.LACERA.com; by writing to LACERA at 300 N. Lake, Pasadena, CA 91101; or by calling (626) 564-6000.

Payable to the OPEB Plan

At June 30, 2024, the amount payable to LACERA for the legally required contribution is \$15,292.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

XIII. DEFERRED COMPENSATION PLAN

South Coast AQMD offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Starting in January 2023, South Coast AQMD provides employer matching in Internal Revenue Code Section 401(a) for non-represented employees. The plan permits them to defer a portion of their salary until future years. These funds are not available to employees until termination, retirement, death or unforeseen emergency.

The deferred compensation plan monies are invested in various investment funds as selected by the participating employees. All amounts of compensation deferred under the plan and all income attributed to those amounts are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Effective January 1, 1999, federal legislation requires the Section 457 plan assets to be placed in trust for the exclusive use of the plan participants and their beneficiaries. South Coast AQMD's deferred compensation administrator, Empower Retirement LLC, qualifies as the plan trustee to meet the federal requirements. In accordance with GASB Statement No. 32, South Coast AQMD no longer reports the plan assets and liabilities in its financial statements. As of June 30, 2024, investments with a fair value of \$247,262,428 are held in a trust.

XIV. HEALTH REIMBURSEMENT ARRANGEMENT PLAN

On December 4, 2009, South Coast AQMD's Governing Board approved the establishment of a Health Reimbursement Arrangement (HRA) plan for South Coast AQMD employees. This allows active employees to save on a tax-free basis for their future post-retirement health care costs. Empower serves as South Coast AQMD's HRA service provider. Currently, both South Coast AQMD and the SBCERA do not offer a health reimbursement program nor post-retirement health care to help the employees afford health care in retirement.

Initially, the program was made available to non-represented employees with the understanding that it could be expanded to cover represented employees, based on their approval. In compliance with the rules establishing the HRA, each defined group covered by the plan is required to establish its own criteria on what earnings would be contributed. As of June 30, 2024, the Executive Officer, General Counsel, Designated Deputies and professional bargaining unit members were the eligible employee classifications that were set up and approved by South Coast AQMD. Contributions are 100% vacation and sick leave payouts at termination and/or compensation payout at termination per existing leave payment policy. Eligibility shall commence upon termination of employment on account of retirement (whether through disability or service).

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

XV. COMMITMENTS

Guaranteed Loans

The Air Quality Assistance Fund (AQAF) was originally established to comply with state legislation which required South Coast AQMD to allocate a portion of the funds it receives as penalties and settlements from violators of air pollution regulations and to provide financing assistance to small businesses that require financing in order to comply with South Coast AQMD requirements. This legislation was repealed on January 1, 1999. In June 2000, the Governing Board authorized staff to continue to use the funds to assist small businesses with an improved program for greater participation. Financing assistance includes guaranteeing or otherwise reducing the financial risks of lenders in providing financial assistance to small businesses. The funds are not used for direct loans to small businesses.

In June 2001, South Coast AQMD entered into an agreement with the California Pollution Control Financing Authority (CPCFA) to be an “independent contributor” to the California Capital Access Program (CalCAP). South Coast AQMD transferred \$100,000 to the CPCFA to cover borrower fees on any qualified small business CalCAP loans for air quality-related equipment or processes.

In October 2007, the Governing Board authorized the transfer of \$1 million to the Dry Cleaners Financial Incentives Grant Program to supplement the existing incentive grant programs. This incentive program assists dry cleaners in making early transitions from perchloroethylene (perc) to alternative cleaning technologies. AQAF’s fund balance amounted to \$1,810,888 at fiscal year ended June 30, 2024.

XVI. PENDING LITIGATION

A number of other lawsuits and claims are pending against South Coast AQMD for alleged damages to persons and property and for other alleged liabilities arising out of its normal operations. South Coast AQMD’s management believes that any liability that may arise from the ultimate resolution of such legal actions will not have a material adverse impact on the financial position as of June 30, 2024.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) SCHEDULE
For the Year Ended June 30, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Emission fees	\$ 20,527,240	\$ 20,527,240	\$ 21,380,047	\$ 852,807
Annual renewal fees	76,503,215	76,503,215	76,945,135	441,920
Area Sources	2,361,740	2,361,740	2,190,750	(170,990)
Permit processing fees	19,096,873	19,096,873	19,194,955	98,082
Mobile sources/clean fuels	32,527,730	32,527,730	30,136,169	(2,391,561)
Air toxics "Hot Spots"	2,800,000	2,800,000	2,662,910	(137,090)
Transportation programs	946,650	946,650	1,094,749	148,099
State subvention	3,880,300	3,880,300	3,804,905	(75,395)
Federal grant	6,885,160	9,563,058	8,849,529	(713,529)
State grant	18,553,330	20,261,675	15,012,055	(5,249,620)
Interest revenue	2,725,030	2,725,030	6,620,336	3,895,306
Lease revenue	143,150	143,150	107,860	(35,290)
Source test/analysis fees	583,650	583,650	430,590	(153,060)
Hearing Board fees	247,630	247,630	818,469	570,839
Penalties and settlements	4,600,000	4,600,000	6,819,691	2,219,691
Other revenues	1,974,030	1,974,030	2,246,860	(2,236,259)
Total revenues	194,355,728	198,741,971	198,315,010	(426,961)
Expenditures:				
Current:				
Salaries and employee benefits	\$ 160,503,939	\$ 165,803,939	\$ 159,688,983	\$ 6,114,956
Insurance	1,811,425	2,294,753	2,288,753	6,000
Rent	1,375,223	1,505,257	511,049	994,208
Supplies	3,411,962	5,135,400	3,553,113	1,582,287
Contract and special services	14,085,505	15,038,141	11,053,882	3,984,259
Maintenance	1,808,709	2,743,304	2,463,999	279,305
Travel and auto	877,523	1,054,522	846,647	207,875
Utilities	1,965,620	1,660,326	1,985,398	(325,072)
Communications	1,145,320	1,112,062	875,776	236,286
Uncollectible accounts	-	-	923,585	(923,585)
Other expenditures	1,493,295	1,496,060	1,099,792	396,268
Capital outlay	1,720,000	7,555,022	11,048,245	(3,493,223)
Debt service:				
Principal	4,128,897	4,010,000	4,010,000	-
Interest	-	118,897	118,897	-
Lease and SBITA Principal	-	-	1,800,730	(1,800,730)
Lease and SBITA Interest	-	-	225,421	(225,421)
Total expenditures	194,327,418	209,527,683	202,494,270	7,033,413
Excess (deficiency) of revenues over (under) expenditures	28,310	(10,785,711)	(4,179,260)	6,606,451
Other Financing Sources (Uses)				
Transfers in	1,971,690	5,564,442	6,268,042	703,600
Transfers out	2,000,000	2,000,000	2,000,000	-
Leases and SBITA	-	-	2,653,290	2,653,290
Total other financing sources	(28,310)	3,564,442	6,921,332	3,356,890
Net change in budgetary fund balances	\$ -	\$ (7,221,269)	\$ 2,742,072	\$ 9,963,341

See accompanying notes to required supplementary information and independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of South Coast AQMD's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

Measurement Date**

SBCERA Pension Plan

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
South Coast AQMD's proportion of the net pension liability	8.525%	9.032%	10.54%	8.368%	8.625%	8.613%	8.123%	8.09%	7.79%	6.45%
South Coast AQMD's proportionate share of the net pension liability	\$ 202,290,111	\$ 209,969,044	\$ 138,924,385	\$ 335,429,877	\$ 233,891,403	\$ 218,228,092	\$ 214,076,570	\$ 199,589,723	\$ 151,441,343	\$ 109,655,281
South Coast AQMD's covered payroll	\$ 81,596,762	\$ 81,922,566	\$ 84,187,926	\$ 80,454,708	\$ 77,342,109	\$ 73,329,109	\$ 71,657,793	\$ 71,247,083	\$ 68,088,547	\$ 75,623,191
South Coast AQMD's proportionate share of the net pension liability as a percentage of its covered payroll	247.91%	256.30%	165.02%	416.92%	302.41%	297.60%	298.75%	280.14%	222.42%	145.00%
SBCERA's fiduciary net position as a percentage of the total pension liability	81.37%	80.21%	86.48%	66.99%	75.24%	75.85%	74.94%	74.10%	79.33%	83.74%

Measurement Date**

LACERA Pension Plan

	<u>June 30, 2023</u>	<u>June 30, 2021</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
South Coast AQMD's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
South Coast AQMD's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Coast AQMD's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,839	\$ 60,610	\$ 59,557	\$ 59,193	\$ 57,884
South Coast AQMD's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
LACERA's fiduciary net position as a percentage of the total pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

** GASB Statement No. 68 requires this information to be presented as of the measurement date of the net pension liability, which is not the current fiscal year end.

See accompanying notes to required supplementary information and independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of South Coast AQMD's Contributions - Pensions
Last 10 Fiscal Years

SBCERA Pension Plan	Reporting Date**									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 37,949,166	\$ 36,497,985	\$ 37,811,240	\$ 33,603,205	\$ 33,202,615	\$ 30,295,487	\$ 25,332,734	\$ 23,319,256	\$ 21,089,956	\$ 19,384,858
Contributions in relation to the contractually required contributions	<u>37,949,166</u>	<u>36,497,985</u>	<u>37,811,240</u>	<u>33,603,205</u>	<u>33,202,615</u>	<u>30,295,487</u>	<u>25,332,734</u>	<u>23,319,256</u>	<u>21,089,956</u>	<u>19,384,858</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
South Coast AQMD's covered payroll*	\$ 92,711,896	\$ 81,596,762	\$ 81,922,566	\$ 84,187,926	\$ 80,454,708	\$ 77,342,109	\$ 73,329,109	\$ 71,657,793	\$ 71,247,083	\$ 68,088,547
Contributions as a percentage of covered payroll	40.93%	44.73%	46.15%	39.91%	41.27%	39.17%	34.55%	32.54%	29.60%	28.47%

LACERA Pension Plan	Reporting Date**									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,300	\$ 11,000	\$ 13,000	\$ 14,000
Contributions in relation to the contractually required contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,300</u>	<u>11,000</u>	<u>13,000</u>	<u>14,000</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
South Coast AQMD's covered payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,839	\$ 60,610	\$ 59,557	\$ 59,193
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.99%	18.15%	21.83%	23.65%

* Covered payroll is different from that shown in previously issued reports due to updated information.

** GASB Statement No. 68 requires this information to be presented as of the most recent fiscal year end.

See accompanying notes to required supplementary information and independent auditor's report.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information

Schedule of Changes in the South Coast AQMD's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*

<u>LACERA OPEB Plan***</u>	Measurement Date**				
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Net OPEB Liability:					
Interest	\$ 84,000	\$ 62,000	\$ 73,000	\$ 123,000	\$ 135,000
Effects of assumptions, changes or inputs	(47,000)	(370,000)	(185,000)	292,000	136,000
Effects of economic/demographic (gains) or losses	64,000	20,000	(62,000)	(386,000)	-
Benefit payments	<u>(208,000)</u>	<u>(231,000)</u>	<u>(239,000)</u>	<u>(242,000)</u>	<u>(267,000)</u>
Net change in net OPEB liability	(107,000)	(519,000)	(413,000)	(213,000)	4,000
Net OPEB liability, beginning	2,482,000	3,001,000	3,414,000	3,627,000	3,623,000
Net OPEB liability, ending (a)	<u>\$ 2,375,000</u>	<u>\$ 2,482,000</u>	<u>\$ 3,001,000</u>	<u>\$ 3,414,000</u>	<u>\$ 3,627,000</u>
South Coast AQMD's covered-employee payroll	-	-	-	-	-
Net OPEB liability as (a) % of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes available.

** GASB Statement No. 75 requires this information to be presented as of the measurement date of the net OPEB liability, which is not the current fiscal year end.

*** OPEB liability for fiscal year 2019 and prior was reported based on a cost sharing structure. In fiscal year 2020 (measurement date at June 30, 2019), the plan was changed from a cost sharing structure to an agent structure. This is the inaugural year of the OPEB information to be reported under an agent structure. The beginning OPEB liability balance was changed to reflect the impact under the agent structure. The following is the historical information under the cost sharing structure:

Schedule of South Coast AQMD's Proportionate Share of the Net OPEB Liability

<u>LACERA OPEB Plan</u>	Measurement Date		
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
South Coast AQMD's proportion of the collective net OPEB liability	0.01286%	0.01335%	0.01396%
South Coast AQMD's proportionate share of the collective net OPEB liability	\$ 3,180,000	\$ 3,534,000	\$ 3,721,000
South Coast AQMD's covered-employee payroll	\$ 48,839	\$ 60,610	\$ 59,557
South Coast AQMD's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	6511.19%	5830.72%	6247.80%
LACERA's fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Required Supplementary Information
Schedule of South Coast AQMD's Contributions - OPEB
Last 10 Fiscal Years*

	Reporting Date **							
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
LACERA OPEB Plan								
Contractually required contribution	\$ 193,644	\$ 210,466	\$ 221,162	\$ 237,584	\$ 240,984	\$ 232,780	\$ 232,715	\$ 234,967
Contributions in relation to the contractually required contributions	(193,644)	(210,466)	(221,162)	(237,584)	(240,984)	(232,780)	(232,715)	(234,967)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
South Coast AQMD's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,839	\$ 60,610
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	476.49%	387.67%

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* Historical information is required only for measurement periods for which GASB 75 is applicable. Future year's information will be displayed up to 10 years as information becomes available.

** GASB Statement No. 75 requires this information to be presented as of the most recent fiscal year-end.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024**

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

South Coast AQMD has a comprehensive annual budget process which establishes goals and objectives and monitors expenditures associated with meeting those goals and objectives.

Up to and including the budget adoption hearing by South Coast AQMD’s Governing Board, the public and the business community have several opportunities to participate in the budget process. These opportunities include: Budget Advisory Committee meetings made up of business and environmental representatives, a public consultation, a Governing Board workshop and a public hearing.

Following input from the public, Budget Advisory Committee, and Governing Board, the draft budget for fiscal year 2023-24 was prepared and subsequently adopted at the May 2023 meeting of the Governing Board. The fiscal year 2023-24 Adopted Budget and the final fee schedules became effective on July 1, 2023.

South Coast AQMD’s annual budget is adopted for the General Fund at the Major Object levels of Salaries and Employee Benefits, Services and Supplies, Capital Outlays, and Building Remodeling. The Governing Board has delegated expenditure authority to the Executive Officer for all budgeted expenditures of \$100,000 or less within a major object. All appropriations to the budget and transfers between major objects must be approved by the Governing Board. Transfers within a major object are delegated to the Executive Officer. Monthly expenditure reports are issued to each Office. The Governing Board receives a General Fund Budget status report on a quarterly basis.

South Coast AQMD presents a comparison of annual budget to actual results for the General Fund. The budgeted expenditure amounts represent the adopted budget adjusted for Governing Board approved supplemental appropriations. The budgeted revenue amounts represent the adopted budget modified for Governing Board approved adjustments which were based upon new or additional revenue sources. Supplemental expenditure appropriations of \$15,200,265 and revenue adjustments of \$7,978,995 were approved by the Governing Board in fiscal year 2023-24.

The South Coast AQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. Special Revenue Fund appropriations are approved by the Governing Board on an as-needed basis at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024**

NOTE 2 – GENERAL FUND BUDGETARY BASIS RECONCILIATION

The General Fund Budgetary Basis under Required Supplementary Information presents comparisons of the legally adopted budget with actual data on a budgetary basis. Accounting principles applied for purposes of developing expenditures data on a budgetary basis differ from those used to present financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The basis of budgeting that differs from GAAP is modified accrual basis plus encumbrances. The following is a reconciliation of differences for the fiscal year ended June 30, 2024:

Expenditures and encumbrances (budgetary basis) June 30, 2024	\$202,494,270
Add: payments on encumbrances open at July 1, 2023	6,489,269
Less: encumbrances open at June 30, 2024	<u>(10,038,693)</u>
Expenditures (GAAP basis), June 30, 2024	<u>\$198,944,842</u>

A reconciliation of revenue is not presented since budgetary practices and GAAP do not differ with respect to revenue.

NOTE 3 – USE OF BUDGETARY FUND BALANCE

When the fiscal year 2023-24 budget was adopted the Governing Board approved a budget that was balanced. Mid-year adjustments appropriated \$7,221,270 from Unassigned Fund Balance.

NOTE 4 – FACTORS AFFECTING PENSION TRENDS SOUTH COAST AQMD’S PROPORTION

As of the June 30, 2023 measurement date, South Coast AQMD’s proportionate share of SBCERA’s net pension liability changed from 9.032% to 8.525%. There were no changes in the benefit terms. The inflation rate changed from 2.75% to 2.5%. The actuarial assumptions used in June 30, 2023 valuation report was based on the results of an experience study for the period from July 1, 2019 through June 30, 2022.

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Nonmajor Governmental Funds

Special Revenue Funds:

- Air Toxics Fund – Used to account for fees received from industrial toxic air emitters. These funds are spent on planning and performing health risk evaluations for the purpose of developing a toxic emissions inventory for the South Coast Air Basin.
- Advanced Technology, Outreach and Education Fund – Used to account for monies contributed by companies in lieu of paying fines for violating South Coast AQMD rules. Contributed amounts must be used to pay costs associated with South Coast AQMD-sponsored research and development in cleaner burning fuels and other advanced technologies and public outreach and education related to advanced technology and air pollution and its impacts.
- Air Quality Assistance Fund – Used to account for funds set aside for the purpose of underwriting, guaranteeing, or otherwise participating in the provision of financial assistance to small businesses as required by Section 40448.7 of the California Health and Safety Code. (This legislation was repealed by its own terms January 1, 1999). In June 2000, the Governing Board authorized staff to revise the program to increase participation of small businesses. Certain revisions, including participation in the California Capital Access Program (CalCAP) to assist small businesses, were implemented in June 2001.
- Air Quality Improvement Fund – Used to account for 40% of the revenue received by the South Coast AQMD from motor vehicle registration fees under the provisions of Sections 44243 and 44244 of the California Health and Safety Code. This money is distributed on a quarterly basis to cities and counties within the South Coast Air Basin to implement programs to reduce air pollution from motor vehicles.
- Mobile Sources Air Pollution Reduction Fund – Used to account for 30% of the revenue received by South Coast AQMD from the motor vehicle registration fees under the provisions of Sections 44243 and 44244 of the California Health and Safety Code. This money is used to provide grants to fund projects for the purpose of reducing air pollution from motor vehicles within the jurisdiction of the South Coast AQMD. Total projects to date amount to over \$538 million and over 16,500 tons of emissions reduced. This special fund was established in fiscal year 1992.
- Air Quality Investment Fund – To account for revenue from employers with 250 or more employees at a worksite who are subject to Rule 2202. This revenue is used to purchase emissions reductions credits to meet the required target. To date, \$54.1 million in projects have been awarded to purchase over 34,133 tons of emission

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reductions. Starting April 2017, this fund was used to process rebates for South Coast AQMD's Residential Electric Lawn Mower Rebate Program. As of June 2024, a total of 4,392 lawn mowers were exchanged and \$957,646 spent, resulting in 0.32 tons per year of NO_x and 1.6 tons per year of ROG in emission reductions.

- RECLAIM AQIP – Established in fiscal year 2001 to separately account for the generation of NO_x (Oxides of Nitrogen) credits at stationary and mobile sources for use by certain small or new RECLAIM (Regional Clean Air Incentives Market) participants. AQIP stands for Air Quality Investment Program.
- RECLAIM and Executive Order Mitigation – Established in fiscal year 2001 to account for mitigation fee payments made by power generators in lieu of emission offsets. Proceeds are used to generate RECLAIM Trading Credits (RTCs) to offset excess emissions.
- Rule 1121 Mitigation Fee Program – Established in fiscal year 2004 to issue program announcements for projects under the Rule 1121 Mitigation Fee Program. Under Rule 1121 - Control of Nitrogen Oxides (NO_x) from Residential Type, Natural Gas Fired Water Heaters, emission mitigation fees are collected from water heater manufacturers to fund stationary and mobile source emission reduction projects targeted at offsetting NO_x emission.
- Rule 1111 Mitigation Fee Program – Used to account for mitigation fee payments made by manufacturers for fan-type central furnaces. Rule 1111 requires manufacturers to certify that each furnace model offered for sale complies with the emission limit. In lieu of meeting the lower emission limit, Rule 1111 provided manufacturers an alternate compliance option of paying a per-unit mitigation fee for up to 4 to 4.5 years past the applicable compliance date, depending on the furnace type, which includes non-condensing, condensing, weatherized, and mobile home furnaces. The mitigation fee period ended for non-condensing, condensing, and weatherized furnaces prior to October 1, 202, except for mobile home furnaces. For FY 23-24, manufacturers paid mitigation fee for mobile home furnaces.
- Clean Fuels Program Fund – Established as a special revenue fund in fiscal year 2000 to account for contract activities and revenues of the Clean Fuels Program. These are activities associated with implementing Clean Fuels stationary source and mobile source research, development, demonstration and deployment projects approved by the Governing Board. Since 1988, the Clean Fuels Program has provided funds for 1,542 projects totaling \$268.7 million.
- Lower-Emission School Bus Fund – Established in fiscal year 2001 to administer state funds set aside in the South Coast Air Basin for the replacement and retrofit of high-emitting diesel-fueled school buses. Since 2001, over \$370 million of Lower Emissions

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School Bus funds has been provided for the replacement of school buses, and the retrofit of newer diesel buses with PM traps. In total, approximately 2,000 highly polluting school buses have been replaced with new near zero or zero emission school buses and nearly 3,460 newer diesel school buses were retrofitted with PM traps.

- Zero Emission Vehicle Incentive Program – Established in fiscal year 2001 to administer the State funds set aside for the implementation of the Zero Emission Vehicle (ZEV) Incentive Program.
- AES Settlement Projects Fund – Established in fiscal year 2001 for the purpose of accounting for the one-time penalty settlement with AES Corporation for air pollution violations.
- Rule 1309.1 Priority Reserve Fund – Established in fiscal year 2001 to account for mitigation fees paid for Particulate Matter ≤ 10 microns (PM₁₀) credits. Due to the state energy crisis in 2001, Rule 1309.1 was amended to allow new electric generating facilities temporary access to South Coast AQMD’s Priority Reserve Account to offset their PM₁₀ emission increases provided that they meet specific criteria and pay appropriate mitigation fees.
- CARB ERC Bank Fund – Established in fiscal year 2001 to account for the proceeds from the issuance of the Emission Reduction Credits (ERCs) to natural gas turbine power plant peaker units. CARB established the ERC Bank for peaker power plants that need emission offsets to add new or expanded capacity. Proceeds from the issuance of these ERCs will fund emission reduction programs where the new or expanded facility is located.
- LADWP Settlement Fund – Established in fiscal year 2001 for the purpose of accounting for the monies received from the Los Angeles Department of Water and Power as part of the settlement agreement.
- State-Emissions Mitigation Fund – Established during fiscal year 2002 to account for the funds received from CARB to fund CARB selected projects on emission reductions within the South Coast Air Basin. This is in response to the Governor’s statewide program to mitigate excess emissions from peaker power generation units to alleviate the power crisis in California.
- State Backup Generators (BUG) Program Fund – Established in fiscal year 2003 to account for the funds received from CARB’s Diesel-Fueled Electrical Backup Generator Emissions Mitigation Program. This program funds emission related projects as part of an ongoing effort to expeditiously reduce public exposure to air toxics and other pollutants.

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- Rule 1173 Mitigation Fee Fund – Established in fiscal year 2004 to account for Rule 1173 mitigation fee payments to be used in funding air quality projects which directly benefit the community surrounding the facility. Amendments in December 2002 to Rule 1173 for Refineries and Chemical Plants established a mitigation fee payment provision relating to the release of Volatile Organic Compound (VOC) from an atmospheric Pressure Relief Device (PRD).
- Communities for Better Environment (CBE)/Our Children’s Earth (OCE) Settlement Agreement Fund – Established in FY 2004 as part of the settlement agreement to fund PM₁₀ (Particulate Matter ≤ 10 microns) and/or NO_x (Oxides of Nitrogen) reduction projects in disproportionately impacted areas.
- BP ARCO Settlement Projects Fund – Established in fiscal year 2005 to account for the \$25 million civil penalties received in 2005 as part of the settlement with BP ARCO for air pollution violations.
- Health Effects Research Fund – The Health Effects Research Fund was established in fiscal year 2008 to receive 20% of all penalty/settlement monies in excess of \$4 million recognized annually in South Coast AQMD’s General Fund beginning in fiscal year 2009, subject to annual Board approval.
- CEQA Green House Gas Mitigation Fund – This fund was established in fiscal year 2009 under Rule 2702 for Green House Gas (GHG) emission reductions. It received \$1.5 million from Chevron Products Company to offset Green House Gas emission as part of its Product Reliability and Optimization (PRO+) Project Mitigation Monitoring Plan.
- Emission Reduction and Outreach Fund – This fund was established in fiscal year 2010 due to a \$1,000,000 Supplemental Environmental Project Settlement. These funds are used to enhance compliance of emission reduction policies by providing source education and consumer education.
- Rule 1118 Mitigation Fund – Established in fiscal year 2010 to account for mitigation fees from petroleum refineries that exceed sulfur dioxide emission thresholds from flares and future Rule 1118 mitigation fees and to track the projects funded through these fees.
- HEROS II Fund – Established in fiscal year 2011, this fund is used to track funds received and expenditures for South Coast AQMD’s vehicle scrap and replacement program. This voluntary program reduces emissions from high-emitting light and medium-duty vehicles in South Coast AQMD.

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- AB 1318 Mitigation Fees Fund – Created in fiscal year 2011 to account for revenue of \$53.3 million from a mitigation fee payment for the transfer of emission credits under AB 1318.
- Voucher Incentive Program (VIP) Fund – Established in fiscal year 2012 due to transfer of funds from the Carl Moyer Multidistrict funds originally recorded in Carl Moyer Program Fund, to separately administer the On-Road Heavy-Duty Vehicle Voucher Incentive Program.
- Advanced Technology Goods Movement Fund – Established in fiscal year 2012 to administer funds received through an agreement with Port of Los Angeles and Port of Long Beach to fund projects consistent with the development and demonstration of zero emissions goods movement technologies, including the demonstration of Linear Synchronous Motor (LSM) technology to move cargo containers and the development of two discrete hybrid electric drive systems for heavy-duty vehicles.
- Rule 1470 Risk Reduction Fund – Established in fiscal year 2012 to help fund control equipment costs for public agencies, such as cities, counties, and schools, required to install control equipment on new emergency standby engines in order to comply with Rule 1470.
- Rule 1420.1 Special Revenue Fund – Established in fiscal year 2014 to account for monies received from Exide Technologies and Quemetco to finance the Multi-Metals continuous emission monitoring system (CEMS) and continuous Multi-Metals Ambient Air Monitoring Demonstration Programs.
- Rule 1304.1 Special Revenue Fund – Established in fiscal year 2016 to track the deposit of fees paid and the withdrawal of funds for approved projects, pursuant to Rule 1304.1 - Electrical Generating Facility Fee for Use of Offset Exemption.
- Green House Gas (GHG) Reduction Projects Special Revenue Fund – Established in fiscal year 2016 to account for the projects funded by CARB’s Low Carbon Transportation GHG Reduction Fund Investments.
- ExxonMobil Settlement Projects Special Revenue Fund – Established in fiscal year 2016 for the purpose of accounting for the monies received pursuant to a settlement agreement with ExxonMobil for Supplemental Environmental Project (SEP).
- LADWP Variance Special Revenue Fund – Established in fiscal year 2017 to receive environmental fees from the Los Angeles Department of Water and Power as part of a South Coast AQMD Hearing Board variance. The variance allowed LADWP to burn

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diesel to 1) recommission and test the turbines, and 2) subsequently to operate them on diesel fuel, only if the natural gas supply to LADWP was curtailed by SoCal Gas.

- Air Filtration Special Revenue Fund – Established in fiscal year 2017, a Supplemental Environmental Project (SEP) agreement was executed between CARB and the Burlington Northern Santa Fe Railway Company (BANSF) to install air filtration systems at schools in an Environmental Justice community in the South Coast region.
- SoCal Gas Settlement Special Revenue Fund – Established in fiscal year 2017 to execute a contract with KORE Infrastructure Inc in an amount not to exceed \$1 million from the SoCal Gas Settlement Special Revenue Fund to cost-share the commercial field test project.
- Rule 1180 Special Revenue Fund – Established in fiscal year 2018 to account for the Rule 1180 initial and final payments for implementation of the community air monitoring stations near petroleum refineries.
- VW Mitigation Special Revenue Fund – Established in fiscal year 2019 to recognize revenue of up to \$150 million into the fund, to administer and implement two project funding categories identified in CARB’s Beneficiary Mitigation Plan for the VW Environmental Mitigation Trust. The funded projects are intended to mitigate the excess NOx emissions caused by the VW vehicles.
- Prop 1B Goods Movement Fund – Established in fiscal year 2008 to account for voter approved transportation bond dollars. A portion of these were allocated to CARB and passed through to South Coast AQMD to implement programs that reduce emissions from movement of freight or “goods” along California’s trade corridors. Over \$500 million in goods movement projects have been and are being implemented within the South Coast AQMD.
- Clean Shipping Technology Demonstration Special Revenue Fund – Established in FY2020 for the purpose of implementing clean shipping projects.
- Aliso Canyon Air Filtration Special Revenue Fund – Established in fiscal year 2021 to recognize \$7.1 million from the Aliso Supplemental Environmental Project (SEP) Fund and facilitate program tracking and auditing. This funded project is to install air filtration systems at schools in Environmental Justice communities in Los Angeles County.
- Aliso Fund Porter Ranch SEP Special Revenue Fund – Established in fiscal year 2021 to recognize up to \$1.5 million from the Aliso Fund Committee and transfer \$1 million from SoCalGas Settlement Special Revenue Fund. This fund is used to implement a

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Supplemental Environmental Project (SEP) in Porter Ranch and the communities surrounding the SoCalGas Aliso Canyon natural gas storage facility.

- Rule 2305 Mitigation Fees Special Revenue Fund – Established in fiscal year 2021 to recognize the mitigation fees paid by owner and operators of warehouses located in the South Coast AQMD jurisdiction with greater than or equal to 100,000 square feet to provide incentives toward the purchase of near zero and zero emission trucks and zero emission charging and fueling infrastructure, including administrative fees to cover South Coast AQMD’s costs of administering the Warehouse Actions and Investments to Reduce Emissions (WAIRE) Mitigation Fee Program.
- CARB SEP Special Revenue Fund – Established in fiscal year 2022 to facilitate program tracking and auditing and recognize up to \$1.275 Million into the fund for installing and maintaining air filtration systems at private schools and daycare facilities in AB 617 communities.
- At-Berth Regulation Remediation Special Fund – Established in fiscal year 2023 to be a Remediation Fund Administrator per CARB Ocean-Going Vessels At-Berth Regulation and to fund incentive programs designed to achieve emission reduction.

Capital Projects Fund

- Infrastructure Improvement Fund – Established in fiscal year 2013 to separately account for large-scale and/or multi-year infrastructure improvement projects.

Debt Service Fund – Established in 2009 to replace the terminated Guaranteed Investment Contract with the Municipal Bond Insurance Association (MBIA, Inc.) due to changes in financial markets. This is used for the defeasance of a portion of South Coast AQMD’s debt service on Pension Obligation Bonds.

Component Unit – South Coast AQMD Building Corporation – Established in fiscal year 1978 for the acquisition and improvement of South Coast AQMD headquarters. The South Coast AQMD Building Corporation is a legally separate entity, but for financial statement purposes, it is shown as a blended component unit in the governmental funds.

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	Special Revenue				
	Air Toxics Fund	Advanced Tech Outreach & Education Fund	Air Quality Assistance Fund	Air Quality Improvement Fund	Mobile Sources Air Pollution Reduction Fund
Assets					
Cash and cash equivalents	\$ 2,757,880	\$ 9,190,754	\$ 1,801,001	\$ 2,015,317	\$ 119,393,064
Investments	-	-	-	-	-
Interest receivable	26,985	92,468	9,887	28,865	1,170,160
Due from other governmental agencies	-	25,528	-	3,681,833	2,761,374
Due from other funds	-	-	-	-	-
Accounts receivable, net	1,148,775	-	-	-	-
Total assets	\$ 3,933,640	\$ 9,308,750	\$ 1,810,888	\$ 5,726,015	\$ 123,324,598
Deferred Outflow of Resources:					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	\$ 3,933,640	\$ 9,308,750	\$ 1,810,888	\$ 5,726,015	\$ 123,324,598
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 349,154	\$ 54,391	\$ -	\$ 5,663,800	\$ 1,471,141
Due to other funds	251,456	24,876	-	-	216,867
Total liabilities	600,610	79,267	-	5,663,800	1,688,008
Deferred Inflow of Resources					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	9,229,483	-	62,215	121,636,590
Committed	-	-	-	-	-
Assigned	3,333,030	-	1,810,888	-	-
Total fund balances	3,333,030	9,229,483	1,810,888	62,215	121,636,590
Total liabilities and fund balances	\$ 3,933,640	\$ 9,308,750	\$ 1,810,888	\$ 5,726,015	\$ 123,324,598

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	Special Revenue				
	Air Quality Investment Fund	Clean Fuels Program Fund	Lower-Emission School Bus Fund	Zero Emission Vehicle Incentive Fund	AES Settlement Projects Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 98,400,024	\$ 64,956,744	\$ 9,672,267	\$ 756,305	\$ 126,690
Investments	9,788,765	29,319,730	-	-	-
Interest receivable	1,073,926	520,215	104,576	8,177	3,843
Due from other governmental agencies	-	2,300,242	-	-	-
Due from other funds	6,892,165	157,500	-	-	-
Accounts receivable, net	10,172	-	-	-	-
Total assets	<u>\$ 116,165,052</u>	<u>\$ 97,254,431</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 130,533</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 116,165,052</u>	<u>\$ 97,254,431</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 130,533</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liabilities	\$ 536	\$ 307,442	\$ -	\$ -	\$ -
Due to other funds	168,597	909,851	-	-	17,414
Total liabilities	<u>169,133</u>	<u>1,217,293</u>	<u>-</u>	<u>-</u>	<u>17,414</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
<u>Fund Balances:</u>					
Restricted	-	-	9,776,843	764,482	-
Committed	4,609,166	10,049,109	-	-	51,402
Assigned	111,386,753	85,988,029	-	-	61,717
Total fund balances	<u>115,995,919</u>	<u>96,037,138</u>	<u>9,776,843</u>	<u>764,482</u>	<u>113,119</u>
Total liabilities and fund balances	<u>\$ 116,165,052</u>	<u>\$ 97,254,431</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 130,533</u>

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	Special Revenue			
	Rule 1309.1 Priority Reserve Fund	CARB ERC Bank Fund	LADWP Settlement Fund	State-Emissions Mitigation Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 5,267,986	\$ 636,349	\$ 23,842	\$ 116,549
Investments	-	-	-	-
Interest receivable	56,978	6,880	258	1,260
Due from other governmental agencies	-	-	-	-
Due from other funds	-	-	-	-
Accounts receivable, net	-	-	-	-
Total assets	<u>\$ 5,324,964</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>
<u>Deferred Outflow of Resources:</u>				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 5,324,964</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	-
Due to other funds	4,398	-	-	-
Total liabilities	<u>4,398</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>				
Long-term receivables	-	-	-	-
Fund Balances:				
Restricted		-	-	117,809
Committed	321,516	561,074	-	-
Assigned	4,999,050	82,155	24,100	-
Total fund balances	<u>5,320,566</u>	<u>643,229</u>	<u>24,100</u>	<u>117,809</u>
Total liabilities and fund balances	<u>\$ 5,324,964</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>

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	Special Revenue				
	State BUG Program Fund	Rule 1173 Mitigation Fee Fund	CBE/OCE Settlement Agreement Fund	BP ARCO Settlements Project Fund	Health Effects Research Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 24,784	\$ 3,125,100	\$ 215,061	\$ 672,859	\$ 4,962,038
Investments	-	-	-	-	-
Interest receivable	268	33,789	-	7,291	53,649
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 215,061</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 215,061</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liabilities	-	-	-	-	-
Due to other funds	-	-	4,878	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,878</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
<u>Fund Balances:</u>					
Restricted	25,052	-	-	-	-
Committed	-	-	210,183	-	-
Assigned	-	3,158,889	-	680,150	5,015,687
Total fund balances	<u>25,052</u>	<u>3,158,889</u>	<u>210,183</u>	<u>680,150</u>	<u>5,015,687</u>
Total liabilities and fund balances	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 215,061</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>

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	Special Revenue				
	CEQA Green House Gas Mitigation Fund	Emission Reduction and Outreach Fund	Rule 1118 Mitigation Fund	HEROS II Fund	AB 1318 Mitigation Fees Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 141,431	\$ 1,020	\$ 21,688,301	\$ 19,757,473	\$ 3,056,877
Investments	-	-	-	-	-
Interest receivable	1,529	11	234,719	135,722	35,710
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	\$ 142,960	\$ 1,031	\$ 21,923,020	\$ 19,893,195	\$ 3,092,587
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	\$ 142,960	\$ 1,031	\$ 21,923,020	\$ 19,893,195	\$ 3,092,587
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 15,149	\$ 369,500	\$ -
Due to other funds	-	-	121,883	173,194	-
Total liabilities	-	-	137,032	542,694	-
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
<u>Fund Balances:</u>					
Restricted	-	-	-	19,350,501	-
Committed	-	-	5,229,000	-	-
Assigned	142,960	1,031	16,556,988	-	3,092,587
Total fund balances	142,960	1,031	21,785,988	19,350,501	3,092,587
Total liabilities and fund balances	\$ 142,960	\$ 1,031	\$ 21,923,020	\$ 19,893,195	\$ 3,092,587

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	Special Revenue				
	Voucher Incentive Program (VIP) Fund	Advanced Technology Goods Movement Fund	Rule 1470 Risk Reduction Fund	Rule 1420.1 Special Revenue Fund	Rule 1304.1 Special Revenue Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 16,371,221	\$ 1,824,248	\$ 2,714,607	\$ 101,809	\$ 98,693,565
Investments	-	-	-	-	19,577,531
Interest receivable	178,258	20,379	29,350	1,101	1,070,494
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Total assets	<u>\$ 16,549,479</u>	<u>\$ 1,844,627</u>	<u>\$ 2,743,957</u>	<u>\$ 102,910</u>	<u>\$ 119,341,590</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 16,549,479</u>	<u>\$ 1,844,627</u>	<u>\$ 2,743,957</u>	<u>\$ 102,910</u>	<u>\$ 119,341,590</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 410,000	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	157,500	-	-	-
Total liabilities	<u>410,000</u>	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	16,139,479	-	-	102,910	119,341,590
Committed	-	572,255	-	-	-
Assigned	-	1,114,872	2,743,957	-	-
Total fund balances	<u>16,139,479</u>	<u>1,687,127</u>	<u>2,743,957</u>	<u>102,910</u>	<u>119,341,590</u>
Total liabilities and fund balances	<u>\$ 16,549,479</u>	<u>\$ 1,844,627</u>	<u>\$ 2,743,957</u>	<u>\$ 102,910</u>	<u>\$ 119,341,590</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024**

	Special Revenue				
	GHG Reduction Projects Special Revenue Fund	ExxonMobil Settlements Projects Special Rev Fund	LADWP Variance Special Revenue Fund	Air Filtration Fund	SoCal Gas Settlement Special Revenue Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 6,056,820	\$ 198,628	\$ 1,300,424	\$ 1,546,167	\$ 77,510
Investments	-	-	-	-	-
Interest receivable	89,832	2,148	14,508	16,969	838
Due from other governmental agencies	17,340	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	1,200,000	-	-	-	-
Total assets	\$ 7,363,992	\$ 200,776	\$ 1,314,932	\$ 1,563,136	\$ 78,348
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	\$ 7,363,992	\$ 200,776	\$ 1,314,932	\$ 1,563,136	\$ 78,348
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable and accrued liabilities	\$ 10,587	\$ -	\$ -	\$ 30,725	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	10,587	-	-	30,725	-
<u>Deferred Inflow of Resources</u>					
Long-term receivables	17,340	-	-	-	-
<u>Fund Balances:</u>					
Restricted	7,336,065	-	-	-	-
Committed	-	-	707,518	1,239,621	-
Assigned	-	200,776	607,414	292,790	78,348
Total fund balances	7,336,065	200,776	1,314,932	1,532,411	78,348
Total liabilities and fund balances	\$ 7,363,992	\$ 200,776	\$ 1,314,932	\$ 1,563,136	\$ 78,348

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024**

<u>Assets</u>	Rule 1180 Special Revenue Fund	VW Mitigation Special Revenue Fund	Prop 1B Goods Movement Fund	Clean Shipping Tech Demos Special Rev Fund
Cash and cash equivalents	\$ 68,428	\$ 41,381,348	\$ 52,616,342	\$ 7,605,916
Investments	-	-	-	-
Interest receivable	756	492,401	587,621	81,510
Due from other governmental agencies	-	-	-	13,041
Due from other funds	-	-	-	-
Accounts receivable, net	-	-	-	-
Total assets	<u>\$ 69,184</u>	<u>\$ 41,873,749</u>	<u>\$ 53,203,963</u>	<u>\$ 7,700,467</u>
<u>Deferred Outflow of Resources:</u>				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 69,184</u>	<u>\$ 41,873,749</u>	<u>\$ 53,203,963</u>	<u>\$ 7,700,467</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 800,000	\$ 1,900,000	\$ -
Due to other funds	-	115,235	62,365	7,040,498
Total liabilities	<u>-</u>	<u>915,235</u>	<u>1,962,365</u>	<u>7,040,498</u>
<u>Deferred Inflow of Resources</u>				
Long-term receivables	-	-	-	-
Fund Balances:				
Restricted	69,184	40,958,514	51,241,598	659,969
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>69,184</u>	<u>40,958,514</u>	<u>51,241,598</u>	<u>659,969</u>
Total liabilities and fund balances	<u>\$ 69,184</u>	<u>\$ 41,873,749</u>	<u>\$ 53,203,963</u>	<u>\$ 7,700,467</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024**

	Special Revenue				
	Aliso Canyon Air Filtration Special Revenue Fund	Aliso Fund Porter Ranch Special Revenue Fund	Rule 2305 Mitigation Fee Alternate Fund	CARB SEP Special Revenue Fund	At Berth Reg Remed Special Revenue Fund
<u>Assets</u>					
Cash and cash equivalents	\$ 6,085,464	\$ 1,395,417	\$ 27,880,856	\$ 4,350,241	\$ 524,788
Investments	-	-	-	-	-
Interest receivable	78,639	17,864	253,830	48,054	3,096
Due from other governmental agencies	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable, net	-	-	3,169,667	-	13,300
Total assets	<u>\$ 6,164,103</u>	<u>\$ 1,413,281</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>
<u>Deferred Outflow of Resources:</u>					
Deferred outflow of resources	-	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 6,164,103</u>	<u>\$ 1,413,281</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 594,408	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	12,745	-	-	-
Total liabilities	<u>594,408</u>	<u>12,745</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflow of Resources</u>					
Long-term receivables	-	-	-	-	-
Fund Balances:					
Restricted	-	-	-	-	-
Committed	5,360,916	1,180,148	-	313,650	-
Assigned	208,779	220,388	31,304,353	4,084,645	541,184
Total fund balances	<u>5,569,695</u>	<u>1,400,536</u>	<u>31,304,353</u>	<u>4,398,295</u>	<u>541,184</u>
Total liabilities and fund balances	<u>\$ 6,164,103</u>	<u>\$ 1,413,281</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024**

<u>Assets</u>	<u>Capital Project Infrastructure Improvement Fund</u>	<u>Debt Service Fund</u>	<u>Component Unit SCAQMD Building Corporation</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,099,445	\$ 4,335,019	\$ 184,426	\$ 645,172,405
Investments	-	-	-	58,686,026
Interest receivable	11,959	46,824	-	6,653,597
Due from other governmental agencies	-	-	-	8,799,358
Due from other funds	-	-	-	7,049,665
Accounts receivable, net	-	-	-	5,541,914
Total assets	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 184,426</u>	<u>\$ 731,902,965</u>
<u>Deferred Outflow of Resources:</u>				
Deferred outflow of resources	-	-	-	-
Combined assets and deferred outflow of resources	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 184,426</u>	<u>\$ 731,902,965</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	-	-	3,592	11,980,425
Due to other funds	-	-	-	9,281,757
Total liabilities	-	-	3,592	21,262,182
<u>Deferred Inflow of Resources</u>				
Long-term receivables	-	-	-	17,340
Fund Balances:				
Restricted	-	4,381,843	-	401,194,127
Committed	2,970	-	-	30,408,528
Assigned	1,108,434	-	180,834	279,020,788
Total fund balances	<u>1,111,404</u>	<u>4,381,843</u>	<u>180,834</u>	<u>710,623,443</u>
Total liabilities and fund balances	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 184,426</u>	<u>\$ 731,902,965</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Air Toxics Fund	Advanced Tech Outreach & Education Fund	Air Quality Assistance Fund	Air Quality Improvement Fund	Mobile Sources Air Pollution Reduction Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	16,409,582
Air Toxics "Hot Spots"	501,220	-	-	-	-
Federal grant	-	425,729	-	-	-
State grant	-	-	-	-	-
Interest revenue	98,398	297,234	71,610	90,466	4,959,572
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>599,618</u>	<u>722,963</u>	<u>71,610</u>	<u>90,466</u>	<u>21,369,154</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	5,605	480,797	-	99,700	21,663,844
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	4,808	-	-	-	-
Other expenditures	3,754	-	-	-	756,401
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>14,167</u>	<u>480,797</u>	<u>-</u>	<u>99,700</u>	<u>22,420,245</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>585,451</u>	<u>242,166</u>	<u>71,610</u>	<u>(9,234)</u>	<u>(1,051,091)</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	2,100,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>585,451</u>	<u>2,342,166</u>	<u>71,610</u>	<u>(9,234)</u>	<u>(1,051,091)</u>
Fund balances, July 1, 2023, as previously reported	\$ 2,747,579	\$ 6,887,317	\$ 1,739,278	\$ 71,449	\$ 122,687,681
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	2,747,579	6,887,317	1,739,278	71,449	122,687,681
Fund balances, June 30, 2024	<u>\$ 3,333,030</u>	<u>\$ 9,229,483</u>	<u>\$ 1,810,888</u>	<u>\$ 62,215</u>	<u>\$ 121,636,590</u>

See accompanying notes to the basic financial statements.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Air Quality Investment	Clean Fuels Program	Lower-Emission School Bus	Zero Emission Vehicle Incentive	AES Settlement Projects
	Fund	Fund	Fund	Fund	Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	9,955,143	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	647,670	-	-	-
State grant	-	-	-	-	-
Interest revenue	4,753,735	3,649,576	382,351	29,897	14,571
Penalties and settlements	-	-	-	-	-
Other revenues	699,633	-	-	-	-
Total revenues	<u>5,453,368</u>	<u>14,252,389</u>	<u>382,351</u>	<u>29,897</u>	<u>14,571</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	1,850,101	2,586,635	-	-	242,973
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,850,101</u>	<u>2,586,635</u>	<u>-</u>	<u>-</u>	<u>242,973</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>3,603,267</u>	<u>11,665,754</u>	<u>382,351</u>	<u>29,897</u>	<u>(228,402)</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	(2,268,597)	(4,466,491)	-	-	(17,414)
Total other financing sources (uses)	<u>(2,268,597)</u>	<u>(4,466,491)</u>	<u>-</u>	<u>-</u>	<u>(17,414)</u>
Net change in fund balance	<u>1,334,670</u>	<u>7,199,263</u>	<u>382,351</u>	<u>29,897</u>	<u>(245,816)</u>
Fund balances, July 1, 2023, as previously reported	\$ 114,661,249	\$ 88,837,875	\$ 9,394,492	\$ 734,585	\$ 358,935
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	114,661,249	88,837,875	9,394,492	734,585	358,935
Fund balances, June 30, 2024	<u>\$ 115,995,919</u>	<u>\$ 96,037,138</u>	<u>\$ 9,776,843</u>	<u>\$ 764,482</u>	<u>\$ 113,119</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue			
	Rule 1309.1 Priority Reserve Fund	CARB ERC Bank Fund	LADWP Settlement Fund	State-Emissions Mitigation Fund
<u>Revenues:</u>				
Emission fees	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-
Federal grant	-	-	-	-
State grant	-	-	-	-
Interest revenue	208,766	25,155	943	4,607
Penalties and settlements	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>208,766</u>	<u>25,155</u>	<u>943</u>	<u>4,607</u>
<u>Expenditures:</u>				
Salaries and employee benefits	-	-	-	-
Insurance	-	-	-	-
Rent	-	-	-	-
Supplies	-	-	-	-
Contract and special services	2,000	-	-	-
Maintenance	-	-	-	-
Travel and auto	-	-	-	-
Utilities	-	-	-	-
Communications	-	-	-	-
Uncollectible accounts	-	-	-	-
Other expenditures	-	-	-	-
Capital outlay	-	-	-	-
<u>Debt service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>206,766</u>	<u>25,155</u>	<u>943</u>	<u>4,607</u>
<u>Other Financing Sources (uses):</u>				
Transfers in	-	-	-	-
Transfers out	(4,398)	-	-	-
Total other financing sources (uses)	<u>(4,398)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>202,368</u>	<u>25,155</u>	<u>943</u>	<u>4,607</u>
Fund balances, July 1, 2023, as previously reported	\$ 5,118,198	\$ 618,074	\$ 23,157	\$ 113,202
Change from nonmajor to major fund	-	-	-	-
Fund balance, July 1, 2023, as adjusted	5,118,198	618,074	23,157	113,202
Fund balances, June 30, 2024	<u>\$ 5,320,566</u>	<u>\$ 643,229</u>	<u>\$ 24,100</u>	<u>\$ 117,809</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	State BUG Program	Rule 1173 Mitigation Fee	CBE/OCE Settlement	BP ARCO Settlements	Health Effects Research
	Fund	Fund	Agreement Fund	Project Fund	Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	980	123,537	-	28,359	196,153
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>980</u>	<u>123,537</u>	<u>-</u>	<u>28,359</u>	<u>196,153</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	-	145,834	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,834</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>980</u>	<u>123,537</u>	<u>-</u>	<u>(117,475)</u>	<u>196,153</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(4,878)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,878)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>980</u>	<u>123,537</u>	<u>(4,878)</u>	<u>(117,475)</u>	<u>196,153</u>
Fund balances, July 1, 2023, as previously reported	\$ 24,072	\$ 3,035,352	\$ 215,061	\$ 797,625	\$ 4,819,534
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	24,072	3,035,352	215,061	797,625	4,819,534
Fund balances, June 30, 2024	<u>\$ 25,052</u>	<u>\$ 3,158,889</u>	<u>\$ 210,183</u>	<u>\$ 680,150</u>	<u>\$ 5,015,687</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	CEQA Green	Emission	Rule 1118	AB 1318	
	House Gas Mitigation Fund	Reduction and Outreach Fund	Mitigation Fund	HEROS II Fund	Mitigation Fees Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	11,400,000	-
Interest revenue	5,591	40	861,821	665,976	183,391
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	134,300	-
Total revenues	<u>5,591</u>	<u>40</u>	<u>861,821</u>	<u>12,200,276</u>	<u>183,391</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	137,648	12,589,582	2,493,578
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>137,648</u>	<u>12,589,582</u>	<u>2,493,578</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>5,591</u>	<u>40</u>	<u>724,173</u>	<u>(389,306)</u>	<u>(2,310,187)</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(121,883)	(873,954)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(121,883)</u>	<u>(873,954)</u>	<u>-</u>
Net change in fund balance	<u>5,591</u>	<u>40</u>	<u>602,290</u>	<u>(1,263,260)</u>	<u>(2,310,187)</u>
Fund balances, July 1, 2023, as previously reported	\$ 137,369	\$ 991	\$ 21,183,698	\$ 20,613,761	\$ 5,402,774
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	137,369	991	21,183,698	20,613,761	5,402,774
Fund balances, June 30, 2024	<u>\$ 142,960</u>	<u>\$ 1,031</u>	<u>\$ 21,785,988</u>	<u>\$ 19,350,501</u>	<u>\$ 3,092,587</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Voucher Incentive Program (VIP)	Advanced Technology Goods	Rule 1470 Risk Reduction	Rule 1420.1 Special Revenue	Rule 1304.1 Special Revenue
	Fund	Movement Fund	Fund	Fund	Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	5,526,300	-	-	-	-
Interest revenue	686,120	73,167	107,310	4,025	4,995,668
Penalties and settlements	-	-	-	-	-
Other revenues	-	283,495	-	-	-
Total revenues	6,212,420	356,662	107,310	4,025	4,995,668
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	2,010,000	-	-	-	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	2,010,000	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures before transfers	4,202,420	356,662	107,310	4,025	4,995,668
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	4,202,420	356,662	107,310	4,025	4,995,668
Fund balances, July 1, 2023, as previously reported	\$ 11,937,059	\$ 1,330,465	\$ 2,636,647	\$ 98,885	\$ 114,345,922
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	11,937,059	1,330,465	2,636,647	98,885	114,345,922
Fund balances, June 30, 2024	\$ 16,139,479	\$ 1,687,127	\$ 2,743,957	\$ 102,910	\$ 119,341,590

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	GHG Reduction Projects Special Revenue Fund	ExxonMobil Settlements Projects Special Rev Fund	LADWP Variance Special Revenue Fund	Air Filtration Fund	SoCal Gas Settlement Special Revenue Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	13,418,102	-	-	249,544	-
Interest revenue	313,436	7,851	54,052	60,192	3,064
Penalties and settlements	-	-	-	40,000	-
Other revenues	3,000,000	-	-	-	-
Total revenues	<u>16,731,538</u>	<u>7,851</u>	<u>54,052</u>	<u>349,736</u>	<u>3,064</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	18,189,518	-	104,189	278,918	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>18,189,518</u>	<u>-</u>	<u>104,189</u>	<u>278,918</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>(1,457,980)</u>	<u>7,851</u>	<u>(50,137)</u>	<u>70,818</u>	<u>3,064</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	2,000,000	-	-	-	-
Transfers out	<u>(266,786)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,733,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>275,234</u>	<u>7,851</u>	<u>(50,137)</u>	<u>70,818</u>	<u>3,064</u>
Fund balances, July 1, 2023, as previously reported	\$ 7,060,831	\$ 192,925	\$ 1,365,069	\$ 1,461,593	\$ 75,284
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	7,060,831	192,925	1,365,069	1,461,593	75,284
Fund balances, June 30, 2024	<u>\$ 7,336,065</u>	<u>\$ 200,776</u>	<u>\$ 1,314,932</u>	<u>\$ 1,532,411</u>	<u>\$ 78,348</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	CAP AB 134 Fund	Rule 1180 Special Revenue Fund	VW Mitigation Special Revenue Fund	Prop 1B Goods Movement Fund	Clean Shipping Tech Demos Special Rev Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	203,546	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	-	5,278	1,866,398	2,182,545	85,752
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>-</u>	<u>5,278</u>	<u>2,069,944</u>	<u>2,182,545</u>	<u>85,752</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	-	-	9,081,070	4,200,000	323,789
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>9,081,070</u>	<u>4,200,000</u>	<u>323,789</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>-</u>	<u>5,278</u>	<u>(7,011,126)</u>	<u>(2,017,455)</u>	<u>(238,037)</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	250,000
Transfers out	-	(700,000)	-	(849,300)	(111,596)
Total other financing sources (uses)	<u>-</u>	<u>(700,000)</u>	<u>-</u>	<u>(849,300)</u>	<u>138,404</u>
Net change in fund balance	<u>-</u>	<u>(694,722)</u>	<u>(7,011,126)</u>	<u>(2,866,755)</u>	<u>(99,633)</u>
Fund balances, July 1, 2023, as previously reported	\$ 111,874,792	\$ 763,906	\$ 47,969,640	\$ 54,108,353	\$ 759,602
Change from nonmajor to major fund	(111,874,792)	-	-	-	-
Fund balance, July 1, 2023, as adjusted	-	763,906	47,969,640	54,108,353	759,602
Fund balances, June 30, 2024	<u>\$ -</u>	<u>\$ 69,184</u>	<u>\$ 40,958,514</u>	<u>\$ 51,241,598</u>	<u>\$ 659,969</u>

Continued

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	Special Revenue				
	Aliso Canyon Air Filtration Special Revenue Fund	Aliso Fund Porter Ranch Special Revenue Fund	Rule 2305 Mitigation Fee Alternate Fund	CARB SEP Special Revenue Fund	At Berth Reg Remed Special Revenue Fund
<u>Revenues:</u>					
Emission fees	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	-	-
Air Toxics "Hot Spots"	-	-	-	-	-
Federal grant	-	-	-	-	-
State grant	-	-	-	-	-
Interest revenue	293,199	73,598	581,242	193,017	3,484
Penalties and settlements	-	-	-	-	-
Other revenues	-	-	20,520,463	-	537,700
Total revenues	<u>293,199</u>	<u>73,598</u>	<u>21,101,705</u>	<u>193,017</u>	<u>541,184</u>
<u>Expenditures:</u>					
Salaries and employee benefits	-	-	-	-	-
Insurance	-	-	-	-	-
Rent	-	-	-	-	-
Supplies	-	-	-	-	-
Contract and special services	1,978,492	510,196	-	841,010	-
Maintenance	-	-	-	-	-
Travel and auto	-	-	-	-	-
Utilities	-	-	-	-	-
Communications	-	-	-	-	-
Uncollectible accounts	-	-	-	-	-
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
<u>Debt service:</u>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>1,978,492</u>	<u>510,196</u>	<u>-</u>	<u>841,010</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>(1,685,293)</u>	<u>(436,598)</u>	<u>21,101,705</u>	<u>(647,993)</u>	<u>541,184</u>
<u>Other Financing Sources (uses):</u>					
Transfers in	-	-	-	-	-
Transfers out	-	(12,745)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(12,745)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(1,685,293)</u>	<u>(449,343)</u>	<u>21,101,705</u>	<u>(647,993)</u>	<u>541,184</u>
Fund balances, July 1, 2023, as previously reported	\$ 7,254,988	\$ 1,849,879	\$ 10,202,648	\$ 5,046,288	\$ -
Change from nonmajor to major fund	-	-	-	-	-
Fund balance, July 1, 2023, as adjusted	7,254,988	1,849,879	10,202,648	5,046,288	-
Fund balances, June 30, 2024	<u>\$ 5,569,695</u>	<u>\$ 1,400,536</u>	<u>\$ 31,304,353</u>	<u>\$ 4,398,295</u>	<u>\$ 541,184</u>

See independent auditor's report.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	<u>Capital Project</u>		Component Unit	
	Infrastructure	Debt	SCAQMD	
	Improvement	Service	Building	Corporation
<u>Revenues:</u>	<u>Fund</u>	<u>Fund</u>	<u>Corporation</u>	<u>Total</u>
Emission fees	\$ -	\$ -	\$ -	\$ -
Mobile sources/clean fuels	-	-	-	26,568,271
Air Toxics "Hot Spots"	-	-	-	501,220
Federal grant	-	-	-	1,073,399
State grant	-	-	-	30,593,946
Interest revenue	55,509	160,777	8,565	28,466,978
Penalties and settlements	-	-	-	40,000
Other revenues	25,535	-	-	25,201,126
Total revenues	<u>81,044</u>	<u>160,777</u>	<u>8,565</u>	<u>112,444,940</u>
 <u>Expenditures:</u>				
Salaries and employee benefits	-	-	-	-
Insurance	-	-	-	-
Rent	-	-	-	-
Supplies	-	-	-	-
Contract and special services	-	-	-	79,815,479
Maintenance	-	-	-	-
Travel and auto	-	-	-	-
Utilities	-	-	-	-
Communications	-	-	-	-
Uncollectible accounts	-	-	-	4,808
Other expenditures	-	-	3,592	763,747
Capital outlay	-	-	-	-
<u>Debt service:</u>				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>3,592</u>	<u>80,584,034</u>
Excess (deficiency) of revenues over (under) expenditures before transfers	<u>81,044</u>	<u>160,777</u>	<u>4,973</u>	<u>31,860,906</u>
 <u>Other Financing Sources (uses):</u>				
Transfers in	-	2,000,000	-	6,350,000
Transfers out	(720,000)	-	-	(10,418,042)
Total other financing sources (uses)	<u>(720,000)</u>	<u>2,000,000</u>	<u>-</u>	<u>(4,068,042)</u>
Net change in fund balance	<u>(638,956)</u>	<u>2,160,777</u>	<u>4,973</u>	<u>27,792,864</u>
Fund balances, July 1, 2023, as previously reported	\$ 1,750,360	\$ 2,221,066	\$ 175,861	\$ 794,705,371
Change from nonmajor to major fund	-	-	-	(111,874,792)
Fund balance, July 1, 2023, as adjusted	1,750,360	2,221,066	175,861	682,830,579
Fund balances, June 30, 2024	<u>\$ 1,111,404</u>	<u>\$ 4,381,843</u>	<u>\$ 180,834</u>	<u>\$ 710,623,443</u>

See independent auditor's report.

STATISTICAL SECTION

This part of South Coast AQMD's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about South Coast AQMD's overall financial health.

Contents

Financial Trends

Four schedules contain information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader understand the concentration of South Coast AQMD's largest emission-based fee payers.

Debt Capacity

This schedule presents information to help the reader assess the affordability of South Coast AQMD's current levels of outstanding debt. Please see footnote under Schedule 7.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which South Coast AQMD's financial activities take place.

Operating Information

These schedules contain data to help the reader understand how the information in South Coast AQMD's financial report relates to the services South Coast AQMD provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules was derived from South Coast AQMD's annual comprehensive financial reports for the relevant year.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 1
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net investment in capital assets	\$ 36,957,165	\$ 36,178,389	\$ 36,127,300	\$ 35,756,464	\$ 35,501,602	\$ 38,515,021	\$ 37,258,925	\$ 36,034,490	\$ 33,286,497	\$ 34,484,800
Restricted for long-term emission-reduction projects	468,946,402	498,119,549	607,438,908	676,857,257	785,722,419	850,523,778	892,386,082	1,076,293,986	1,134,391,758	1,432,415,844
Unrestricted	(157,555,673)	(152,854,184)	(141,541,447)	(129,700,877)	(128,938,591)	(126,463,599)	(151,497,814)	(122,315,341)	(111,664,409)	(95,021,270)
Total governmental activities net position	<u>\$ 348,347,894</u>	<u>\$ 381,443,754</u>	<u>\$ 502,024,761</u>	<u>\$ 582,912,844</u>	<u>\$ 692,285,430</u>	<u>\$ 762,575,200</u>	<u>\$ 778,147,193</u>	<u>\$ 990,013,135</u>	<u>\$ 1,056,013,846</u>	<u>\$ 1,371,879,374</u>
Business-type Activities:*										
Unrestricted	\$ 1,123,954	\$ 1,235,284	\$ 1,253,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities net position	<u>\$ 1,123,954</u>	<u>\$ 1,235,284</u>	<u>\$ 1,253,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:										
Net investment in capital assets	\$ 36,957,165	\$ 36,178,389	\$ 36,127,300	\$ 35,756,464	\$ 35,501,602	\$ 38,515,021	\$ 37,258,925	\$ 36,034,490	\$ 33,286,497	\$ 34,484,800
Restricted for long-term emission-reduction projects	468,946,402	498,119,549	607,438,908	676,857,257	785,722,419	850,523,778	892,386,082	1,076,293,986	1,134,391,758	1,432,415,844
Unrestricted	(156,431,719)	(151,618,900)	(140,288,269)	(129,700,877)	(128,938,591)	(126,463,599)	(151,497,814)	(122,315,341)	(111,664,409)	(95,021,270)
Total primary government net position	<u>\$ 349,471,848</u>	<u>\$ 382,679,038</u>	<u>\$ 503,277,939</u>	<u>\$ 582,912,844</u>	<u>\$ 692,285,430</u>	<u>\$ 762,575,200</u>	<u>\$ 778,147,193</u>	<u>\$ 990,013,135</u>	<u>\$ 1,056,013,846</u>	<u>\$ 1,371,879,374</u>

*The Business-type Activates section reports transactions relating to the CNG fueling station. The CNG fueling station was closed in fiscal year 2017-2018.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 2
Changes in Net Position – Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
Advance clean air technology	\$ 5,539,607	\$ 7,119,417	\$ 7,825,599	\$ 9,271,026	\$ 11,520,547	\$ 12,827,393	\$ 14,560,468	\$ 11,484,237	\$ 13,897,495	\$ 15,608,973
Ensure compliance with clean air rules	43,252,162	45,622,680	49,316,129	50,528,522	52,353,479	55,167,960	59,823,114	46,714,649	52,818,828	53,138,925
Customer service and business assistance	6,124,811	8,337,319	9,260,504	9,743,294	11,637,664	13,032,003	14,979,824	10,488,458	13,897,970	11,802,012
Develop programs to achieve clean air	9,727,624	10,444,147	11,335,498	8,636,784	9,407,869	12,471,639	15,522,501	12,387,784	13,408,190	14,694,946
Develop rules to achieve clean air	7,161,179	7,566,089	7,604,041	10,013,098	14,275,590	14,131,578	17,228,755	12,435,707	15,884,660	17,095,583
Monitoring air quality	13,197,801	16,028,394	17,856,869	20,822,380	26,547,245	31,910,536	36,114,354	29,106,009	32,963,667	32,209,013
Timely review of permits	24,431,059	27,891,070	31,520,083	33,301,565	33,951,378	35,511,594	38,832,790	31,042,335	36,208,322	39,546,541
Policy support	331,652	511,705	885,773	667,046	1,028,495	1,945,852	1,773,352	736,426	835,445	415,034
Interest on long-term debt	4,031,178	3,884,990	3,906,955	3,731,589	3,605,251	3,463,254	3,302,637	700,202	353,141	230,579
Long-term emission reduction projects	210,229,182	87,079,799	101,008,426	101,304,229	163,187,839	206,806,917	231,305,871	146,966,402	135,414,259	137,222,958
Total govern'tl activities expenses	<u>\$ 324,026,255</u>	<u>\$ 214,485,609</u>	<u>\$ 240,519,877</u>	<u>\$ 248,019,533</u>	<u>\$ 327,515,357</u>	<u>\$ 387,268,726</u>	<u>\$ 433,443,666</u>	<u>\$ 302,062,209</u>	<u>\$ 315,681,977</u>	<u>\$ 321,964,564</u>
Business-type Activities:*										
CNG fueling station	\$ 168,769	\$ 117,675	\$ 128	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities expenses	<u>168,769</u>	<u>117,675</u>	<u>128</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 324,195,024</u>	<u>\$ 214,603,284</u>	<u>\$ 240,520,005</u>	<u>\$ 248,019,564</u>	<u>\$ 327,515,357</u>	<u>\$ 387,268,726</u>	<u>\$ 433,443,666</u>	<u>\$ 302,062,209</u>	<u>\$ 315,681,977</u>	<u>\$ 321,964,564</u>
Program Revenues										
Governmental Activities:										
Fees and Charges										
Stationary sources	\$ 88,120,829	\$ 89,264,511	\$ 94,279,518	\$ 100,354,910	\$ 101,804,325	\$ 106,450,095	\$ 106,917,251	\$ 109,776,713	\$ 117,309,958	\$ 123,622,856
Mobile sources	24,526,008	25,743,988	28,087,131	26,026,673	26,106,160	29,214,922	26,995,162	27,772,271	29,308,987	31,230,917
Operating grants and subventions	<u>149,766,034</u>	<u>122,424,397</u>	<u>222,070,040</u>	<u>185,367,622</u>	<u>295,516,665</u>	<u>303,621,322</u>	<u>304,766,572</u>	<u>365,668,049</u>	<u>220,132,286</u>	<u>464,436,224</u>
Total governmental activities prog. revenues	<u>\$ 262,412,871</u>	<u>\$ 237,432,896</u>	<u>\$ 344,436,689</u>	<u>\$ 311,749,205</u>	<u>\$ 423,427,150</u>	<u>\$ 439,286,339</u>	<u>\$ 438,678,985</u>	<u>\$ 503,217,033</u>	<u>\$ 366,751,231</u>	<u>\$ 619,289,997</u>

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Schedule 2

Changes in Net Position – Last Ten Fiscal Years
(accrual basis of accounting) (continued)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type Activities:*										
CNG fueling station	\$ 416,874	\$ 229,005	\$ 18,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities prog. revenues	<u>416,874</u>	<u>229,005</u>	<u>18,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government prog. revenues	<u>\$ 262,829,745</u>	<u>\$ 237,661,901</u>	<u>\$ 344,454,711</u>	<u>\$ 311,749,205</u>	<u>\$ 423,427,150</u>	<u>\$ 439,286,339</u>	<u>\$ 438,678,985</u>	<u>\$ 503,217,033</u>	<u>\$ 366,751,231</u>	<u>\$ 619,289,997</u>
Net (Expense) Revenue										
Governmental activities	\$ (61,613,384)	\$ 22,947,287	\$ 103,916,812	\$ 63,729,672	\$ 95,911,793	\$ 52,017,613	\$ 5,235,319	\$ 201,154,824	\$ 51,069,254	\$ 297,325,433
Business-type activities	<u>248,105</u>	<u>111,330</u>	<u>17,894</u>	<u>(31)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary govnt net (expenses) revenue	<u>\$ (61,365,279)</u>	<u>\$ 23,058,617</u>	<u>\$ 103,934,706</u>	<u>\$ 63,729,641</u>	<u>\$ 95,911,793</u>	<u>\$ 52,017,613</u>	<u>\$ 5,235,319</u>	<u>\$ 201,154,824</u>	<u>\$ 51,069,254</u>	<u>\$ 297,325,433</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Grants and subventions not restricted										
to specific stationary source programs	\$ 2,887,831	\$ 2,885,047	\$ 2,885,535	\$ 2,879,520	\$ 2,864,992	\$ 2,879,664	\$ 2,885,173	\$ 2,857,629	\$ 2,820,744	\$ 2,745,349
Interest	339,005	435,773	644,574	1,041,333	1,976,414	1,791,178	596,953	586,992	3,722,493	6,620,336
One time non-program penalties/settlements	8,733,773	5,704,685	11,511,570	14,316,145	7,196,194	12,178,184	4,714,520	5,361,416	6,007,021	6,819,690
Subscriptions	2,136	2,842	1,097	436	970	972	-	676	81	-
Other	2,080,950	1,120,226	1,621,419	1,153,863	1,422,223	1,422,159	2,140,028	1,904,405	2,381,118	2,354,720
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,253,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 14,043,695</u>	<u>\$ 10,148,573</u>	<u>\$ 16,664,195</u>	<u>\$ 20,644,444</u>	<u>\$ 13,460,793</u>	<u>\$ 18,272,157</u>	<u>\$ 10,336,674</u>	<u>\$ 10,711,118</u>	<u>\$ 14,931,457</u>	<u>\$ 18,540,095</u>
Total primary government revenue	<u>\$ 14,043,695</u>	<u>\$ 10,148,573</u>	<u>\$ 16,664,195</u>	<u>\$ 20,644,444</u>	<u>\$ 13,460,793</u>	<u>\$ 18,272,157</u>	<u>\$ 10,336,674</u>	<u>\$ 10,711,118</u>	<u>\$ 14,931,457</u>	<u>\$ 18,540,095</u>
Change in Net Position										
Governmental activities	\$ (47,569,689)	\$ 33,095,860	\$ 120,581,007	\$ 84,374,116	\$ 109,372,586	\$ 70,289,770	\$ 15,571,993	\$ 211,865,942	\$ 66,000,711	\$ 315,865,528
Business-type activities*	<u>248,105</u>	<u>111,330</u>	<u>17,894</u>	<u>(1,253,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ (47,321,584)</u>	<u>\$ 33,207,190</u>	<u>\$ 120,598,901</u>	<u>\$ 83,120,938</u>	<u>\$ 109,372,586</u>	<u>\$ 70,289,770</u>	<u>\$ 15,571,993</u>	<u>\$ 211,865,942</u>	<u>\$ 66,000,711</u>	<u>\$ 315,865,528</u>

*The Business-type Activates section reports transactions relating to the CNG fueling station. The CNG fueling station was closed in fiscal year 2017-2018.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable	\$ 73,463	\$ 65,731	\$ 63,688	\$ 56,684	\$ 64,226	\$ 65,321	\$ 70,097	\$ 62,658	\$ 56,457	\$ 85,547
Committed	6,533,505	6,917,075	7,382,453	11,237,530	12,295,440	12,365,231	11,068,442	11,353,639	12,235,251	15,276,812
Assigned	6,803,899	6,203,899	6,303,899	7,228,892	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673	6,149,673
Unassigned	<u>34,353,647</u>	<u>31,006,208</u>	<u>38,741,459</u>	<u>47,532,700</u>	<u>52,514,979</u>	<u>65,957,001</u>	<u>72,450,590</u>	<u>76,255,337</u>	<u>81,626,687</u>	<u>84,847,536</u>
Total general fund	<u>\$ 47,764,514</u>	<u>\$ 44,192,913</u>	<u>\$ 52,491,499</u>	<u>\$ 66,055,806</u>	<u>\$ 71,024,318</u>	<u>\$ 84,537,226</u>	<u>\$ 89,738,802</u>	<u>\$ 93,821,307</u>	<u>\$ 100,068,068</u>	<u>\$ 106,359,568</u>
All Other Governmental Funds										
Restricted	\$ 283,454,187	\$ 311,026,727	\$ 412,358,550	\$ 464,158,310	\$ 532,966,299	\$ 587,283,400	\$ 616,505,435	\$ 811,767,338	\$ 843,706,083	\$ 1,122,986,528
Committed	59,667,932	63,076,528	54,549,958	51,447,457	67,570,416	52,652,530	63,535,402	55,115,903	49,990,744	30,408,528
Assigned	126,111,461	125,654,185	142,085,357	161,309,146	185,578,704	210,587,848	212,345,245	209,410,745	240,694,931	279,020,788
Unassigned	<u>(287,178)</u>	<u>(3,518,332)</u>	<u>(1,554,957)</u>	<u>(57,656)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 468,946,402</u>	<u>\$ 496,239,108</u>	<u>\$ 607,438,908</u>	<u>\$ 676,857,257</u>	<u>\$ 786,115,419</u>	<u>\$ 850,523,778</u>	<u>\$ 892,386,082</u>	<u>\$ 1,076,293,986</u>	<u>\$ 1,134,391,758</u>	<u>\$ 1,432,415,844</u>

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Schedule 4

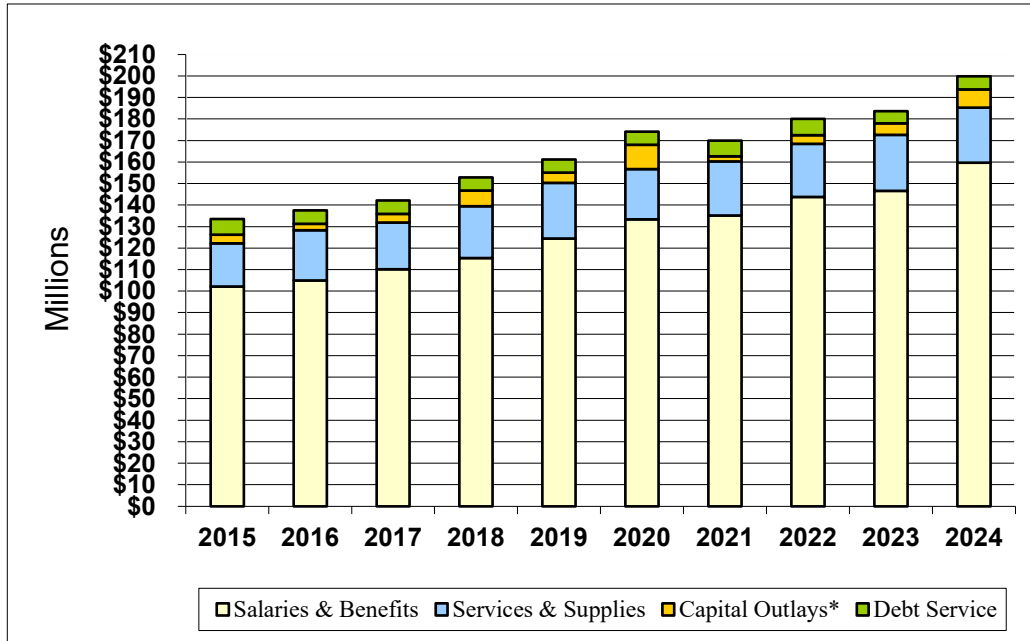
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Emission fees	\$ 19,838,979	\$ 18,984,919	\$ 18,964,371	\$ 22,786,661	\$ 19,542,168	\$ 20,781,427	\$ 20,215,773	\$ 20,433,832	\$ 21,667,612	\$ 21,380,049
Annual renewal fees	45,759,738	47,592,793	48,930,776	52,182,769	57,028,631	60,450,564	64,570,338	66,827,635	71,761,209	76,945,135
Area Sources	2,573,959	2,226,172	2,090,207	2,293,947	2,257,755	1,859,185	2,369,926	2,479,978	1,969,927	2,190,750
Permit processing fees	16,668,485	17,239,759	20,729,207	19,538,295	20,030,307	19,666,601	16,675,965	16,789,411	17,885,299	19,194,955
Mobile sources / Clean fuels	70,953,981	73,011,225	75,104,035	74,450,510	76,071,690	76,113,061	81,932,965	81,205,230	83,026,098	83,557,430
Air Toxics "Hot Spots"	2,039,612	2,373,579	2,645,644	2,538,246	2,184,519	2,933,672	2,727,444	2,867,455	3,141,051	3,164,130
Transportation program	845,236	891,991	840,322	845,718	977,223	1,069,607	704,936	618,838	637,405	1,094,749
State subvention	3,947,386	3,944,602	3,945,090	3,939,075	3,924,547	3,939,219	3,944,728	3,917,184	3,880,299	3,804,905
Federal grant	32,939,310	11,521,785	15,399,372	11,887,333	11,588,113	13,491,576	9,840,259	17,538,864	20,158,662	9,922,928
State grant	60,717,715	38,050,172	125,988,646	83,101,876	176,582,411	188,315,029	210,415,959	168,612,407	95,753,343	324,615,363
Interest revenue	3,766,327	4,100,302	6,296,761	10,739,589	18,059,326	15,364,892	5,302,646	6,084,783	34,871,955	56,298,860
Lease revenue	141,878	141,195	156,204	147,660	162,879	150,164	124,285	131,140	154,533	107,860
Source test/analysis fees	746,399	683,328	734,258	663,011	574,007	427,852	265,860	174,711	728,260	430,590
Hearing Board fees	531,879	163,960	187,733	351,979	187,308	357,937	274,352	286,331	322,319	818,469
Penalties and settlements	8,733,773	8,475,935	11,511,570	15,801,455	8,266,671	13,939,501	11,953,070	8,136,416	9,781,221	6,859,691
Subscriptions	2,136	2,842	1,097	436	970	972	-	676	81	-
Other revenues	6,249,773	18,176,910	27,575,590	29,871,943	39,449,420	38,697,237	17,697,155	118,591,822	15,943,413	27,447,986
Total revenues	\$ 276,456,566	\$ 247,581,469	\$ 361,100,883	\$ 331,140,503	\$ 436,887,945	\$ 457,558,496	\$ 449,015,661	\$ 514,696,713	\$ 381,682,687	\$ 637,833,850
Expenditures:										
Salaries and employee benefits	\$ 102,127,845	\$ 104,908,690	\$ 110,040,224	\$ 115,342,430	\$ 124,376,220	\$ 133,296,239	\$ 135,197,844	\$ 143,692,079	\$ 146,549,272	\$ 159,688,983
Insurance	1,202,650	1,148,390	1,131,980	1,503,440	1,733,653	1,059,265	1,203,093	1,815,361	1,447,642	2,288,753
Rent	556,323	509,395	540,386	550,641	606,592	676,950	797,754	402,588	385,583	382,239
Supplies	2,588,866	2,519,673	3,035,619	3,375,314	3,779,066	4,186,926	2,737,608	3,048,748	3,662,715	3,634,204
Contract and special services	219,251,382	95,288,291	108,413,444	109,427,946	172,084,692	215,238,478	241,794,852	158,176,955	144,328,551	146,409,853
Maintenance	1,270,417	1,712,754	1,287,341	1,787,868	2,109,924	1,784,818	1,938,322	1,771,200	2,354,512	2,103,225
Travel and auto	783,720	703,392	877,137	1,107,393	1,141,882	877,886	459,515	621,348	715,073	846,647
Utilities	1,809,594	1,717,980	1,411,075	1,520,114	1,427,124	1,429,880	1,542,238	1,590,643	1,599,383	1,985,398
Communications	635,977	679,666	577,753	614,018	647,865	821,324	1,001,554	1,213,368	1,008,959	875,776
Uncollectible accounts	7,982	444,485	400,929	412,184	479,519	590,803	691,419	957,286	667,194	928,392
Other expenditures	1,665,715	3,004,689	2,023,075	1,996,218	2,110,673	3,611,532	2,077,377	2,661,906	5,008,487	1,862,527
Capital outlay	3,050,388	4,032,806	4,669,042	4,583,914	4,973,661	8,872,504	5,316,656	3,083,193	3,880,971	6,357,220
Capital outlay - lease and SBITA	-	-	-	-	-	-	-	2,631,488	2,872,677	2,653,290
Debt service:										
Principal	3,159,384	3,235,598	3,331,010	3,432,798	3,553,110	3,686,641	3,840,443	4,006,881	3,780,000	4,010,000
Interest	4,031,995	3,954,555	3,863,482	3,756,716	3,637,290	3,503,983	3,353,106	3,186,361	348,736	118,896
Principal - lease and SBITA	-	-	-	-	-	-	-	434,423	1,541,375	1,800,730
Interest - lease and SBITA	-	-	-	-	-	-	-	43,964	59,701	225,421
Total expenditures	\$ 342,142,238	\$ 223,860,364	\$ 241,602,497	\$ 249,410,994	\$ 322,661,271	\$ 379,637,229	\$ 401,951,781	\$ 329,337,792	\$ 320,210,831	\$ 336,171,554
Excess (deficiency) of revenues over (under) expenditures	(65,685,672)	23,721,105	119,498,386	81,729,509	114,226,674	77,921,267	47,063,880	185,358,921	61,471,856	301,662,296
Other financing sources (uses):										
Transfer in	9,768,512	10,777,488	8,540,141	10,713,791	31,523,520	21,866,157	16,963,338	11,177,250	26,369,603	12,618,042
Transfer out	(9,768,512)	(10,777,488)	(8,540,141)	(9,460,644)	(31,523,520)	(21,866,157)	(16,963,338)	(11,177,250)	(26,369,603)	(12,618,042)
Lease and SBITA Financing	-	-	-	-	-	-	-	2,631,488	2,872,677	2,653,290
Total other financing sources (uses)	-	-	-	1,253,147	-	-	-	2,631,488	2,872,677	2,653,290
Net change in fund balances	\$ (65,685,672)	\$ 23,721,105	\$ 119,498,386	\$ 82,982,656	\$ 114,226,674	\$ 77,921,267	\$ 47,063,880	\$ 187,990,409	\$ 64,344,533	\$ 304,315,586
Debt service as a percentage of noncapital expenditures	2.1%	3.3%	3.0%	2.9%	2.3%	1.9%	1.8%	2.4%	1.8%	1.9%

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 5
 Expenditures by Major Object
 General Fund (Budgetary Basis)
 Last Ten Fiscal Years



Year	Salaries & Benefits	Services & Supplies	Capital Outlays*	Debt Service	Total Expenditures
2015	\$ 102,127,842	\$ 20,074,713	\$ 4,031,026	\$ 7,191,379	\$ 133,424,960
2016	104,908,689	23,338,580	3,074,374	6,190,153	137,511,796
2017	110,077,989	21,757,613	4,037,890	6,194,492	142,067,984
2018	115,425,019	23,951,490	7,301,002	6,189,514	152,867,025
2019	124,376,218	25,949,611	4,669,722	6,190,400	161,185,951
2020	133,296,238	23,474,861	11,172,630	6,190,624	174,134,353
2021	135,197,844	25,090,257	2,382,488	7,193,549	169,864,138
2022	143,692,079	24,726,818	3,984,927	7,671,629	180,075,453
2023	146,549,272	26,070,498	5,283,569	5,729,812	183,633,151
2024	159,688,983	25,601,994	8,394,955	6,155,048	199,840,980

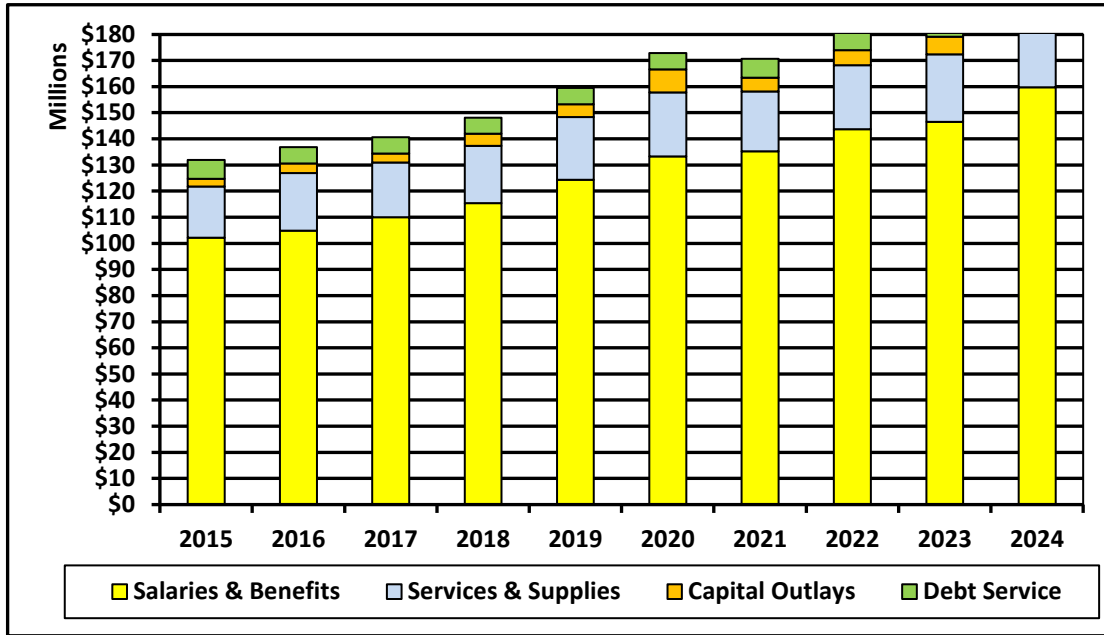
*Capital outlays do not include GASB 87 leases and GASB 96 SBITA

See Notes Associated with Financial Charts page 111

Source:

South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 6
 Expenditures by Major Object
 General Fund (GAAP Basis)
 Last Ten Fiscal Years



Year	Salaries & Benefits	Services & Supplies	Capital Outlays	Debt Service	Total Expenditures
2015	\$ 102,127,845	\$ 19,683,561	\$ 2,910,271	\$ 7,191,379	\$ 131,913,056
2016	104,908,690	22,007,495	3,674,227	6,190,153	136,780,565
2017	110,040,224	20,903,669	3,455,686	6,194,492	140,594,071
2018	115,342,430	21,995,126	4,579,695	6,189,514	148,106,765
2019	124,376,220	23,933,151	4,973,661	6,190,400	159,473,432
2020	133,296,239	24,470,945	8,872,504	6,190,624	159,473,432
2021	135,197,844	22,937,861	5,316,656	7,193,549	172,830,312
2022	143,692,079	24,524,436	5,714,681	7,671,629	170,645,910
2023	146,549,272	25,763,835	6,753,648	5,729,812	181,602,825
2024	159,688,983	24,090,302	9,010,510	6,155,047	198,944,842

See Notes Associated with Financial Charts page 111

Source: South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 7
Debt Capacity
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)

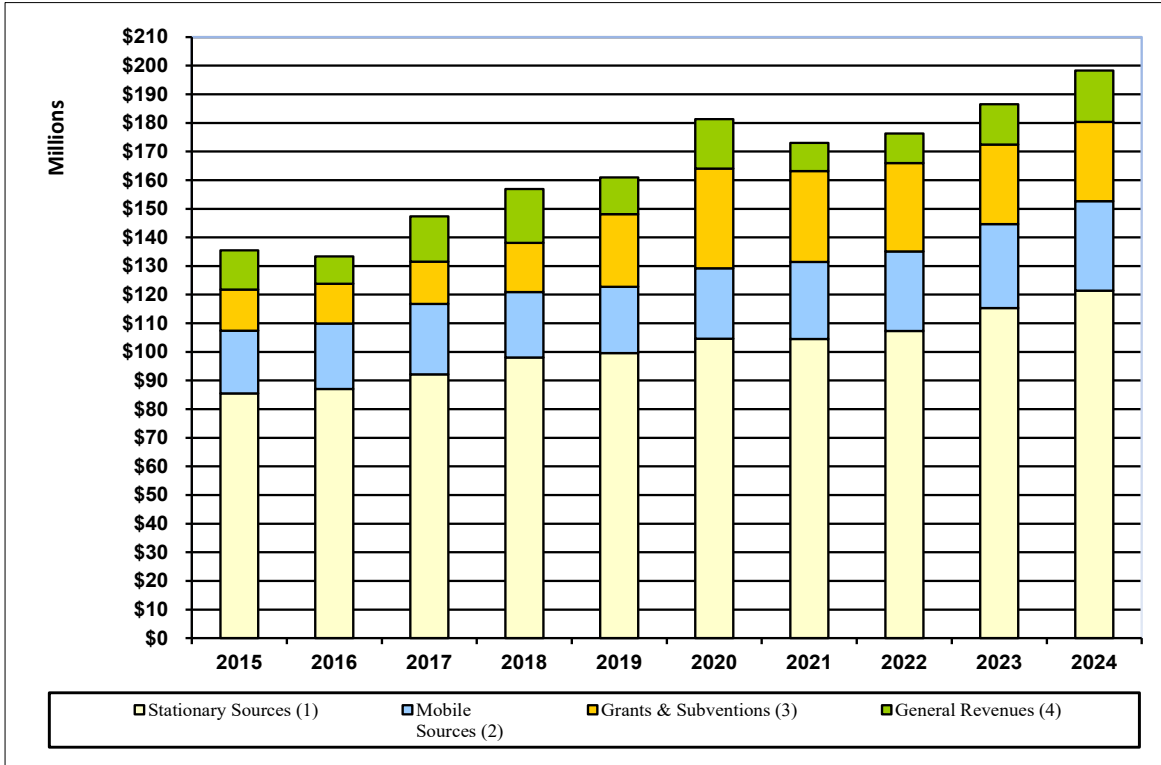
<u>Fiscal Year</u>	<u>Pension Obligation Bonds</u>	<u>Lease Liability</u>	<u>Subscription Liability</u>	<u>Total Primary Government</u>	<u>Percentage of Total Revenues (*)</u>	<u>Number of Customers</u>	<u>Per Customer</u>
2015	32,876	-	-	32,876	24.26%	27	1
2016	29,641	-	-	29,641	22.23%	27	1
2017	26,310	-	-	26,310	17.86%	26	1
2018	22,877	-	-	22,877	14.58%	27	1
2019	19,324	-	-	19,324	12.04%	27	1
2020	15,637	-	-	15,637	8.63%	26	1
2021	11,797	-	-	11,797	6.82%	25	1
2022	7,790	2,197	-	9,987	5.66%	26	1
2023	4,010	2,298	1,311	7,619	4.08%	25	1
2024	-	3,316	1,121	4,437	2.24%	25	1

The South Coast Air Quality Management District is a regional government and is not authorized to issue long-term debt (General Obligation Bonds). The Pension Obligation Bonds are refunding bonds of outstanding debt owed the San Bernardino County Employees' Retirement Association. The South Coast Air Quality Management District has no long-term debt limits.

The Series 2004 Pension Obligation Bonds were paid in full as of June 30, 2024.

(*) These percentages are calculated using Total Revenues, Schedule 8.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 8
 Revenues by Major Source
 General Fund
 Last Ten Fiscal Years



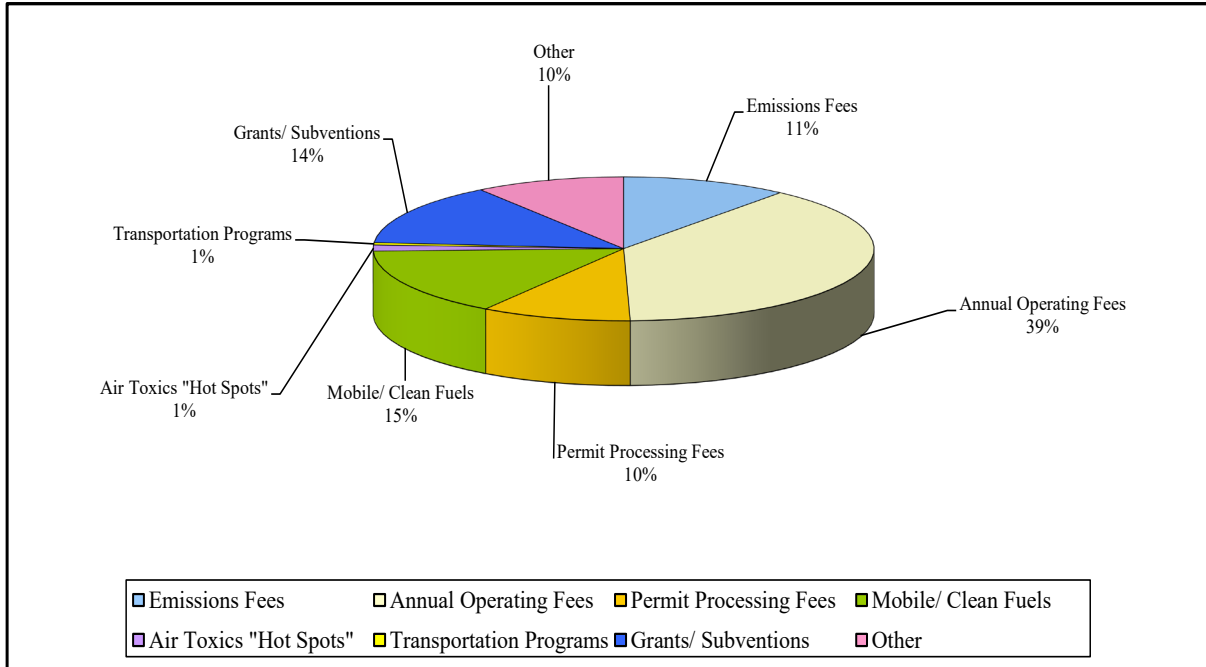
Year	Stationary Sources (1)	Mobile Sources (2)	Grants & Subventions (3)	General Revenues (4)	Total Revenues
2015	\$ 85,546,869	\$ 21,833,199	\$ 14,399,753	\$ 13,729,825	\$ 135,509,646
2016	87,038,338	22,859,620	13,934,946	9,489,698	133,322,602
2017	92,189,311	24,574,498	14,768,699	15,810,131	147,342,639
2018	98,060,961	22,861,428	17,207,484	18,805,726	156,935,599
2019	99,546,576	23,198,491	25,350,511	12,853,554	160,949,132
2020	104,590,911	24,587,585	34,848,083	17,251,668	181,278,247
2021	104,547,326	26,905,822	31,759,255	9,821,427	173,033,830
2022	107,296,735	27,772,271	30,909,330	10,333,464	176,311,800
2023	115,340,032	29,308,987	27,804,097	14,080,638	186,533,754
2024	121,432,107	31,230,918	27,666,489	17,985,496	198,315,010

- (1) Includes Emissions, Annual Operating, Permit, Air Toxics "Hot Spots," Source Test/Analysis, and Hearing Board fees
- (2) Includes AB2766 Mobile Source, Clean Fuels, and Transportation Programs revenues
- (3) Includes State Subventions, State Grants and Federal Grants
- (4) Includes Area Sources, Penalties & Settlements, Interest, Lease Revenue, Other Revenue and Subscriptions

See Notes Associated with Financial Charts page 112

Source: South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 9
Revenues by Fee Source
General Fund
Last Ten Fiscal Years



Fee Source Revenue									
Year	Emissions Fees	Annual Operating Fees	Permit Processing Fees	Mobile/ Clean Fuels	Air Toxics "Hot Spots"	Transportation Programs	Grants/ Subventions	Other	Total
2015	\$ 19,838,979	\$ 45,759,738	\$ 16,668,485	\$ 20,987,963	\$ 2,001,389	\$ 845,236	\$ 14,399,753	\$ 15,008,103	\$ 135,509,646
2016	18,984,919	47,592,793	17,239,759	21,967,629	2,373,579	891,991	13,934,946	10,336,986	133,322,602
2017	18,964,371	48,930,776	20,729,207	23,734,176	2,642,966	840,322	14,768,699	16,732,122	147,342,639
2018	22,786,661	52,182,769	19,538,295	22,015,710	2,538,246	845,718	17,207,484	19,820,716	156,935,599
2019	19,542,168	57,028,631	20,030,307	22,221,268	2,184,155	977,223	25,350,511	13,614,869	160,949,132
2020	20,781,427	60,450,564	19,666,601	23,517,978	2,906,530	1,069,607	34,848,083	18,037,457	181,278,247
2021	20,215,773	64,570,338	16,675,965	26,200,886	2,545,038	704,936	31,759,255	10,361,639	173,033,830
2022	20,397,707	66,827,635	16,789,411	27,153,433	2,820,940	618,838	30,909,330	10,794,506	176,311,800
2023	21,667,612	71,761,209	17,885,299	28,671,582	2,975,333	637,405	27,804,097	15,131,217	186,533,754
2024	21,380,049	76,945,135	19,194,955	30,136,169	2,662,910	1,094,749	27,666,489	19,234,555	198,315,010

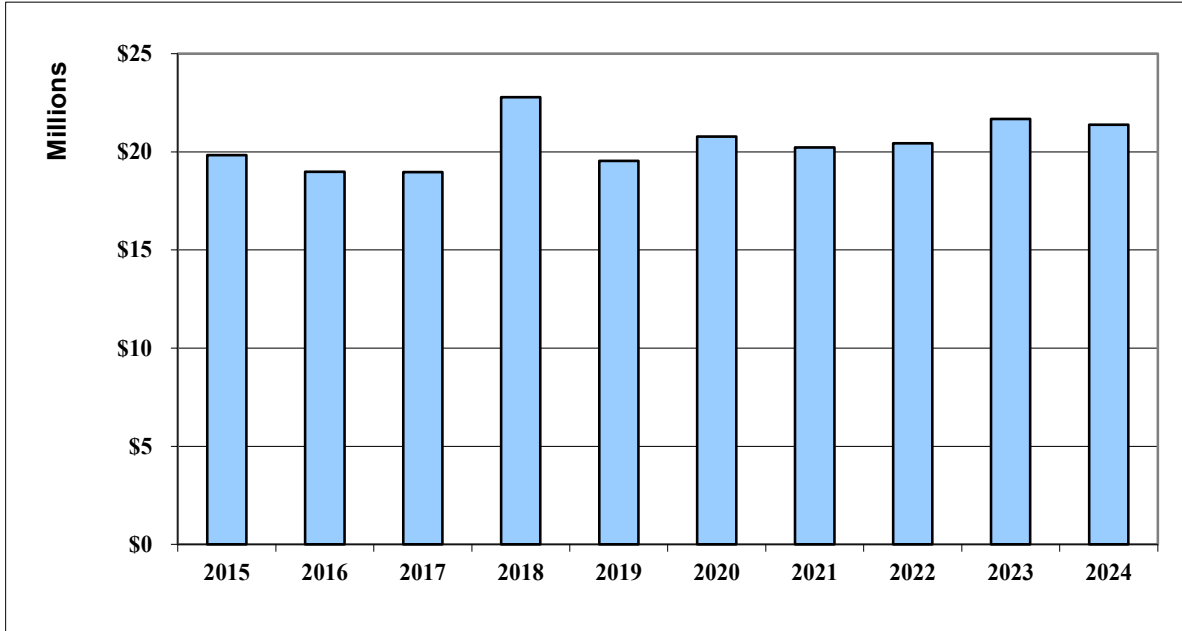
* Other includes Area Sources, Penalties and Settlements, Interest, Source Test/Analysis Fees, Lease Revenue, Hearing Board, Other Revenue and Subscriptions.

See Notes Associated with Financial Charts page 112

Source:

South Coast Air Quality Management District Audited Financial Statements

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 10
 Emission Fee Revenues
 Last Ten Fiscal Years



Year	Emission Fees
2015	\$ 19,838,979
2016	18,984,919
2017	18,964,371
2018	22,786,661
2019	19,542,168
2020	20,781,427
2021	20,215,773
2022	20,433,832
2023	21,667,612
2024	21,380,049

See Notes Associated with Financial Charts page 113

Source: South Coast Air Quality Management District Audited Financial Statements

Notes Associated with Financial Charts

Schedule 5 - Expenditures by Major Object (General Fund Budgetary Basis)

- The increase in 2024 Capital Outlays expenditures is due to large purchases of monitoring & analysis equipment for the MATES VI program. Salaries and benefits increased due to increase in funded positions, cost increases associated with labor agreements.
- The increased expenditures in 2023 Salaries and Benefits is mainly due to increase in funded positions, cost increases associated with labor agreement and increased retirement rates.
- The increase in 2022 Salaries and Benefits is due to the addition of funded positions, cost increases associated with labor agreement, and increased retirement rates.
- The decrease in 2021 Capital Outlays expenditures is due to large purchases of monitoring and analysis equipment in 2020 for AB617 and Rule 1180 programs.
- The increase in both Salaries and Benefits and Capital Outlays from FY 2018-19 is due to the third year of a three-year labor agreement, and the continued implementation of revenue-offset programs such as AB617, Rule 1180, and VW Mitigation Settlement.
- The increase is due to adding 47 positions for the Community Air Protection Program (CAPP) and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18. There is also an increase in Retirement Expenditure based on the contribution rates provided from the San Bernardino County Retirement Association (SBCERA).
- The increase in 2018 expenditures from 2017 is mainly due to the adding positions for the AB 617 and AB 134 programs and the costs associated with the three year labor agreement and with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare.
- The increase in 2017 expenditures from 2016 is mainly due to the hiring of some grant funded positions and the contribution rates provided from the SBCERA.
- The increase in 2016 expenditures from 2015 includes the costs associated with the three year labor agreement. The rents and leases for equipment also increased. In addition, the professional and special services increased due to new or additional projects for outside building consultants, community outreach, and planning and rule development activities.
- In 2015 the increase in Capital Outlays of approximately \$1.3M is mainly due to large purchases of vehicles and replacements of operational systems.

Schedule 6 - Expenditures by Major Object (General Fund GAAP Basis)

- The increase in 2024 Capital Outlays expenditures is due to large purchases of monitoring & analysis equipment for the MATES VI program. Salaries and benefits increased due to increase in funded positions, cost increases associated with labor agreements.
- The increased expenditures in 2023 Salaries and Benefits is mainly due to the addition of funded positions, cost increases associated with labor agreement and increased retirement rates.
- The increase in 2022 Salaries and Benefits is due to the addition of funded positions, cost increases associated with labor agreement, and increased retirement rates.
- The decrease in 2021 Capital Outlays expenditures is due to large purchases of monitoring and analysis equipment in 2020 for AB617 and Rule 1180 programs.
- The increase in both Salaries and Benefits and Capital Outlays from FY 2018-19 is due to the third year of a three-year labor agreement, and the continued implementation of revenue-offset programs such as AB617, Rule 1180, and VW Mitigation Settlement.
- The increase is due to adding 47 positions for the CAPP and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18. There is also an increase in Retirement expenditure based on the contribution rates provided from SBCERA.
- The increase in 2018 expenditures from 2017 is mainly due to the adding positions for the AB 617 and AB 134 programs and the costs associated with the three year labor agreement and with State Disability

Insurance, employer share of unemployment insurance, Social Security and Medicare. Also, the increase in Capital Outlays reflects anticipated needs.

- The increase in 2017 expenditures from 2016 is mainly due to the hiring of some grant funded positions and the contribution rates provided from SBCERA.
- The increase in 2016 expenditures from 2015 includes the costs associated with the three year labor agreement. The rents and leases for equipment also increased. In addition, the professional and special services increased due to new or additional projects for outside building consultants, community outreach, and planning and rule development activities.
- The small increase in 2015 expenditures from 2014 is mainly due to the rise in the contribution cost for retirement and purchases of vehicles.

Schedule 8 - Revenues by Major Source (General Fund)

- The increase in 2024 revenue is mainly due to annual operating and permit fees that were increased by a 5.6% CPI plus 2% fee increase above CPI. Increase in Mobile Source / Transportation program was due to increase in reimbursement to the general fund.
- The increase in 2023 revenue is mainly due to a 6.5% CPI fee increase in most stationary source fees.
- The increase in 2022 revenue is mainly due to an increase in annual operating permit renewal fees which were based on the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- The decrease in 2021 revenue is mainly due to large one-time penalties/settlements received in 2020 under the General Revenue category. No large penalties/settlements were received in 2021.
- The increase in 2020 revenue reflects annual renewal fee increases under Stationary Sources and state grant increases under Grants & Subventions. South Coast AQMD received new funding from the operation portion of CAPP.
- The increase in 2019 revenue is mainly due to the increase in State Grants related to the new funding for the implementation portion of CAPP.
- The increase in 2018 revenue reflects emission fees increase under the stationary sources and large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations under the General Revenue category.
- The large increase in 2017 revenue reflects large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- The decrease in 2016 revenue from 2015 is mainly due to the decrease in Penalties & Settlements in the General Revenues category.
- The large decrease in 2015 revenues is mainly due to the decrease in Penalties & Settlements for violations of permit conditions, South Coast AQMD Rules, or state law.

Schedule 9 - Revenues by Fee Source (General Fund)

- The increase in 2024 revenue is mainly due to annual operating permit renewal fees are increased based on a 5.6% CPI plus 2% fee increase, and Mobile Source / Transportation program increased because of reimbursement to the general fund expenditures.
- The increase in 2023 revenue is mainly due to a CPI increase of 6.5% for annual operating and permit fees.
- The increase in 2022 revenue is mainly due to an increase in annual operating permit renewal fees which were based on the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- The decrease in 2021 revenue is mainly due to large one-time penalties/settlements received in 2020. No large penalties/settlements were received in 2021.

- The increase in 2020 revenue is mainly due to the 3.5% CPI increase. Also included was 10.66% increase for Title V permits.
- The increase in 2019 revenue is mainly due to the 3.4% CPI increase. Also included was 4% increase on non-Title V annual operating permit renewal fees and 10.66% increase for Title V permits.
- The increase in 2018 revenue from 2017 is mainly due to the increase of emission fees. Other revenues increased because the South Coast AQMD received large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- Other revenues increased significantly in 2017 because the South Coast AQMD received large penalties/settlements from facilities that were found not to be in compliance with South Coast AQMD rules and regulations, which increased the General Revenue category.
- The decrease in 2016 revenue from 2015 is mainly due to the decrease in Penalties & Settlements in the Other Revenues category.
- The large decrease in 2015 revenues is mainly due to the decrease in Penalties & Settlements for violations of permit conditions, South Coast AQMD Rules, or state law.

Schedule 10 – Emission Fee Revenues

- There was a slight decrease in emission fees revenue in 2024 due to less facilities paying emission fees.
- The increase in 2023 revenue is mainly due to a 6.5% CPI fee increase.
- There was a slight increase in emission fees revenue in 2022 due to an increase of the following: 1.) 1.7% CPI fee increase; and 2.) the restoration of the FY 2020-21 CPI fee increase of 2.8% that was credited to fee payers at the time of billing.
- There was a slight decrease in emission fees revenue in 2021 due to decreasing emissions.
- The increase in 2020 emission fee revenue is mainly due to the 3.5% CPI increase.
- 2019 emission fees revenue was lower than 2018 because of an emissions audit conducted and additional emission fees were collected in 2018.
- There was an increase in emission fees revenue in 2018 related to fee increase.
- There was a small decrease in emission fees revenue in 2017 due to gradually decreasing emissions.
- There was a small decrease in emission fees revenue in 2016 due to gradually decreasing emissions.
- There was a small decrease in emission fees revenue in 2015. Emission fees vary with the non-RECLAIM and RECLAIM emissions, and the flat emission fees of active facilities.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 11
Revenue Capacity
Largest Payers of Emission-Based Fees at a Single Location
Current Year and Ten Years Ago

Payer	FY 2023-2024			FY 2013-2014		
	Payment	Rank	% of Total Emission Fee	Payment	Rank	% of Total Emission Fee
Tesoro Refining and Marketing *	\$ 2,323,674	1	10.9%	\$ 1,140,175	4	5.6%
Chevron Products	2,030,413	2	9.5%	1,549,533	2	7.6%
Torrance Refinery Co LLC (Formerly Exxon Mobil Corporation)	1,755,798	3	8.2%	2,316,297	1	11.3%
Tesoro Refining and Marketing (Formerly Equilon)	1,437,196	4	6.7%	1,214,950	3	5.9%
Phillips 66 Company (Formerly Conoco and formerly Tosco Refining Co)*	1,013,578	5	4.7%	1,115,396	5	5.4%
Ultramar Incorporated	639,260	6	3.0%	527,682	8	2.6%
Phillips 66 Company (Formerly Conoco and formerly Tosco Refining Co)*	552,110	7	2.6%	594,816	7	2.9%
City of Long Beach, SERRF Project	240,838	8	1.1%	246,688	9	1.2%
AES Alamitos, LLC	208,331	9	1.0%	-	-	-
Equilon Enterprises, LLC, Shell Oil Products US (formerly Texaco Refining)	182,174	10	0.9%	-	-	-
Dart Container Corp of California	153,911	11	0.7%	134,143	19	0.7%
SFPP, L.P.	147,623	12	0.7%	-	-	-
California Steel Industries Inc.	143,433	13	0.7%	120,629	20	0.6%
AES Huntington Beach, LLC	143,125	14	0.7%	-	-	-
Metal Container Corp	136,458	15	0.6%	-	-	-
Desert View Power	134,397	16	0.6%	164,526	14	0.8%
University of California, Los Angeles	130,682	17	0.6%	-	-	-
Southern California Edison	127,899	18	0.6%	190,620	13	0.9%
Xerxes Corp	123,032	19	0.6%	-	-	-
U.S. Government, Departement of Navy	119,102	20	0.6%	-	-	-
Tesoro Refining and Marketing (formerly BP ARCO West Coast Products)*	-	-	-	927,863	6	4.5%
Anheuser-Busch Incorporated	-	-	-	197,798	12	1.0%
LA County Sanitation District	-	-	-	218,635	11	1.1%
Southern California Gas Company	-	-	-	150,355	16	0.7%
Beta Offshore	-	-	-	135,057	17	0.7%
Tin Inc., Temple Inland	-	-	-	162,420	15	0.8%
Tesoro Refining and Marketing LLC	-	-	-	134,539	18	0.7%
Tesoro (Formerly BP West Coast Products/ARCO CQC Kiln)*	-	-	-	226,800	10	1.1%
Total Paid by Largest Payers at a Single Location	\$ 11,743,034		54.9%	\$ 11,468,922		56.0%
Total Emissions Based Fees Paid by All Emitters	\$ 21,380,049			\$ 20,472,379		

KEY AIR QUALITY AND DEMOGRAPHIC INFORMATION REGARDING THE REGION INCLUDED IN THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

The South Coast Air Quality Management District includes all of Orange County and parts of Los Angeles, Riverside and San Bernardino Counties. The section below provides a brief description of each county.

Measuring 4,084 square miles, *Los Angeles County* is one of the nation's largest counties. It is the most populated county in the state of California and contains the most populated city in the state, the City of Los Angeles. Before World War II, Los Angeles County was one of the nation's foremost agricultural producers. As agricultural production declined, the economy has evolved into diverse areas that include trade, transportation, and utilities, government, educational and health services, professional and business services, and manufacturing. Tourism and entertainment as well as international trade also play a vital role in the county's economy. The county is home to the twin seaports of Los Angeles and Long Beach, together the nation's largest, as well as the single largest fixed source of air pollution in the region. The two ports are responsible for more smog-forming nitrogen oxide emissions than 6 million passenger cars.

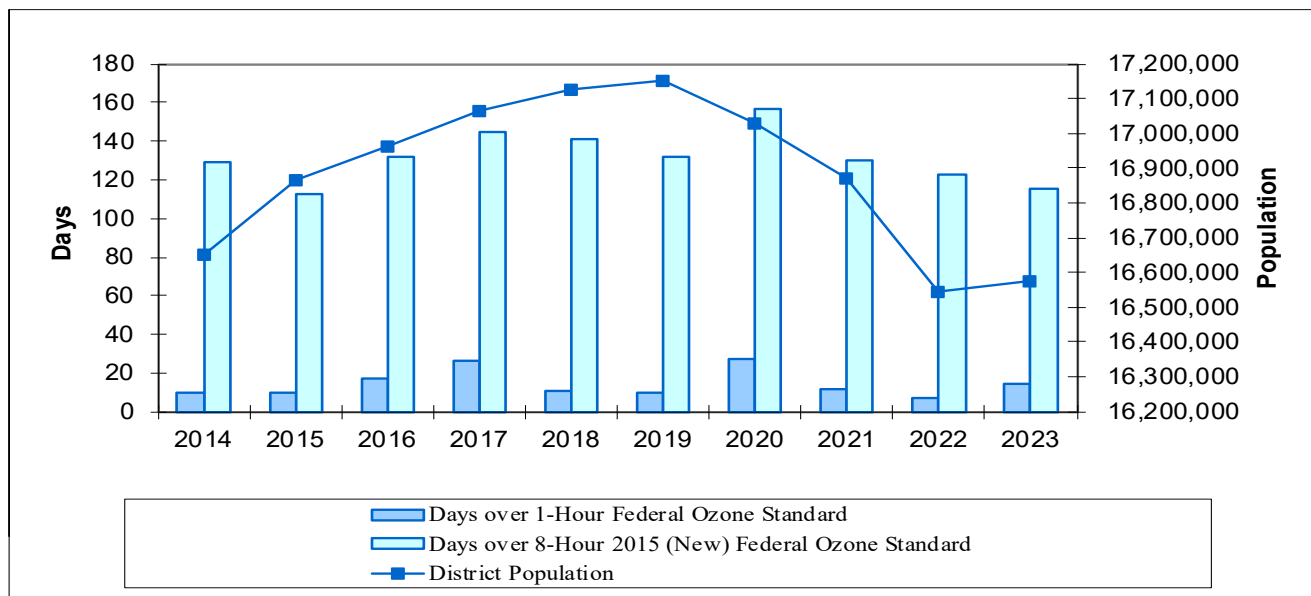
Orange County is the third most populated county in the state and lies south of Los Angeles County. When created in 1889, Orange County was named for its abundance of orange groves and thriving agricultural industry. Today, the largest industry employers are trade, transportation, and utilities, professional and business services, and manufacturing.

The varied topography of *Riverside County* is characterized by fertile river valleys to rolling plains and foothills to deserts below sea level and mountain peaks above 10,000 feet. Recent years have brought dramatic population growth to Riverside County. The population is expected to increase by 0.42 percent in 2024. Annual growth in the 2024 - 2029 period is expected to average 0.48 percent. The county's early years were linked to the agriculture industry, but commerce, construction, manufacturing, transportation, and tourism have contributed to the county's substantial growth. The County is also a major distribution center for Southern California and the Pacific Rim.

Roughly 90 percent of *San Bernardino County* is desert and the remaining portion consists of the San Bernardino Valley and San Bernardino Mountains. San Bernardino County and Riverside County are collectively known as the Inland Empire. San Bernardino population growth from 2024 to 2029 is expected to average 0.50 percent per year. The economy is led by services, government, retail trade, and manufacturing industries. Additionally, the county consistently ranks in the top fifteen agricultural-producing counties in the state.

All four counties within the South Coast Air Quality Management District's jurisdiction have experienced population growth in the last few years. The following charts illustrate air pollution, demographic, employment, and motor vehicle information relating to the South Coast Air Quality Management District region.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 12
 South Coast Air Basin Smog Trend
 Last Ten Calendar Years



Year	Days over 1-Hour Federal Ozone Standard	Days over 8-Hour 2015 (New) Federal Ozone Standard	District Population
2014	10	129	16,652,810
2015	10	113	16,866,350
2016	17	132	16,962,478
2017	26	145	17,063,249
2018	11	141	17,127,040
2019	10	132	17,150,993
2020	27	157	17,031,233
2021	12	130	16,870,867
2022	7	123	16,543,065
2023	14	115	16,578,000

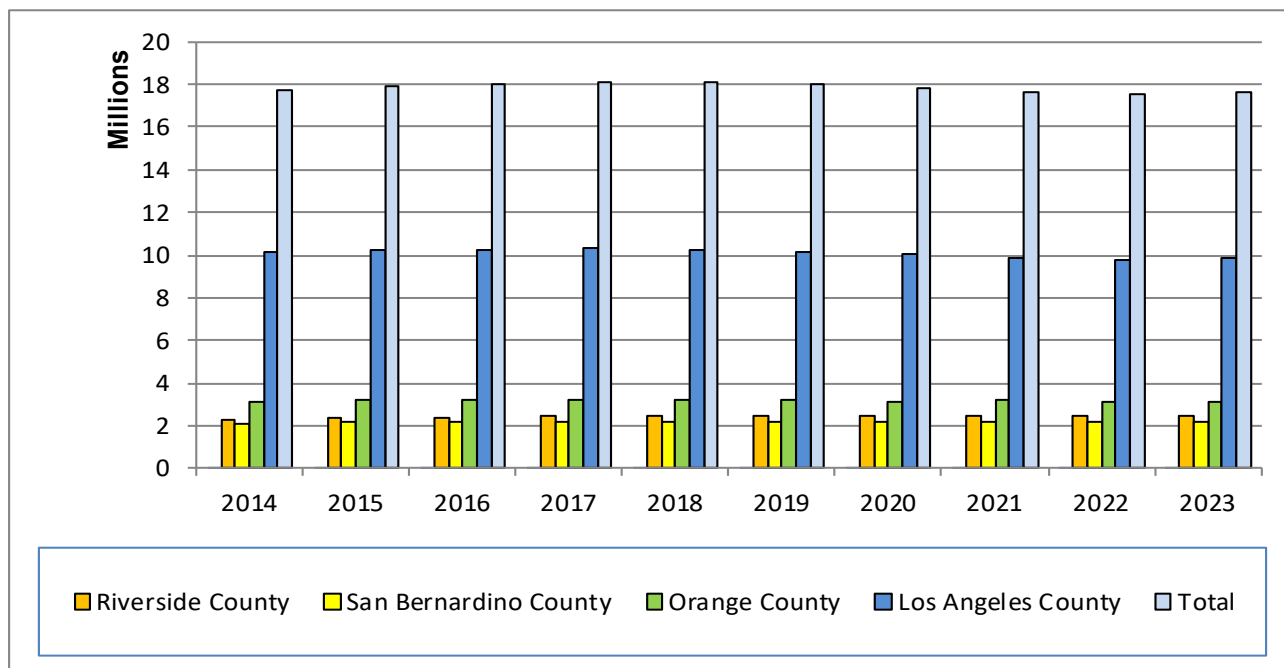
Notes:

- The average number of days exceeding the federal ozone standard in the Basin decreased by 54% between the three-year period of 1976-78 and 2011-13.
- Favorable weather conditions and continued implementation of the air pollution control strategy contributed to the significant decrease in Days over the 1-Hour Ozone Standard in the recent decades.
- In 1997, the federal government implemented the 8-hour ozone National Ambient Air Quality Standard. The standard was revised in 2015 from 75 ppb to 70 ppb.

Source:

South Coast Air Quality Management District (www.aqmd.gov); State Subvention Guidance.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 13
Four-County Area Population
Last Ten Calendar Years



Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total	% Increase
2014	2,308,441	2,104,291	3,147,655	10,136,559	17,696,946	1.00%
2015	2,347,828	2,139,570	3,183,011	10,241,335	17,911,744	1.21%
2016	2,384,783	2,160,256	3,194,024	10,241,278	17,980,341	0.38%
2017	2,415,955	2,174,938	3,221,103	10,283,729	18,095,725	0.64%
2018	2,440,124	2,192,203	3,222,498	10,253,716	18,108,541	0.07%
2019	2,442,304	2,180,537	3,194,332	10,172,951	17,990,124	-0.65%
2020	2,454,453	2,175,909	3,153,764	10,044,458	17,828,584	-0.90%
2021	2,435,525	2,187,665	3,162,245	9,861,224	17,646,659	-1.02%
2022	2,439,234	2,182,056	3,137,164	9,761,210	17,519,664	-0.72%
2023	2,442,378	2,181,433	3,150,835	9,824,091	17,598,737	0.45%

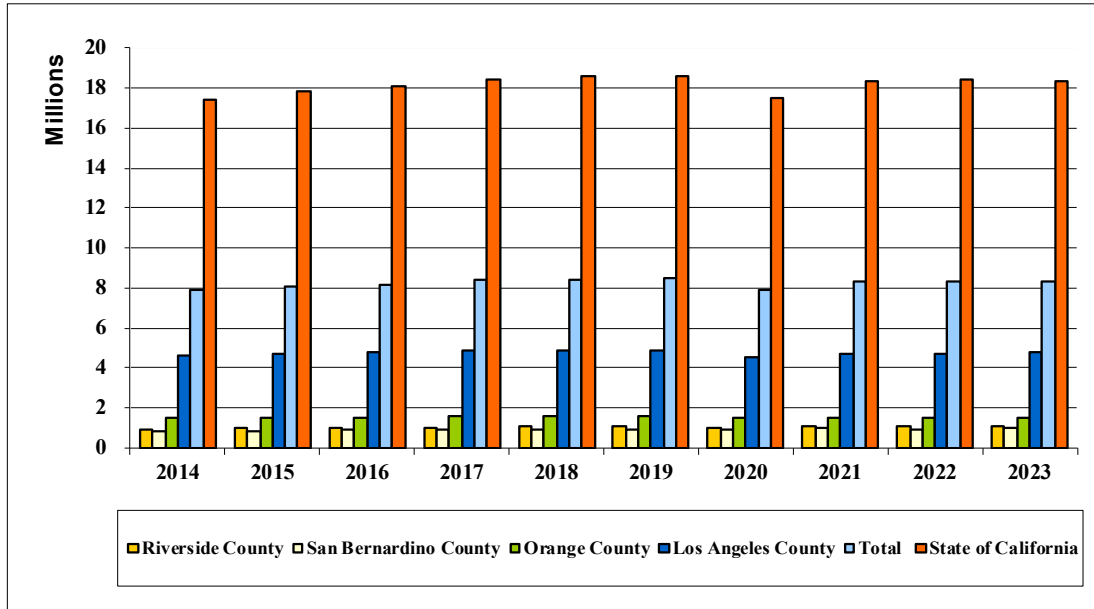
South Coast AQMD encompasses all of Orange County and parts of the Los Angeles, Riverside, and San Bernardino Counties, representing over 17 million residents.

Source:

California Department of Finance - Demographic Research Unit

www.dof.ca.gov/budgeting/documents

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 14
 Los Angeles, Orange, Riverside, San Bernardino
 Counties, and State of California Civilian Employment
 Last Ten Calendar Years



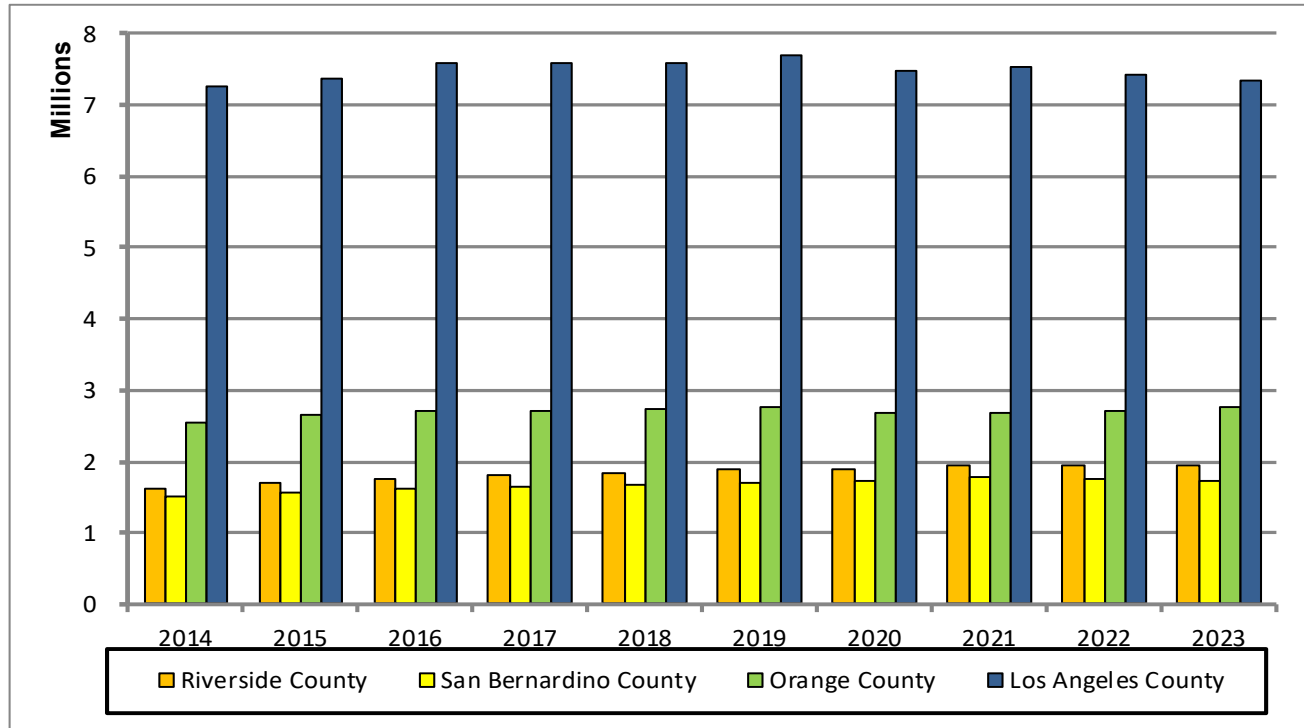
Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total	State of California
2014	927,300	836,000	1,489,200	4,610,800	7,863,300	17,397,100
2015	965,500	866,800	1,525,600	4,674,800	8,032,700	17,798,600
2016	988,000	882,200	1,538,000	4,778,800	8,187,000	18,065,000
2017	1,016,200	904,200	1,562,600	4,883,600	8,366,600	18,393,100
2018	1,044,600	922,300	1,577,900	4,896,500	8,441,300	18,582,800
2019	1,057,900	930,700	1,578,300	4,894,300	8,461,200	18,627,400
2020	1,026,000	898,300	1,464,000	4,547,800	7,936,100	17,481,000
2021	1,101,000	962,200	1,530,200	4,703,800	8,297,200	18,346,900
2022	1,085,700	951,000	1,538,100	4,734,100	8,308,900	18,431,200
2023	1,093,100	958,600	1,525,200	4,760,400	8,337,300	18,317,300

Source:

State of California: Employment Development Department

www.labormarketinfo.edd.ca.gov/cgi/dataanalysis

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 15
 Vehicle Registrations (Automobiles & Trucks)
 For Four County Area
 Last Ten Calendar Years



Year	Riverside County	San Bernardino County	Orange County	Los Angeles County	Total District
2014	1,630,405	1,507,903	2,536,833	7,263,982	12,939,123
2015	1,689,523	1,557,196	2,649,420	7,368,979	13,265,118
2016	1,765,545	1,618,573	2,716,672	7,585,269	13,686,059
2017	1,799,962	1,642,888	2,713,892	7,599,579	13,756,321
2018	1,831,189	1,666,102	2,744,304	7,586,587	13,828,182
2019	1,891,381	1,713,142	2,770,175	7,704,244	14,078,942
2020	1,902,358	1,721,067	2,671,539	7,479,059	13,774,023
2021	1,955,968	1,770,186	2,694,696	7,537,787	13,958,637
2022	1,941,935	1,745,986	2,712,599	7,428,020	13,828,540
2023	1,955,826	1,741,144	2,757,352	7,352,893	13,807,215

South Coast AQMD encompasses all of Orange County, and parts of Los Angeles, Riverside, and San Bernardino County.

Source:

California Department of Motor Vehicles - Estimated Vehicles Registered by County

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 16
Full-time Equivalent South Coast AQMD Employees by Function/Program
Last Ten Fiscal Years

FUNCTION:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Executive Office	8	9	6	5	5	5	7	11	8	5
Clerk of the Boards	6	6	6	5	6	5	4	3	3	3
Legal *	-	-	27	28	29	25	25	28	30	29
District Counsel	12	10	-	-	-	-	-	-	-	-
District Prosecutor	20	19	-	-	-	-	-	-	-	-
Finance	41	40	42	44	43	40	44	47	45	46
Administrative & Human Resources	32	30	33	36	34	34	33	35	39	45
Information Management	46	47	45	47	48	52	52	52	58	63
Planning, Rule Development & Area Sources										
Area Sources	85	85	94	111	117	125	127	110	121	126
Legislative, Public Affairs & Media	38	41	44	41	43	48	51	49	49	51
Science & Technology Advancement **	150	148	145	159	160	188	187	184	209	-
Technology Advancement Office	-	-	-	-	-	-	-	-	-	68
Monitoring & Analysis Division	-	-	-	-	-	-	-	-	-	146
Engineering & Compliance ***	259	-	-	-	-	-	-	-	-	-
Engineering & Permitting	-	136	133	133	122	132	129	131	152	170
Compliance & Enforcement	-	110	127	119	129	129	120	124	134	161
Total	697	697	681	702	728	736	783	779	774	913

* In fiscal year 2013, District Counsel and District Prosecutor merged to become the Legal department.

** In fiscal year 2023, Science & Technology Advancement split into two divisions: Technology Advance Office and Monitoring & Analysis Division.

*** In fiscal year 2016, Engineering & Compliance split into two divisions: Engineering & Permitting and Compliance & Enforcement.

Source: Administrative and Human Resources (vacancy and item control reports).

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule 17
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Program Category										
Advance Clean Air Technology										
Contracts awarded	1,047	421	403	357	564	349	385	350	308	239
Total Funding awarded	\$ 123,181,473	\$ 153,900,867	\$ 137,406,323	\$ 170,391,084	\$ 213,005,034	\$ 127,879,802	\$ 202,126,095	\$ 172,638,535	\$ 182,753,350	\$ 77,394,895
Ensure Compliance with Clean Air Rules										
Inspections	22,871	24,037	21,419	24,692	24,289	27,595	25,658	31,310	30,790	45,395
Notices of Violations	811	499	632	1,626	2,724	2,076	838	899	1,173	1,655
Hearing Board Orders for Abatement	41	23	27	24	29	26	13	18	19	18
Hearing Board Appeals	-	3	3	1	2	3	2	1	-	-
Customer Service										
Public Information Requests	4,012	4,958	5,282	4,676	4,830	3,416	241	108	1,249	2,173
Community/Public Meetings attended	217	239	210	156	193	144	241	143	191	215
Small Business Assisance Contacts	1,711	1,865	2,834	4,073	3,043	3,357	3,840	3,184	2,761	3,261
Develop Programs to Achieve Clean Air										
Transportation Plans processed	1,329	1,337	1,348	1,356	1,357	1,335	1,319	1,126	1,091	1,171
Emission Inventory Updates**	336	356	244	343	294	269	336	1139	5,983	933
Develop Rules to Achieve Clean Air										
Rules Developed	24	16	15	28	44	14	19	32	28	32
Monitoring Air Quality										
Samples Analyzed by the Laboratory	30,824	32,400	38,541	36,342	33,258	30,225	25,501	23,185	21,098	19,887
Source Testing Analyses/Evaluations/Reviews	996	936	952	714	632	562	498	495	738	
Timely Review of Permits										
Applications Processed	9,495	9,482	11,780	10,913	9,463	8,345	6,727	7,391	6,230	7,716
Applications Received-Small Business	629	594	535	605	541	485	438	381	362	456
Applications Received-All Others	9,961	9,894	8,376	9,172	8,131	8,070	6,767	8,030	6,627	7,934
Policy Support										
News Releases	76	89	86	120	99	126	179	197	125	135
Media Calls	532	1,450	1,201	-	-	-	-	-	-	-
Media Inquiries Completed	532	1,450	1,201	-	-	-	-	-	-	-
News Media Interactions*	-	-	-	1,235	633	672	2204	1,789	1,044	1,374

121

* Tracking of News Media Interactions began in 2018. This will replace the tracking of media calls and media inquiries completed.

** Beginning with 2022, "Emission Inventory Updates" will include the entire emissions inventory that staff received and processed instead of only a subcategory of reports. Significant increase to reports in 2023 attrit to CARB's CTR regulation requiring many more facilities to report emissions. Significant increase to reports in 2023 attributed to CARB's CTR regulation requiring many more facilities to report emissions.

Source: South Coast AQMD departments' records

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
 Schedule 18
 Capital Assets Statistics by Function/Program
 Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Function/Program</u>										
Ensure Compliance with Clean Air Rules										
Number of vehicles assigned to field inspection	108	100	98	100	97	105	98	96	100	117
Monitoring Air Quality										
Number of air monitoring stations	42	42	43	41	41	43	42	43	37	34
Number of air monitoring instruments installed in the air monitoring stations to measure air quality	208	223	222	224	224	260	256	260	250	228

Source: South Coast AQMD Human Resources and Science and Technology Advancement's records

South Coast Air Quality Management District

Demographic and Miscellaneous Statistics

Established:	•February 1, 1977
Area Covered:	•10,743 Square Miles
Counties Included in District:	•All of Orange County and parts of Los Angeles, Riverside, and San Bernardino Counties
Population (in 2022):	•16,543,065
Average Unemployment Rate (in 2022):	<ul style="list-style-type: none"> •Los Angeles County (5.4%) •Orange County (3.6%) •Riverside County (5.0%) •San Bernardino County (4.8%)
Transportation:	<ul style="list-style-type: none"> •Two transcontinental railroads – Burlington Northern Santa Fe and the Union Pacific •Six Commercial Airports – Los Angeles International, Burbank, Long Beach, Ontario International, Orange County, and Palm Springs •Freeways – Three major interstate freeways including four bypass routes, U.S. 101, and nine State freeway routes •Two major adjoining ports – Port of Long Beach and Port of Los Angeles
Visitor Destinations:	•Disneyland, Knott’s Berry Farm, Magic Mountain, Motion Picture and Television Studios and the Rose Bowl
Number of Registered Vehicles Within South Coast AQMD Jurisdiction (in 2022):	•13,828,540
Average Daily Miles Traveled Per Vehicle (CY 2022 data):	•26
Examples of Stationary Sources of Air Pollution Regulated:	•Oil Refineries, power plants, paint spray booths, incinerators, manufacturing facilities, dry cleaners, and service stations.
Number of Sources:	•24,514 operating locations with 66,164 permits.
Number of Air Monitoring Stations:	•37
Full-Time Authorized Positions:	•1,010
Adopted FY 2023-24 Budget:	•\$196,327,418
Key Federal, State, and Local Air Agencies:	<ul style="list-style-type: none"> •EPA Region IX (Environmental Protection Agency) •CARB (California Air Resources Board) •CAPCOA (California Air Pollution Control Officer’s Association) •NACAA (National Association of Clean Air Agencies) •ALAPCO (Association of Local Air Pollution Control Officials) •There are 35 local air pollution control districts in California.

Air Quality Historical Timeline



Photo courtesy of Los Angeles Times Collection, Department of Special Collections, UCLA Library

First recognized episodes of smog occur in Los Angeles in summer 1943

1943

1950

Orange County APCD established



1966



California adopts first automobile tailpipe emission standards in the nation

1970

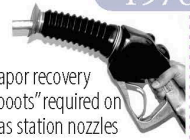
Federal Clean Air Act enacted, establishing the basic U.S. program for controlling air pollution



1975

Catalytic converters required for most gasoline-powered vehicles

1978



Vapor recovery "boots" required on gas station nozzles

1947

Los Angeles County Air Pollution Control District (APCD) established—the first of its kind in the nation



1957

San Bernardino and Riverside County APCDs formed



1968

California Air Resources Board (CARB) holds its first meeting with Dr. Arie J. Haagen-Smit as its first chairman

1971

U.S. EPA adopts first national air quality standards



1977

California legislature merges air pollution control districts of LA, Orange, Riverside and San Bernardino counties forming the South Coast Air Quality Management District

1986

South Coast AQMD launches first Multiple Air Toxics Exposure Study (MATES) to understand air toxics health impacts. Additional MATES studies conducted in 1999, 2006, 2013 and 2018

MATES

1989

South Coast AQMD adopts first Air Quality Management Plan to show attainment of clean air standards



1998

Carl Moyer Program established to reduce mobile source emissions



2011

Federal agencies and the State of California establish single time frame for corporate average fuel economy (CAFE) and greenhouse gas standards for the next generation of cars and light-duty trucks

2017

Assembly Bill 617 enacted to develop community plans and implement new technologies addressing the disproportionate impacts of air pollution sources in Environmental Justice communities

1987

Created a program to assess and reduce health risks from air toxic emissions under the Air Toxics "Hot Spots" Information and Assessment Act (AB 2588)



1990

Federal Clean Air Act Amendments of 1990 enacted establishing new programs to reduce ozone, toxic emissions and vehicle emissions



2006

California Global Warming Solutions Act of 2006 (AB 32) enacted to reduce greenhouse gases



2013

Attained the 1997 24 hour and annual National Ambient Air Quality Standards for fine particulate matter two years ahead of schedule

2022

South Coast AQMD releases its most ambitious strategy to cut air pollution. The 2022 AQMP is the first Zero-emissions plan, aiming to reduce emissions by 70% by 2037.





South Coast
AQMD

South Coast
Air Quality Management District

21865 Copley Drive
Diamond Bar, CA 91765-4178

www.aqmd.gov



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
FOR THE YEAR ENDED JUNE 30, 2024

SINGLE AUDIT REPORT

Focused
on YOU



SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Single Audit Report

For the Year Ended June 30, 2024

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Single Audit Report

For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, blended component units, each major fund, and the aggregate remaining fund information of South Coast Air Quality Management District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To The Board of Directors
South Coast Air Quality Management District
Diamond Bar, California

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Irvine, California
October 24, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Governing Board of
South Coast Air Quality Management District
Diamond Bar, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the South Coast Air Quality Management District, California (the "South Coast AQMD")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the South Coast AQMD's major federal programs for the year ended June 30, 2024. The South Coast AQMD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the South Coast AQMD complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the South Coast AQMD and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the South Coast AQMD's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the South Coast AQMD's federal programs.



To the Governing Board
South Coast Air Quality Management District
Diamond Bar, California

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the South Coast AQMD's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the South Coast AQMD's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the South Coast AQMD's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the South Coast AQMD's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the South Coast AQMD's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



To the Governing Board
South Coast Air Quality Management District
Diamond Bar, California

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, blended component units, each major fund, and the aggregate remaining fund information of the South Coast AQMD, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the South Coast AQMD's basic financial statements. We issued our report thereon dated October 24, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Irvine, California
October 24, 2024

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Total Federal Expenditures</i>
Department of Environmental Protection Agency Direct Programs:				
Air Pollution Control Program				
EPA Section 105 Air Grant	66.001		\$ -	3,442,786
EPA Section 105 Air Grant	66.001		-	1,312,213
EPA Section 105 Air Grant	66.001		-	34,272
Subtotal - ALN 66.001			-	4,789,271
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act:				
PM 2.5 Monitoring*	66.034		-	86,025
PM 2.5 Monitoring*	66.034		-	757,978
National Air Toxics Trends Stations*	66.034		-	273,794
Community Scale Air Toxics Monitoring - Mobile*	66.034		-	91,820
IRA Monitoring Equipment*	66.034		-	349,029
IRA Sensor Library*	66.034		-	1,743
ARP PM2.5 Measurements*	66.034		-	246,936
Subtotal - ALN 66.034			-	1,807,325
Congressionally Mandated Projects:				
Targeted Air Shed - Shuttle Bus Replacement	66.202		-	149,589
Subtotal - ALN 66.202			-	149,589
State Environmental Justice Cooperative Agreement Program:				
State Environment Justice Cooperative Agreement-AQ Community Training	66.312		21,463	80,255
Subtotal - ALN 66.312			-	80,255
STAR (Science To Achieve Results) Program				
Passed through STAR UCLA. Development of a Reference Method for Open-Path Remote Sensing of Air Toxics	66.509	RN64EPNH8JC6	-	14,924
Subtotal - ALN 66.509			-	14,924
Targeted Air Shed Grant Program:				
Targeted Air Shed -Volvo BE Excavator/Whl Loadr Pr	66.956		-	6,756
Targeted Air Shed - Daimler ZE Elect Delivery Truck	66.956		500,000	506,794
Targeted Air Shed - Volvo Switch-on Elect Freight Truck	66.956		-	441,821
Targeted Air Shed - Ocean Going Vessel/Buses	66.956		-	37,823
Targeted Air Shed - Lawn/Garden Equip Incentive/Exchn	66.956		-	9,853
Targeted Air Shed - Zero-Emission Freight Line-Haul Locomotive	66.956		-	29,944
Targeted Air Shed - Electric Truck Demo/School Buses	66.956		-	9,592
Targeted Air Shed - Plug in Hybrid Tugboat Project	66.956		-	3,188
Targeted Air Shed - Zero-Emission Off-Road Asphalt Compactors	66.956		-	190
Subtotal - ALN 66.956			500,000	1,045,961
Total Department of Environmental Protection Agency Programs			521,463	7,887,325
Department of Homeland Security Direct Programs:				
Homeland Security Biowatch Program:				
Biowatch Program*	97.091		-	1,793,699
Biowatch Program*	97.091		-	241,727
Total Department of Homeland Security Programs			-	2,035,426
National Aeronautics and Space Administration				
Passed through RTI International	43.001	JPUNYJ7PRH2	-	175
Total Expenditures of Federal Awards			\$ 521,463	\$ 9,922,926

* Major Program

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the South Coast Air Quality Management District (South Coast AQMD), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the District from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the District becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The South Coast AQMD has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act
97.091	Homeland Security Biowatch Program

Dollar threshold used to distinguish between type A and type B program \$750,000

Auditee qualified as low-risk auditee? yes no

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



South Coast Air Quality Management District



21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT Summary Schedule of Prior Year Findings and Questioned Costs For The Year Ended June 30, 2023

Finding 2023-001: Report Compliance Requirements

Noncompliance/Significant Deficiency

Federal Award Information

Assistance Listing Number: 66.001

Program Title: Air Pollution Control Program Support

Federal Award Number: A-00909422-0

Federal Award Year: 2022, 2023

Name of Federal Agency: U.S. Environmental Protection Agency

Criteria or Specific Requirement

Per the grant agreements between the District and the U.S. Department Environmental Protection Agency, the District is required to submit semi-annual performance reports on a timely basis.

Condition

One of the four required reports was not submitted during the grant period.

Status

Appropriate corrective actions were taken; this finding is considered resolved and is not repeated in the fiscal year ended June 30, 2024.



October 24, 2024

To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

We have audited the financial statements of the governmental activities, the blended component unit, each major fund, and the aggregate remaining fund information of South Coast Air Quality Management District, (the "District") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1F to the financial statements, the District changed accounting policies related to Accounting Changes and Error Corrections by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 100, in fiscal year 2023-2024. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the basic financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of the pension, other postemployment benefits, and self-insured claims liabilities are based on actuarial valuations. We evaluated the methods, assumptions, and data used to develop the pension, other postemployment benefits, and self-insured claims liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules for the general fund, and the required pension and other postemployment benefits schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections of the Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



To the Board of Directors
South Coast Air Quality Management District
Diamond Bar, CA

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.

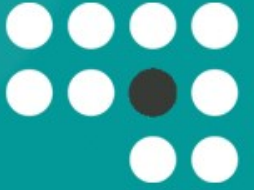
Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll & Lunghard, LLP". The signature is written in a cursive, flowing style.

Lance, Soll & Lunghard, LLP



2024 Audit SCAQMD

Presented by:
Calvin Kunkel, CPA, Manager

November 8, 2024

lslcpas.com





Your LSL Team



Brandon Young, CPA
Partner



Calvin Kunkel, CPA
Manager



Nielsine Sherk, CPA
Senior Manager



Scope of Engagement

- LSL has been engaged by SCAQMD to perform the following procedures:
 - Financial statement audit for the year ended June 30, 2024, in accordance with generally accepted auditing standards and Government Auditing Standards
 - Single audit over the federal award programs for the year ended June 30, 2024, in accordance with the federal Uniform Guidance.



Scope of Engagement

- Interim Fieldwork

- July 2024
- Examined internal controls
- Provided feedback to management
- Performed our audit risk assessment
- Planned year-end audit procedures to respond to risk

- Year-End Fieldwork

- September to October 2024
- Detailed testing of account balances and transactions
- Compliance testing with laws, regulations, grant agreements, contracts
- Single Audit testing
- Other procedures necessary to obtain sufficient, appropriate audit evidence



Results of Audit

- We issued an unmodified auditor's opinion on the financial statements.
 - Financial statements are accurate and reliable as of June 30, 2024.
- We issued the Report on Internal Control and Compliance
 - No significant deficiencies in internal control over financial reporting noted.
 - No material weaknesses in internal control over financial reporting noted.
 - No material noncompliance with laws, regulations, grants, etc. noted.



Results of Audit

- We issued an unmodified auditor's opinion on the SCAQMD's compliance with the requirements of major federal award programs.
 - Noted no instances of noncompliance included in the single audit report for reporting
- We identified no going concern doubts as of June 30, 2024.
- We identified no fraud, waste, or abuse during the fiscal year ended June 30, 2024.



Results of Audit

- We had no disagreements with management about application of accounting principles.
- We had no difficulties conducting our audits.
- We determined that all estimates used by management in preparing the financial statements were reasonable.



Questions



www.lslcpas.com

contact.us@lslcpas.com

CALIFORNIA: Brea | Santa Ana | Laguna Hills | Sacramento

TEXAS: The Woodlands



BOARD MEETING DATE: December 6, 2024

AGENDA NO. 17

REPORT: Report to Legislature and CARB on South Coast AQMD's Regulatory Activities for Calendar Year 2023

SYNOPSIS: South Coast AQMD is required by law to submit a report to the Legislature and CARB on its regulatory activities for the preceding calendar year. The report is to include a summary of each rule and rule amendment adopted by South Coast AQMD, number of permits issued, denied, or cancelled, emission offset transactions, budget and forecast, and an update on the Clean Fuels program. Also included is the Annual RECLAIM Audit Report, as required by RECLAIM Rule 2015 - Backstop Provisions.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:

Receive and file the attached report and direct staff to forward the final report to the Legislature.

Wayne Natri
Executive Officer

LTO:EH:CC

Background

South Coast AQMD is subject to several internal and external reviews of its air quality programs. These include an annual review of South Coast AQMD's proposed operating budget for the upcoming fiscal year and compliance program audits.

In 1990, the Legislature directed South Coast AQMD to provide an annual review of its regulatory activities (SB 1928, Presley), and specified the type of information required (Health and Safety Code § 40452). Many of the required elements overlap with other requirements of separate legislation. For example, information on South Coast AQMD's Clean Fuels Program is a requirement of this report but is also a separate requirement under legislation passed in 1999 (SB 98, Alarcón). The purpose of this report is to fill in pieces of additional data needed to compile a comprehensive regulatory overview. Most of the information included in this report is not new but is simply a compilation of information previously seen by the Board.

The specific requirements of this report include:

- A summary of each major rule and rule amendment adopted by the Board;
- The number of permits to operate or permits to construct that were issued, denied, cancelled or not renewed;
- Data on emission offset transactions and applications during the previous year;
- The budget and forecast of staff increases or decreases for the following fiscal year;
- An identification of the source of all revenues used to finance South Coast AQMD's activities;
- An update on South Coast AQMD's Clean Fuels program; and
- The annual RECLAIM Audit Report.

Attachment

Report to the Legislature on the Regulatory Activities of the South Coast AQMD for Calendar Year 2023¹

¹ Due to the bulk of these materials, chapters III, IV and V of the report can be found online at <http://www.aqmd.gov/home/research/documents-reports>. Anyone who would like to obtain a hard copy of these materials may do so by contacting South Coast AQMD's Public Information Center at (909) 396-2001.

REPORT TO THE LEGISLATURE ON THE
REGULATORY ACTIVITIES OF THE
SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

Pursuant to
Chapter 1702, Statutes of 1990 (SB 1928)



November 2024
Cleaning the Air that We Breathe...

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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Senator (Ret.)
Senate Rules Committee Appointee

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Wayne Nastri
Executive Officer

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EXECUTIVE SUMMARY

Introduction

South Coast Air Quality Management District (South Coast AQMD) is subject to internal and external reviews of its air quality programs. These include annual reviews of the South Coast AQMD's budget, forecast and proposed operating budget for the upcoming fiscal year, and compliance program audits. In addition, South Coast AQMD is required to submit to the California Air Resources Board (CARB) and State Legislature an annual review of its regulatory activities for the preceding calendar year (CY). The attached report satisfies this latter requirement, which is mandated pursuant to Chapter 1702, Statutes of 1990 (SB 1928, Presley), Section 40452 of the Health and Safety Code.

Rule and Regulation Development Projects Approved in 2023 and CEQA Alternatives

This section contains a summary of the adoption or amendment of each rule and regulation development project approved by the South Coast AQMD Governing Board in the preceding CY (e.g., 2023). No plans were adopted or amended in 2023, however. Each summary contains information about the estimated emission reductions, cost-effectiveness, alternatives considered pursuant to the requirements in the California Environmental Quality Act (CEQA), socioeconomic impacts, and sources of funding.

South Coast AQMD operates under a regulatory program certified by the Secretary for Resources pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and implemented pursuant to South Coast AQMD Rule 110. The adoption or amendment of South Coast AQMD rules and regulations are subject to South Coast AQMD's certified regulatory program for CEQA, while the adoption or amendment of plans such as the Air Quality Management Plan (AQMP) are not. Having a certified regulatory program means South Coast AQMD can incorporate its environmental analyses into CEQA documents other than environmental impact reports (EIRs), negative declarations (NDs), or mitigated NDs (MNDs) without being subject to a limited number of specific CEQA requirements identified in Public Resources Code Section 21080.5. Instead, all CEQA documents prepared by South Coast AQMD pursuant to its certified regulatory program are either called an Environmental Assessment (EA), or some variant of an EA such as a Subsequent or Supplemental EA, or Addendum to an EA. For any rule or plan development project that is determined to be exempt from CEQA, regardless of whether the project is subject to the South Coast AQMD's certified regulatory program, a Notice of Exemption, while not required, can be prepared.

In 2023, the South Coast AQMD Governing Board adopted or amended the following major rules and regulations for which a public workshop was conducted: Rules 219, 222, 463, 1106, 1107, 1110.2, 1110.3, 1111, 1118, 1148.2, 1153.1, 1178, 1401.1, 1405, 2011, 2012, 2202, and Regulation III (which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320). Refer to Chapter 1 for more details regarding these approved major rule/regulation projects.

Socioeconomic Impact Assessments

Health and Safety Code Sections 40440.8 and 40728.5 require that South Coast AQMD perform socioeconomic impact assessments for its rules and regulations that will significantly affect air

quality or emissions limitations. Prior to implementing the requirements of Health and Safety Code, South Coast AQMD staff had been evaluating the socioeconomic impacts of its actions pursuant to a 1989 Governing Board Resolution. Additionally, South Coast AQMD staff assesses socioeconomic impacts of CEQA alternatives analyzed for rules with significant cost and emission reduction impacts.

The elements of socioeconomic impact assessments include direct effects on various types of affected industries and businesses in terms of control costs and cost-effectiveness as well as public health benefits associated with AQMPs. Additionally, South Coast AQMD staff uses an economic model developed by Regional Economic Models, Inc. (REMI) to analyze the potential direct and indirect socioeconomic impacts of South Coast AQMD rules, regulations and plans on Los Angeles, Orange, Riverside, and San Bernardino Counties. These impacts include, but are not limited to, employment and competitiveness.

In 2023, the South Coast AQMD identified and analyzed potential socioeconomic impacts of amendments to seven existing rules (Rules, 219, 222, 1148.2, 1153.1, 1178, 1401.1, 1405, and 2202). Additionally, a Socioeconomic Impact Assessment is prepared annually for Rule 320 because it contains a requirement for an automatic annual California Consumer Price Index (CPI) adjustment to most fees paid to South Coast AQMD. Finally, a Socioeconomic Impact Assessment was also prepared for the amendments to Regulation III – Fees, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320. No Socioeconomic Impact Assessments were conducted for plans since none were adopted or amended in 2023.

Engineering and Permitting

Background

Section 40452 of the California Health and Safety Code requires that the South Coast AQMD submit an annual report to both the state board and Legislature that summarizes its regulatory activities for the preceding calendar year. Paragraph (b) of Section 40452 requires that the annual report include data on “the number of permits to operate or to construct, by type of industry, that are issued and denied, and the number of permits to operate that are not renewed.” Paragraph (c) of section 40452 requires that the annual report also include data on emission offset transactions and applications during the previous fiscal year, including an accounting of the number of applications for permits for new or modified sources that were denied because of the unavailability of emission offsets. In addition, South Coast AQMD Rule 2015 requires submittal of the annual Regional Clean Air Incentives Market (RECLAIM) Audit Report for the 2023 Compliance Year to the Legislature.

The following paragraphs provide a brief summary for each report.

Permitting Data – Calendar Year 2023

During calendar year 2023, South Coast AQMD dispositioned a total of 5,874 applications. The majority of these applications were for Permits to Operate (2,281), Plans (900), Area Sources & Certified/ Registrations (1,043), and Changes of Operators (709). Also, 859 permits were not renewed. This data, broken down into nine different categories, is summarized in Table 1.

Table 2 contains a breakdown of permits dispositioned (in the nine categories) by type of industry. The type of industry was based on North American Industry Classification System (NAICS) codes, which were provided by the applicant at the time of application filing. The top three NAICS codes were 447110/447190 – Gasoline Service Stations, 324110 – Petroleum Refineries and 445110 – Supermarkets and Other Grocery Retailers.

Emission Offset Transactions Data – Fiscal Year 2022/2023

During fiscal year 2022-2023, a total of 19 emission offset transactions were completed, which include 15 transactions for reactive organic gases (ROG), two transactions for oxides of nitrogen (NO_x), and 2 transactions for particulate matter with an aerodynamic diameter less than 10 microns (PM₁₀). There were no transactions for carbon monoxide (CO). The amounts of emissions offsets transferred, by pollutant, include 270 pounds per day of ROG, 154 pounds per day of NO_x, and two pounds of PM₁₀ (see Table 3 in the Annualized Publication of Emission Reduction Credit (ERC) and Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2022-23 (California Health and Safety Code 40452)). There were five banking applications processed, resulting in the issuance of new emission offsets of 39 pounds per day of ROG, four pounds per day of SO_x, and 58 pounds per day of PM₁₀. Additionally, no applications were denied for a permit for a new source for the reason of failure to provide the required emission offsets. (See Table 4 in the Annualized Publication of Emission Reduction Credit (ERC) and Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2022-23 (California Health and Safety Code 40452)).

RECLAIM Audit Report

The REgional CLean Air Incentives Market (RECLAIM) program was adopted in 1993 to provide facilities with flexibility in achieving the same emissions reduction goals as would have been achieved under the traditional command and control approach, while lowering the cost of compliance. To ensure RECLAIM is achieving its goal, South Coast AQMD Rule 2015 - Backstop Provisions, requires preparation of an annual audit report on the program. This Annual RECLAIM Audit Report assesses emission reductions, availability of RECLAIM Trading Credits (RTCs) and their average annual prices, job impacts, compliance issues, and other measures of performance for the twenty-ninth year of this program. The results of the annual audit show that RECLAIM continues to meet its aggregate emission goals and all other specified objectives.

As discussed in more detail in the audit report (see Chapter V), a total of 229 facilities were in the RECLAIM program at the end of Compliance Year 2022. Audited NO_x emissions from RECLAIM facilities were 11% less than programmatic NO_x allocations, and audited SO_x emissions were 27% less than programmatic SO_x allocations. The vast majority of RECLAIM facilities complied with their allocations during the 2022 compliance year (93% of NO_x facilities and 96% of SO_x facilities).

A total of over \$1.59 billion in RTCs has been traded since the adoption of RECLAIM, of which \$12.1 million occurred in calendar year 2023 (compared to \$21.8 million in calendar year 2022), excluding swaps. Annual average prices were calculated and reported for discrete-year NO_x and SO_x RTCs and infinite-year block (IYB – trades that involve blocks of RTCs with a specified start year and continuing in perpetuity). The annual average prices of discrete-year SO_x RTCs, IYB SO_x RTCs and IYB NO_x RTCs were below the applicable review thresholds for average RTC prices. The annual average prices of discrete-year NO_x RTCs for Compliance Year 2023 and 2024 exceeded Rule 2015 threshold. As such, the provisions of Rule 2015 (b)(6) triggered subsequent action to conduct assessments of the RECLAIM program and provide recommendations to the Board. Assessments and recommendations when prices in Calendar Year 2021 exceeded the Rule 2015 price threshold were reported to the Governing Board on August 5, 2022. At the March 1, 2024, Governing Board meeting, the Board resolved that the circumstances associated with implementation of the RECLAIM had not changed and continuing analysis is not required.

In Compliance Year 2022, RECLAIM facilities reported a net gain of 3,878 jobs, representing 4.32% of their total employment. The RECLAIM program also met other applicable requirements including meeting the applicable federal offset ratio under New Source Review and having no significant seasonal fluctuation in emissions. Additionally, there is no evidence that RECLAIM resulted in any increase in health impacts due to emissions of air toxics.

Refer to Chapter V for the “Annual RECLAIM Audit Report for 2022 Compliance Year.”

Budget and Work Program

Refer to Chapter II for the Fiscal Year 2023-2024 Budget Report.

Clean Fuels Programs

2023 Annual Report

In Calendar Year 2023, the South Coast AQMD Clean Fuels Program executed 19 new contracts, projects or studies and modified three projects adding dollars toward research, development, demonstration, and deployment projects as well as technology assessment and transfer of alternative fuel and clean fuel technologies. South Coast AQMD’s Clean Fuels Program contributed over \$1.4 million in partnership with other governmental organizations, private industry, academia, and research institutes, and interested parties, with total project costs of approximately \$16.9 million. Additionally, in Calendar Year 2023, the Clean Fuels Program continued to leverage outside funding opportunities, securing new awards totaling almost \$94

million from federal, state, and local funding opportunities. The significant project scope of a few key contracts executed in 2023 resulted in high leveraging of Clean Fuels dollars. Typical historical leveraging is \$4 for every \$1 in Clean Fuels funding. In 2023, South Coast AQMD exceeded this upward trend with almost \$13 leveraged for every \$1 in Clean Fuels funds. Leveraging dollars and aggressively pursuing funding opportunities is critical given the magnitude of needed funding identified in the 2022 AQMP to achieve NAAQS.

The projects or studies executed in 2023 included a diverse mix of advanced technologies. The following core areas of technology advancement for 2023 executed contracts (in order of funding percentage) include:

1. Technology Assessment and Transfer/Outreach;
2. Electric and Hybrid Vehicle Technologies and Infrastructure (including battery electric and hybrid electric trucks developed by OEMs and container transport technologies with zero emission operations);
3. Stationary Clean Fuels Technologies (including microgrids and renewables); and
4. Hydrogen and Mobile Fuel Cell Technologies and Infrastructure.

During Calendar Year 2023, South Coast AQMD supported a variety of projects and technologies, ranging from near-term to long-term research, development, demonstration, and deployment activities. This “technology portfolio” strategy provides South Coast AQMD the ability and flexibility to leverage state and federal funding while also addressing the specific needs of the Basin. Projects included significant battery electric and hybrid electric technologies and infrastructure to develop and demonstrate medium- (MD) and heavy- (HD) vehicles in support of transitioning to near-zero and zero emission goods movement; development, demonstration, and deployment of large displacement ultra-low NO_x engines; and demonstration of hydrogen fuel cell MD and HD vehicles and infrastructure.

In addition to the 22 executed contracts and projects, 16 research, development, demonstration and deployment projects or studies and 17 technology assessment and transfer contracts were completed in 2023. As of January 1, 2024, there were 64 open contracts in the Clean Fuels Program.

In accordance with California H&SC Section 40448.5.1(d), this annual report must be submitted to the state legislature by March 31, 2024, after approval by the South Coast AQMD Board.

2024 Plan Update

The Clean Fuels Program is re-evaluated annually to develop the annual Plan Update based on a reassessment of technology progress and direction for the agency. The Program continually seeks to support the development and deployment of cost-effective clean fuel technologies with increased collaboration with OEMs to achieve large scale deployment. The design and implementation of the Clean Fuels Program Plan must balance the needs in the various technology sectors with technology readiness on the path to commercialization, emission and GHG reduction potential and co-funding opportunities. South Coast AQMD is committed to developing,

demonstrating, and commercializing technologies that reduce criteria pollutants, specifically NOx and toxic air contaminants (TACs). Most of these technologies address the Basin's need for NOx and TAC reductions and garner GHG reductions and petroleum use. Due to these co-benefits, South Coast AQMD has been successful in partnering with the state and public/private partnerships to leverage its Clean Fuels funding. To identify technology and project opportunities where funding can make a significant difference in deploying cleaner technologies in the Basin, South Coast AQMD engages in outreach and networking efforts. These activities range from close involvement with state and federal collaboratives, partnerships, and industrial coalitions, and discussions with OEMs and technology providers on the current state of technologies and development and commercialization challenges. Additionally, unsolicited proposals from OEMs and other clean fuel technology developers are regularly received and reviewed. Potential development, demonstration and certification projects resulting from these outreach and networking efforts are included conceptually within the 2024 Clean Fuels Plan Update.

Assembly Bill (AB) 617 requires reduced exposure to communities most impacted by air pollution; TAO conducts additional outreach to AB 617 communities regarding available zero and near-zero emission technologies and incentives to accelerate deployment of cleaner technologies. Cleaner technologies such as <https://ww2.arb.ca.gov/capp> 2023 Annual Report & 2024 Plan Update EX-7 March 2024 zero emission HD trucks are in the Community Emission Reduction Plans (CERPs) for these AB 617 communities, and a zero emission HD truck loaner program is being launched in 2023. This program will allow smaller fleets and independent owner operators to learn about zero emission trucks by trying them out in their business operations. This program is being funded through Community Air Protection Program (CAPP) funds but utilizes zero emission truck technologies developed under the Clean Fuels Program.

Since 2020, CARB has adopted several critical milestone regulations for reducing emissions from on-road HD mobile sources. These regulations include: 1) Advanced Clean Truck (ACT) regulation which mandates an increasingly higher percentage of zero emission truck sales starting in 2024, 2) Omnibus Low NOx regulation which requires lower exhaust NOx standards on HD engines starting in 2024, 3) HD Vehicle Inspection and Maintenance Program for removing high emitters from legacy trucks, and 4) Advanced Clean Fleets (ACF) regulation which requires fleets to transit to zero-emission trucks starting in 2024. CARB also finalized the 2022 State Implementation Plan (SIP) Strategy pending U.S. Environmental Protection Agency (U.S. EPA) approval.

On the federal level, U.S. EPA has adopted a national low NOx truck rule in December 2022. The "Control of Air Pollution from New Motor Vehicles: Heavy-Duty Engine and Vehicle Standards," sets more stringent emissions from HD vehicles starting in model year 2027. This regulation is one of three rulemakings planned under the EPA Clean Trucks Plan. Two additional rulemakings include Phase 3 heavy-duty (HD) GHG standards and light-duty (LD) and MD vehicle multi-pollutant standards for model years 2027 will be finalized by the end of 2023. These EPA regulations have slight differences when compared to CARB counterparts. In August 2023, CARB announced proposed amendments to the Omnibus regulation aligning with the adopted U.S. EPA

rule in MY 2027 and provisions for allowing the sale of legacy engines starting MY 2024. Both the federal and state low-NOx regulations complement various zero emission regulations and will together bring much needed mobile source NOx reductions to the South Coast Air Basin.

The South Coast AQMD Warehouse Actions and Investments to Reduce Emissions (WAIRE) program to reduce NOx and DPM emissions from indirect sources such as warehouse facilities. The San Pedro Bay Ports implemented the Clean Truck Fund (CTF) to generate funds for achieving the goal of zero emission drayage trucks by 2035. Despite these major efforts, additional NOx emission reductions in the South Coast Air Basin are needed to meet ozone attainment target deadlines.

The Plan Update includes projects to develop, demonstrate and commercialize a variety of technologies, from near-term to long-term commercialization, that are intended to provide significant emission reductions over the next five to ten years. Areas of focus include:

- Developing and demonstrating technologies to reduce emissions from goods movement and Port related activities, including zero emission drayage trucks and infrastructure;
- Understanding particulate emissions from tire and brake wear;
- Developing and demonstrating ultra-low NOx, gaseous and liquid alternative/renewable fueled, large displacement/high efficiency engines and HD zero emission engine technologies;
- Mitigating criteria pollutant emissions from the production of renewable fuels, such as renewable natural gas, diesel and hydrogen as well as other renewable, low/zero carbon fuels and waste streams;
- Producing transportation fuels and energy from renewable and waste stream sources;
- Developing and demonstrating electric-drive (fuel cell, battery, plug-in hybrid and non-plug-in hybrid) technologies across LD, MD and HD platforms;
- Establishing large-scale hydrogen fueling and electric vehicle (EV) charging infrastructure to support LD, MD and HD zero emission vehicles;
- Ultra-fast, higher power charging (1 megawatt (MW)) for HD battery electric vehicles;
- Developing and demonstrating high flow fueling protocols and standards to address hydrogen refueling station network health and reliability and expand HD hydrogen refueling stations;
- Developing and demonstrating portable hydrogen refueling equipment to address the short-term need for hydrogen refueling and advance these technologies;
- Developing and demonstrating green hydrogen production pathways and hydrogen ecosystem to reduce the cost of hydrogen and improve state-wide hydrogen station reliability and availability;
- Developing and demonstrating low and zero emission alternative charging solution (ACS) technologies to support delay in deploying permanent EV charging infrastructure or to provide temporary and/or backup power generation; and

- Developing and demonstrating zero emission microgrids that utilize battery energy storage systems and onsite clean power generation to support transportation electrification demands associated with goods movement and freight handling activities.

Potential projects across ten core technologies by funding priority:

- Zero Emission Infrastructure (especially large-scale fueling and production facilities and stations that support MD and HD vehicles);
- Hydrogen / Mobile Fuel Cell Technologies;
- Electric / Hybrid Technologies (battery electric and hybrid electric trucks and container transport technologies with zero emission operations);
- Stationary Clean Fuel Technologies (microgrids that support EV and Hydrogen infrastructure and renewables);
- Fuel and Emission Studies;
- Renewable Fuel Infrastructure;
- Health Impact Studies within disadvantaged communities;
- Technology Assessment and Transfer / Outreach
- Engine Systems / Technologies (alternative and renewable fuels for truck and rail applications);
- Emission Control Technologies; and
- These potential projects for 2024 total \$33 million of Clean Fuels funding, with the anticipation of total project costs of \$556.8 million, leveraging \$17 for every \$1 of Clean Fuel funds spent. Some proposed projects may also be funded by other funding sources, such as state and federal grants for clean fuel technologies, incentive programs such as AB 617 CAPP funding, Volkswagen Mitigation, and Carl Moyer, and other mitigation funds.

These potential projects for 2024 total \$33 million of Clean Fuels funding, with the anticipation of total project costs of \$556.8 million, leveraging almost \$17 for every \$1 of Clean Fuel funds spent. Some proposed projects may also be funded by other funding sources, such as state and federal grants for clean fuel technologies, incentive programs such as AB 617 CAPP funding, Volkswagen Mitigation, and Carl Moyer, and other mitigation funds.

CHAPTER I
RULE DEVELOPMENT, CEQA, and SOCIOECONOMIC IMPACT ANALYSES

RULE AND REGULATION DEVELOPMENT PROJECTS APPROVED IN 2023 AND CEQA ALTERNATIVES

This section contains a summary of the adoption or amendment of each rule and regulation development project approved by the South Coast AQMD Governing Board in the preceding CY (e.g., 2023). No plans were adopted or amended in 2023, however. Each summary provides information about the estimated emission reductions, cost-effectiveness, alternatives considered, if applicable, pursuant to the requirements in the CEQA, socioeconomic impacts, and sources of funding.

Projects undertaken by public agencies are subject to CEQA. For any proposal that is either not a “project” or determined to be exempt from CEQA, no further action is required. However, if a project has the potential to create significant or less than significant adverse effects on the environment, then an environmental analysis is necessary. Typically, South Coast AQMD’s development of rules/regulations and plans are considered to be a “project” as defined by CEQA. The adoption of new rules, regulations and plans, or the amendment to existing rules, regulations and plans require a comprehensive CEQA document that contains an environmental impact analysis which includes the following:

- identification of potentially significant adverse environmental impacts evaluated based on environmental checklist topics;
- identification of feasible measures, if any, to mitigate significant adverse environmental impacts to the greatest extent feasible;
- if necessary, a discussion and comparison of the relative merits of feasible project alternatives that generally achieve the goals of the project, but may generate fewer or less severe adverse environmental impacts; and
- identification of environmental topics not significantly adversely affected by the project.

If significant adverse environmental impacts are identified, feasible mitigation measures, if any, and alternatives must be identified and an analysis of the relative merits of each alternative is required. However, if the CEQA document concludes that no significant adverse environmental impacts would be generated by a proposed project, neither the identification of feasible mitigation measures nor an analysis of CEQA alternatives to the project is required. However, even if a project is determined not to have significant environmental impacts, the CEQA document will contain a focused analysis of the potential environmental impacts.

South Coast AQMD operates under a regulatory program certified by the Secretary for Resources pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and implemented pursuant to South Coast AQMD Rule 110. The adoption or amendment of South Coast AQMD rules and regulations are subject to South Coast AQMD’s certified regulatory program for CEQA, while the adoption or amendment of plans such as the AQMP are not. Having a certified regulatory program means that the South Coast AQMD can incorporate its environmental analyses into CEQA documents other than environmental impact reports (EIRs), negative declarations (NDs), or mitigated NDs (MNDs) without being subject to a limited number of specific CEQA requirements identified in Public Resources Code Section 21080.5. Instead, all

CEQA documents prepared by South Coast AQMD pursuant to its certified regulatory program are either called an Environmental Assessment (EA), or some variant of an EA such as a Subsequent or Supplemental EA, or Addendum to an EA. For any rule or plan development project that is determined to be exempt from CEQA, regardless of whether the project is subject to the South Coast AQMD's certified regulatory program, a Notice of Exemption, while not required, can be prepared.

In 2023, the South Coast AQMD Governing Board adopted or amended the following major rules and regulations for which a public workshop was conducted, and which are presented in sequential order according to the month of project approval. Alternatives are summarized only for those projects identified as having potentially significant impacts requiring an alternatives analysis pursuant to CEQA.

JANUARY 6, 2023

Two projects were approved by the South Coast AQMD Governing Board in January:

- 1. Amended Rule 1106 – Marine and Pleasure Craft Coatings, and Amended Rule 1107 – Coating of Metal Parts and Products:** Rule 1106 and Rule 1107 were amended to address the United States Environmental Protection Agency (U.S. EPA) limited disapproval of the State Implementation Plan (SIP) for Rule 1106 and Rule 1107 citing a deficiency from referencing ASTM International D7767-11 “Standard Test Method to Measure Volatiles from Radiation Curable Acrylate Monomers, Oligomers and Blends and Thin Coatings Made from Them” (ASTM D7767). Rule 1106 and Rule 1107 were amended to remove the references to ASTM D7767. Rule 1106 was also amended to delete two product categories and their corresponding volatile organic compound (VOC) limits: Elastomeric Adhesives and Metallic Heat Resistant Coating, because they were not included in the U.S. EPA 1996 Control Techniques Guidelines. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Emission Fees.

- 2. Amended Rule 1118 – Control of Emissions from Refinery Flares:** Rule 1118 was amended to address a U.S. EPA SIP limited disapproval of the July 2017 version of Rule 1118 because it granted the South Coast AQMD's Executive Officer sole authority to approve ASTM International standards not explicitly included in the rule. Rule 1118 was amended such that ASTM standards not listed in the rule also require approval by California Air Resources Board (CARB) and U.S. EPA, along with approval by the South

Coast AQMD's Executive Officer. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Emission Fees.

FEBRUARY 3, 2023

One project was approved by the South Coast AQMD Governing Board in February:

Amended Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers: Rule 1148.2 was amended to expand the notification requirements for facilities that operate onshore oil and gas wells and conduct oil and gas well drilling, well rework, well completion, and well injection activities, and to: 1) add four new definitions to further clarify the amendments being proposed; 2) revise the timing when notifications are required to occur from no less than 48 hours to no less than 72 hours prior to the start of drilling, well completion, rework or acidizing of an onshore oil, gas, or injection well; 3) require notification when 20 gallons or more of any chemical, excluding water, are used for chemical treatment activities; 4) add an alternative method for operators to provide notification to the South Coast AQMD if the Notification and Reporting Portal on the South Coast AQMD website is inaccessible; 5) reduce the number of allowable extensions from five to three when the start date and time of a notification for the drilling, well completion, well rework, or chemical treatment of an onshore oil or gas well specified in a notification is anticipated to occur after the originally projected 24-hour window of the start date and time; 6) require workover rig operations and injection well acidizing to be included in notifications; 7) require written notification (U.S. Mail or personal service) and recordkeeping for acidizing jobs located near sensitive receptors; 8) delete an obsolete reporting requirement; and 9) incorporate additional minor changes for consistency and clarity. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not Applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessments section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, and AB 617.

MARCH 3, 2023

One project was approved by the South Coast AQMD Governing Board in March:

Amended Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools:

Rule 1401.1 was amended to harmonize the definition of school in Rule 1401.1 with other air toxic rules, and to: 1) extend the health protection features of Rule 1401.1 to include early learning and development programs, including those centers that serve prekindergarten children, consistent with the findings on early-life exposure from the Office of Environmental Health Hazard Assessment; and 2) improve clarity and consistency with other South Coast AQMD air toxic rules by: a) removing the unimproved school property language because children may still be present in some unimproved areas and those currently unimproved areas could be developed or improved in the future; b) clarifying that an evaluation of a permit application will be based on the version of Rule 1401.1 in effect at the time a permit application is deemed complete; and c) making corrections to some table references. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessments section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

APRIL 7, 2023

One project was approved by the South Coast AQMD Governing Board in April:

Amended Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Amended Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II:

Rule 219 was amended to add or clarify permit exemption requirements and include enhanced recordkeeping provisions to address comments by U.S. EPA, and to also include targeted exemptions per the South Coast AQMD Governing Board’s direction to encourage the usage of low-emission technologies. Rule 222 was amended to align with the revisions in Rule 219 and address certain sources with negligible emissions. The key changes included: 1) adding new equipment categories that are exempt from permitting requirements including ultraviolet (UV)/electron beam (EB) light emitting diodes (LED) technology and other low-emission curing technologies, and gas insulating equipment that has a low potential to emit VOCs; 2) adding a separate exemption for small food ovens with no process VOC emissions that are not subject to registration requirements in Rule 222; 3) updating emissions thresholds for non-Title V agricultural sources; 4) clarifying that recordkeeping requirements apply to all emission sources and removing two compliance

options which do not require continuous recordkeeping requirements for Printing and Reproduction Equipment and Coating and Adhesive Process/Equipment; 5) removing Rule 222 requirements from Rule 219 since registration is not the basis for determining if specific equipment should be exempted from permit requirements; 6) clarifying that the exemption from permitting for identical replacement in whole or in part of any equipment at federal major sources that has been issued a permit must be based on U.S. EPA guidance in determining what qualifies as “routine maintenance, repair, and replacement” (RMRR); 7) amending the exemption provisions specific to remote reservoir cleaners and manually operated abrasive blasting cabinets; 8) aligning Rule 222 with the changes in Rule 219; 9) including minor rule language revisions; 10) adding a recordkeeping option for food ovens; and 11) adding a new subdivision for exemptions to improve rule clarity. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not Applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessments section. *Source(s) of Funding:* Permit Fees and Annual Operating Fees.

MAY 5, 2023

Two projects were approved by the South Coast AQMD Governing Board in May:

- 1. Amended Regulation III – Fees:** Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320 was amended to establish the fee rates and schedules to recover South Coast AQMD’s reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III included: 1) an increase of most fees by 5.6 percent consistent with the Consumer Price Index (CPI) pursuant to Rule 320; 2) an increase to permit processing, annual renewal, and plan processing fees of two percent in fiscal year 2023-24 and an additional two percent increase in fiscal year 2024-25; 3) a clarification on the applicability of fees subject to an automatic CPI adjustment; and 4) administrative changes in Regulation III such as clarifications, deletions, insertions, or corrections of existing rule language, which were concluded to have no fee impact. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* None, not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, and Area Source Fees.

2. **Amended Rule 463 – Organic Liquid Storage, and Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities:** Rule 463 and Rule 1178 were amended to address deficiencies identified by the U.S. EPA in CARB’s Oil and Gas Methane rule which is designed to implement Reasonably Available Control Technology (RACT) requirements for sources subject to the U.S. EPA’s 2016 Control Techniques Guidelines (2016 CTG) for the Oil and Gas Industry that include storage tanks, and which partially relies on Rule 463 and Rule 1178 to achieve 95 percent emission control or greater for storage tanks subject to the 2016 CTG. The deficiency was addressed by modifying the applicability to include storage tanks subject to the 2016 CTG, which have a potential to emit six tons per year or greater of VOCs and are used in crude oil production. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* None, not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees, Area Source Fees and AB 617.

JUNE 2, 2023

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in June.

AUGUST 4, 2023

Two projects were approved by the South Coast AQMD Governing Board in August:

1. **Amended Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens:** Rule 1153.1 is applicable to Regional Clean Air Incentives Market (RECLAIM), non-RECLAIM, and former RECLAIM facilities that operate commercial food ovens with a rated heat input capacity equal to or greater than 325,000 British thermal units per hour (Btu/hr) which are used to prepare food or products for making beverages for human consumption. Commercial food ovens include bakery ovens, cooking ovens, dryers, drying ovens, roasters, smokehouses, and tortilla ovens. Rule 1153.1 was amended to implement two phases of oxides of nitrogen (NOx) emission limits. Phase I established a NOx emission limit of 15 parts per million by volume (ppmv) for tortilla ovens heated only by infrared burners, and a NOx emission limit of 30 ppmv for all other commercial food ovens. Phase II established zero-NOx emission limits for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses. Amendments to Rule 1153.1 also included: 1) interim NOx emission limits to prevent backsliding if a facility exits the RECLAIM program before they are required to meet the limits in Rule 1153.1; and 2) an Alternative Compliance Schedule Plan to address

additional time that might be needed by a utility provider to upgrade electrical infrastructure to provide electricity to operate electric zero-emission oven(s). The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: 0.11 ton per day of NO_x by 2040. *Cost-Effectiveness:* \$349,000 per ton of NO_x reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

- 2. Amended Rule 2202 – On Road Motor Vehicle Mitigation Options:** Rule 2202 was amended to require limited additional reporting of worksites with more than 250 employees to collect information that would be used to inform a potential second future amendment. More specifically, Rule 2202 was amended to: 1) incorporate additional data collection requirements for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite; 2) revise the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program Guidelines; 3) add provisions to permanently allow the use of Human Resources and/or payroll records to account for telecommute trips to streamline reporting; 4) update rideshare strategies; 5) incorporate new and amended definitions; and 6) make minor administrative changes for clarity and consistency. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Transportation Fees.

SEPTEMBER 1, 2023

Two projects were approved by the South Coast AQMD Governing Board in September:

- 1. Amended Rule 1111 – Reduction of NO_x Emissions from Natural-Gas-Fired, Fan-Type Central Furnaces:** Rule 1111 establishes a NO_x emission limit of 14 nanograms per Joule (ng/J) for residential and commercial gas furnaces. Rule 1111 was amended to extend the end date of the mitigation fee alternate compliance option for mobile home furnaces from September 30, 2023, to September 30, 2025, and allow manufacturers of mobile home furnaces to continue to comply by paying the mitigation fee for 40 ng/J NO_x units with recordkeeping and reporting requirements for two more years. A delay in achieving approximately 0.016 ton per day (equivalent to 32 pounds per day) of NO_x emission reductions was expected to occur as a result of the extended compliance date for mobile home furnaces. The South Coast AQMD committed to continue evaluating the feasibility of zero-emission technologies for future rule amendments to Rule 1111, which

may be able to achieve additional NOx emission reductions over the long-term. The South Coast AQMD Governing Board determined that the project was exempt from CEQA; therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Area Source Fees and CARB Subvention.

- 2. Amended Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities:** Rule 1178 was amended to establish enhanced leak detection and repair (LDAR) and more stringent control requirements. More specifically, Rule 1178 was amended to: 1) require weekly optical gas imaging inspections for tank farms and semi-annual optical gas imaging inspections on individual floating roof tank components; 2) require doming for crude oil tanks that are currently exempt from doming requirements but with full implementation for doming occurring in 2038 for most tank with an alternative doming schedule for certain facilities that will require full implementation in 2041; 3) require secondary seals on all floating roof tanks with installation of secondary seals being required at the time when the tank is emptied and degassed next but no later than 10 years after date of rule adoption; 4) require more stringent gap requirements for floating roof tanks and increased emission control efficiency of 98 percent by weight for fixed roof tanks; and 5) establish additional requirements for true vapor pressure testing, reporting, and recordkeeping.

A Final Environmental Assessment (EA) was prepared for the project and the analysis concluded that there would be no significant adverse environmental impacts; thus, no alternatives analysis was required. The South Coast AQMD Governing Board certified the Final EA and approved the project as proposed.

Estimated Emission Reductions: 0.82 ton per day of VOC. *Cost-Effectiveness:* \$27,800 per ton of VOC reduced. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* Yes, see Socioeconomic Impact Assessment section. *Source(s) of Funding:* Permit Fees, Emission Fees, Annual Operating Fees and AB 617.

OCTOBER 6, 2023

No rules, regulations or plans were adopted or amended by the South Coast AQMD Governing Board in October.

NOVEMBER 3, 2023

Two projects were approved by the South Coast AQMD Governing Board in November:

- 1. Adopted Rule 1110.3 – Emissions from Linear Generators, and Amended Rule 1110.2 – Emissions from Gaseous- and Liquid-Fueled Engines:** Rule 1110.3 was adopted to establish NO_x, carbon monoxide (CO), and VOC emission limits for linear generators, as well as provisions for source testing, monitoring, reporting and recordkeeping. More specifically, Rule 1110.3 was adopted to: 1) establish the rule’s applicability to include all linear generators fueled solely by natural gas; 2) define linear generator and other terms to provide context and clarity; 3) establish concentration-based emission limits for NO_x, VOC, and CO; and 4) establish requirements for conducting maintenance, source testing, monitoring, reporting, and recordkeeping. Rule 1110.3 also included limited exemptions for: 1) laboratory units used for testing and research purposes; and 2) emergency standby units, units used for fire-fighting and flood control, or any other emergency unit approved by the Executive Officer which have permit conditions that limit operation(s) to 200 hours or less per year as determined by an operational non-resettable totalizing time meter. With requirements for linear generators established in Rule 1110.3 in lieu of Rule 1110.2, Rule 1110.2 was amended to: 1) remove all requirements applicable to linear generators; 2) provide clarifications to the definition of an engine; and 3) define linear generator for the purpose of exempting this technology from Rule 1110.2. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: Slight decrease in unquantified VOC emissions. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Permit Fees, Emission Fees, and Annual Operating Fees.

- 2. Amended Rule 2011 – Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SO_x) Emissions, and Amended Rule 2012 – Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions:** Rules 2011 and 2012 establish requirements for continuous emission monitoring systems (CEMS) for facilities in the SO_x and NO_x RECLAIM program, respectively. Rules 2011 and 2012 were amended to: 1) allow the owner or operator to shut down the SO_x and/or NO_x CEMS when the emission source for which the CEMS is monitoring is not scheduled to be operating and is not generating emissions for an extended period of time, provided specific conditions are met; and 2) expand the alternative performance test options to allow a three-point linearity error test to measure concentrations for SO_x and NO_x. Implementation of PAR 2011 and PAR 2012 neither delays the transition of NO_x RECLAIM to a command-and-control regulatory structure, nor results in a change in emissions. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: None. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not Required. *Socioeconomic Impact:* None. *Source(s) of Funding:* Permit Fees, Emission Fees, Permit Fees, Emission Fees, Annual Operating Fees and AB 617.

DECEMBER 1, 2023

One project was approved by the South Coast AQMD Governing Board in December:

- 1. Amended Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations:** Rule 1405 was amended to establish new and enhanced control and monitoring requirements to further reduce stack and fugitive ethylene oxide (EtO) emissions from sterilization operations by gathering information from: 1) facilities that conduct sterilization and related operations; 2) facilities that receive materials that have been sterilized with EtO in another facility; and 3) warehouses receiving materials sterilized with EtO. Rule 1405 was also amended to contain: 1) enhanced performance standards for stack emissions; 2) new emission limits based on achieved-in-practice levels observed at EtO sterilization facilities; 3) improved control efficiency requirements to further reduce stack emissions; 4) provisions to prevent, detect, and capture any potential EtO emissions; 5) new requirements which rely on permanent total enclosures (PTEs) for equipment and areas with known EtO emissions to prevent fugitive emissions from leaving facilities by containing and controlling any EtO gases inside the PTE; 6) enhanced leak detection and repair; 7) a new definition for large facilities subject to the most stringent requirements that reduces the throughput from 4,000 to 2,000 pounds per year of EtO; 8) interim fence-line air monitoring requirements for Tier I warehouses for one year and large facilities until certified Continuous Emission Monitoring Systems or Semi-Continuous Monitoring Systems are in place; 9) requirements to monitor stack and fugitive emissions; 10) interim mobile monitoring requirements for large sterilization facilities; 11) requirements for certain large warehouses to provide records and emissions data; 12) curtailment provisions to reduce EtO fence-line levels when trigger thresholds are exceeded as determined by fence-line air monitoring; 13) requirements to conduct continuous monitoring of key parameters and reporting; 14) requirements to label equipment and provide facility diagrams for all types of sterilization facilities and Post-Aeration Storage facilities; 15) new and modified definitions, recordkeeping and source testing requirements, and prohibitions; and 16) other clarifications for continuity and consistency throughout the rule. The South Coast AQMD Governing Board determined that the project was exempt from CEQA, therefore, no alternatives analysis was required.

Estimated Emission Reductions: Unquantifiable amount of reduced ethylene oxide. *Cost-Effectiveness:* Not applicable. *CEQA Alternatives:* Not Required. *Socioeconomic Impact:* Yes, See Socioeconomic Impact Analysis section. *Sources of Funding:* Area Source Fees, Permit Fees, Emission Fees, Annual Operating Fees.

SOCIOECONOMIC IMPACT ASSESSMENTS

Health and Safety Code Sections 40440.8 and 40728.5 require that South Coast AQMD perform socioeconomic impact assessments for its rules and regulations that will significantly affect air quality or emissions limitations. Prior to implementing the requirements of Health and Safety Codes, South Coast AQMD staff had been evaluating the socioeconomic impacts of its actions pursuant to a 1989 Governing Board Resolution. Additionally, South Coast AQMD staff assesses socioeconomic impacts of CEQA alternatives for the rules with significant cost and emission reduction impacts.

The elements of socioeconomic impact assessments include direct effects on various affected industries and businesses in terms of control costs and cost-effectiveness, as well as public health benefits associated with AQMPs. Additionally, when the total annualized costs exceed one million current U.S. dollars, South Coast AQMD staff uses an economic model developed by Regional Economic Models, Inc. (REMI) to analyze potential direct and indirect socioeconomic impacts of South Coast AQMD rules on Los Angeles, Riverside, Orange, and San Bernardino Counties. These impacts include, but are not limited to, employment and competitiveness.

In 2023, the South Coast AQMD identified and analyzed potential socioeconomic impacts of amendments to seven existing rules (Rules 219, 222, 1148.2, 1153.1, 1178, 1401.1, 1405, and 2202). Additionally, a Socioeconomic Impact Assessment is prepared annually for Rule 320 because it contains a requirement for an automatic annual California Consumer Price Index (CPI) adjustment to most fees paid to South Coast AQMD. Finally, a socioeconomic impact assessment was also prepared for the amendments to Regulation III – Fees, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320. No socioeconomic impact assessments were conducted for plans since none were adopted or amended in 2023.

AMENDMENTS OF RULES AND REGULATIONS WITH SOCIOECONOMIC IMPACTS

Rule 1148.2 — Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers (Amended February 3, 2023)

Amended Rule 1148.2, as described above, is expected to affect approximately 307 operators of onshore oil and gas well operations in the support activities for mining sector (North American Industrial Classification System [NAICS] 213). The primary source of costs is the notification requirement in paragraph (d)(10) of Rule 1148.2, which requires mailed notifications to sensitive receptors within a distance of 1,500 feet of the well or drilling site.

Notification by mail cost estimates were analyzed by taking into account: 1) the density of sensitive receptors located within 1,500 feet of a typical well or drilling operation; 2) the average number of notifications occurring previous to amending Rule 1148.2; and 3) the distribution of affected operations in Los Angeles and Orange Counties. No affected operations were assumed for Riverside or San Bernardino Counties because no significant oil and gas well operations were identified in these counties. The total annual cost assumed for the notifications by mail in the affected universe of operations is \$0.42 million (\$420,000); \$0.36 million (\$357,000) in Los Angeles County, and \$0.06 million (\$63,000) in Orange County.

Since the total annual compliance cost of amended Rule 1148.2 was less than one million current U.S. dollars, South Coast AQMD did not estimate regional macroeconomic impacts as the Regional Economic Models Inc.'s Policy Insight Plus Model is not able to reliably evaluate impacts that are so small relative to the baseline regional economy.

Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools (Amended March 3, 2023)

Rule 1401.1 was amended on March 3, 2023, to harmonize the definition of school in Rule 1401.1 with other air toxic rules, and to: 1) extend the health protection features of Rule 1401.1 to include early learning and development programs, including those centers that serve prekindergarten children, consistent with the findings on early-life exposure from the Office of Environmental Health Hazard Assessment; and 2) improve clarity and consistency with other South Coast AQMD air toxic rules by: a) removing the unimproved school property language because children may still be present in some unimproved areas and those currently unimproved areas could be developed or improved in the future; b) clarifying that an evaluation of a permit application will be based on the version of Rule 1401.1 in effect at the time a permit application is deemed complete; and c) making corrections to some table references.

The expanded definition of schools, which applies to new and relocated facilities, was expected to result in more potentially affected facilities subject to the health risk assessment requirement of Rule 1401.1; however, the number of potentially affected facilities cannot be determined. Based on a retrospective analysis the permit actions between 2017 and 2022, approximately 91 additional facilities per year would be subject to the risk demonstration requirement in amended Rule 1401.1 but these facilities may not need to submit health risk assessments (HRAs). Of the potentially affected facilities identified in the retrospective analysis, more than 98% of the facilities with available data meet the Small Business Administration's definition of a small business. However, the retrospective analysis was not able to predict the types of industries that would potentially

require future permit actions that would be subject to amended Rule 1401.1; as such, the industry-specific impacts that may result from amended Rule 1401.1 could not be forecasted.

There are four tiers of HRAs that can be conducted but only Tier 3 and Tier 4 HRAs would result in costs to facilities due to the need to use more complex air dispersion modeling. The analysis assumed that 10% of the affected universe, which is equivalent to nine facilities, would be required to conduct either a Tier 3 or Tier 4 HRA each year which resulted in a total annual compliance cost of \$158,000 per year.

Since the total annual compliance cost of amended Rule 1401.1 was less than one million current U.S. dollars, South Coast AQMD did not estimate regional macroeconomic impacts as the Regional Economic Models Inc.'s Policy Insight Plus Model is not able to reliably evaluate impacts that are so small relative to the baseline regional economy.

Rule 219 – Equipment Not Requiring a Written Permit Pursuant to Regulation II, and Rule 222 – Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II (Amended April 7, 2023)

Rule 219 was amended on April 7, 2023, to add or clarify permit exemption requirements and include enhanced recordkeeping provisions to address comments by U.S. EPA, and to also include targeted exemptions per the South Coast AQMD Governing Board's direction to encourage the usage of low-emission technologies. Rule 222 was also amended on April 7, 2023, to align with the revisions in Rule 219 and address certain sources with negligible emissions. The key changes included: 1) adding new equipment categories that are exempt from permitting requirements including ultraviolet (UV)/electron beam (EB) light emitting diodes (LED) technology and other low-emission curing technologies, and gas insulating equipment that has a low potential to emit VOCs; 2) adding a separate exemption for small food ovens with no process VOC emissions that are not subject to registration requirements in Rule 222; 3) updating emissions thresholds for non-Title V agricultural sources; 4) clarifying that recordkeeping requirements apply to all emission sources and removing two compliance options which do not require continuous recordkeeping requirements for Printing and Reproduction Equipment and Coating and Adhesive Process/Equipment; 5) removing Rule 222 requirements from Rule 219 since registration is not the basis for determining if specific equipment should be exempted from permit requirements; 6) clarifying that the exemption from permitting for identical replacement in whole or in part of any equipment at federal major sources that has been issued a permit must be based on U.S. EPA guidance in determining what qualifies as "routine maintenance, repair, and replacement" (RMRR); 7) amending the exemption provisions specific to remote reservoir cleaners and manually operated abrasive blasting cabinets; 8) updating the rule to align with the changes in Rule 219; 9) including minor rule language revisions; 10) adding a recordkeeping option for food ovens; and 11) including a new subdivision for exemptions to improve rule clarity.

The applicable industries within the North American Industrial Classification System (NAICS) include but are not limited to manufacturing (NAICS 31-33), technical services (NAICS 54), and other services (NAICS 81). Some of the affected industries may be classified as small businesses.

Amended Rule 219 includes clarifications for certain equipment categories which could result in minimal additional cost, with potential cost-savings from the addition of new equipment categories that are exempt from the requirement to obtain a written permit. Amended Rule 222 removes a one-time filing option, so the additional cost for the one applicable facility to return to annual filing renewals is estimated to be less than \$300 per year.

Since there are minimal anticipated additional costs, a detailed industry impact and cost quantification was not conducted and the macroeconomic impacts of implementing amended Rules 219 and /222 are expected to be minimal.

Amended Regulation III – Fees (Amended May 5, 2023)

Regulation III, which is comprised of Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, 316, and 320 was amended to establish the fee rates and schedules to recover South Coast AQMD’s reasonable costs of regulating and providing services, primarily to permitted sources. Amendments to Regulation III included: 1) an increase of most fees by 5.6 percent consistent with the Consumer Price Index (CPI) pursuant to Rule 320; 2) an increase to permit processing, annual renewal, and plan processing fees of two percent in fiscal year 2023-24 and an additional two percent increase in fiscal year 2024-25; 3) a clarification on the applicability of fees subject to an automatic CPI adjustment; and 4) administrative changes in Regulation III such as clarifications, deletions, insertions, or corrections of existing rule language, which were concluded to have no fee impact.

The amendments to Regulation III also clarified the applicability of Rule 320 which authorized automatic adjustments of most fees adopted after October 29, 2010, by the percent increase in California CPI for the preceding calendar year. In addition, amended Rules 301 and 306 increased the permit processing and annual renewal fees by 4 percent above the CPI that will be phased in over the next two years (e.g., a 2-percent increase in Fiscal Year (FY) 2023-2024 and an additional 2-percent increase in FY 2024-2025).

As presented in the following table, the total fee impact of the amendments to Regulation III was estimated to be about \$1.92 million in FY 2023-24, and \$3.66 million in FY 2024-25 and thereafter. Amended Rules 301 and 306 were concluded to have the most significant fee impact. In contrast, amended Rule 320 was concluded to have relatively minor fee impacts.

Estimated Fee Impacts of Amended Regulation III by Fiscal Year

Amendment	FY 2023-24	FY 2024-25 And thereafter
Amended Rule 320: Clarify Applicability to Rules Adopted After October 29, 2010	\$175,000	\$175,000
Amended Rules 301 and 306: Increase Permit Processing and Annual Renewal Fees	\$1,742,402	\$3,484,802
Total	\$1,917,402	\$3,659,802

Rule 1153.1 – Emissions of Oxides of Nitrogen from Commercial Food Ovens (Amended August 4, 2023)

Rule 1153.1 was amended on August 4, 2023, to implement two phases of NOx emission limits on Regional Clean Air Incentives Market (RECLAIM), non-RECLAIM, and former RECLAIM facilities that operate commercial food ovens with a rated heat input capacity equal to or greater than 325,000 Btu/hr which are used to prepare food or products for making beverages for human consumption. Commercial food ovens include bakery ovens, cooking ovens, dryers, drying ovens, roasters, smokehouses, and tortilla ovens. Phase I established a NOx emission limit of 15 ppmv for tortilla ovens heated only by infrared burners, and a NOx emission limit of 30 ppmv for all other commercial food ovens. Phase II established zero-NOx emission limits for bakery ovens and cooking ovens rated less than or equal to three million Btu per hour, indirect-fired bakery ovens, and smokehouses. Amendments to Rule 1153.1 also included: 1) interim NOx emission limits to prevent backsliding if a facility exits the RECLAIM program before they are required to meet the limits in Rule 1153.1; and 2) an Alternative Compliance Schedule Plan to address additional time that might be needed by a utility provider to upgrade electrical infrastructure to provide electricity to operate electric zero-emission oven(s).

Amended Rule 1153.1 affects 47 facilities which manufacture and operate commercial food ovens, roasters, and smokehouses, with a rated heat input capacity greater than 325,000 Btu/hr, that produce food and beverage products for human consumption. These facilities mainly belong to food and beverage manufacturing, as classified in the North American Industrial Classification System (NAICS 311 and NAICS 312).

The average annual compliance cost of amended Rule 1153.1 is estimated to range from \$12.82 million to \$13.50 million, at a 1% and 4% real interest rate, respectively. All the estimated annual costs are expected to be incurred by the bakery ovens in the food manufacturing sector (NAICS 311). About 83 percent of the total annual compliance cost is attributed to the bakery ovens alone. The recurring costs of bakery ovens, which is mainly attributed to the fuel switching costs, are estimated to account for 65 percent of the total annual cost of amended Rule 1153.1, followed by the bakery ovens one-time capital costs which would be about 18 percent of the total annual cost.

When the compliance cost is annualized using a 4% real interest rate, the analysis projected an annual average of 116 net jobs will be foregone from 2024 to 2051. The 116 annual jobs foregone represents less than 0.001% of total annual jobs in the four-county area. Food manufacturing sector (NAICS 311) would incur the largest share of the average annual jobs foregone (52) as all the assumed compliance costs will be borne by this industry.

Rule 2202 – On-Road Motor Vehicle Mitigation Options (Amended August 4, 2023)

Rule 2202 was amended on August 4, 2023, to require limited additional reporting of worksites with more than 250 employees to collect information that would be used to inform a potential second future amendment. More specifically, Rule 2202 was amended to: 1) incorporate additional data collection requirements for all regulated worksites, including information on telecommuting activity, Vehicle Miles Traveled (VMT), and business type/classification for the worksite; 2) revise the Rule 2202 Implementation Guidelines and Employee Commute Reduction Program Guidelines; 3) add provisions to permanently allow the use of Human Resources and/or payroll records to account for telecommute trips to streamline reporting; 4) update rideshare strategies; 5) incorporate new and amended definitions; and 6) make minor administrative changes for clarity and consistency. Amended Rule 2202 applies to all employers located within the South Coast AQMD with 250 or more employees. Approximately 1,186 worksites with over 600,000 employees were identified as arriving to the worksite within the peak window of 6:00 a.m. to 10:00 a.m. More than 60 percent of the affected facilities belong to the sectors of retail trade North American Industrial Classification Systems (NAICS 44-45), public administration (NAICS 92), health care and social assistance (NAICS 62), and manufacturing (NAICS 31-33).

Of the 1,186 facilities subject to amended Rule 2202: 1) no facilities met South Coast AQMD's Rule 102 definition of a small business; 2) eight facilities qualified as a small business according to the South Coast AQMD's Small Business Assistance Office definition; 3) 72 facilities would be classified as small business based on the Small Business Administration's definition; and 4) no facilities met the small business criteria set forth in the 1990 CAAA definition.

Amended Rule 2202 requires all affected worksites to collect additional data and report this additional information. The analysis estimated that affected worksites would need to complete these additional requirements with a minimal amount of labor and time (approximately 10 hours per year). The total additional cost was estimated by applying the highest hourly wage rate (\$38.56) from the typical category of employee responsible for gathering Rule 2202 annual submittal information. Based on a total of 1,187 regulated worksites that were identified in the Rule 2202 universe, the total additional annual cost was estimated to be \$457,707.2 (or \$385.60 per worksite). The annual compliance costs of amended Rule 2202 were concluded to be less than significant when compared to the size of the economy for the South Coast Air Basin area. Thus, amended Rule 2202 was concluded to have minimal impacts on the regional economy.

Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities (Amended September 1, 2023)

Rule 1178 was amended on September 1, 2023, to reduce VOC emissions from storage tanks located at petroleum facilities by requiring doming, vapor recovery units, secondary seals, and optical gas imaging (OGI) inspections.

Amended Rule 1178 would affect 27 facilities in the four-county area which belong to sectors of petroleum refineries, petroleum bulk stations and terminals, crude oil production, and asphalt manufacturing. Of the 27 facilities, eight facilities refine petroleum, 16 facilities store petroleum in bulk terminals, two facilities produce or extract crude oil, and one facility manufactures asphalt mixtures and blocks.

The total present worth of compliance cost of amended Rule 1178 is estimated at \$328.26 million and \$152.91 million with 1% and 4% discount rate, respectively. The average annual compliance costs of amended Rule 1178 are estimated to range from \$5.86 million to \$7.04 million, for a 1% and 4% interest rate, respectively. Conducting weekly OGI inspections and doming roofs of storage tanks comprise approximately 60% and 38% of the total annual cost of amended Rule 1178, respectively. The analysis indicated that the petroleum and coal products manufacturing industry (NAICS 324) will incur about 54% of total average annual cost.

The small business analysis shows that out of the 27 affected facilities, none met the definition of a small business under South Coast AQMD's Rule 102 but one facility was identified as a small business according to the South Coast AQMD's Small Business Assistance Office (SBAO) definition. Lastly, under the 1990 Clean Air Act Amendments (CAAA) definition, none of the affected facilities met the criteria of a small business.

When the compliance cost is annualized using a 4% interest rate, the analysis concluded that due to the capital-intensive nature of the affected businesses, characterized by a substantial proportion of equipment/machinery relative to labor, no net jobs would be added or foregone from the economy on average over the period from 2024 to 2080.

Rule 1405 – Control of Ethylene Oxide Emissions from Sterilization and Related Operations (Amended December 1, 2023)

Rule 1405 was amended on December 1, 2023, to establish new and enhanced control and monitoring requirements to further reduce stack and fugitive ethylene oxide (EtO) emissions from sterilization operations by gathering information from: 1) facilities that conduct sterilization and related operations; 2) facilities that receive materials that have been sterilized with EtO in another facility; and 3) warehouses receiving materials sterilized with EtO. Rule 1405 was also amended to contain: 1) enhanced performance standards for stack emissions; 2) new emission limits based on achieved-in-practice levels observed at EtO sterilization facilities; 3) improved control efficiency requirements to further reduce stack emissions; 4) provisions to prevent, detect, and capture any potential EtO emissions; 5) new requirements which rely on permanent total enclosures (PTEs) for equipment and areas with known EtO emissions to prevent fugitive emissions from leaving facilities by containing and controlling any EtO gases inside the PTE; and 6) enhanced leak detection and repair 7) a new definition for large facilities subject to the most stringent requirements that reduces the throughput from 4,000 to 2,000 pounds per year of EtO; 8) interim fence-line air monitoring requirements for Tier I warehouses for one year and large facilities until certified Continuous Emission Monitoring Systems or Semi-Continuous Monitoring Systems are in place; 9) requirements to monitor stack and fugitive emissions; 10) interim mobile monitoring requirements for large sterilization facilities; 11) requirements for certain large

warehouses to provide records and emissions data; 12) curtailment provisions to reduce EtO fenceline levels when trigger thresholds are exceeded as determined by fenceline air monitoring; 13) requirements to conduct continuous monitoring of key parameters and reporting; 14) requirements to label equipment and provide facility diagrams for all types of sterilization facilities and Post-Aeration Storage facilities; 15) new and modified definitions, recordkeeping and source testing requirements, and prohibitions; and 16) other clarifications for continuity and consistency throughout the rule.

Sixteen facilities were identified as being subject to amended Rule 1405 with 13 facilities belonging to the following sectors: 1) medical product manufacturers; 2) surgical or veterinary facilities; 3) surgical and medical instrument manufacturing; 4) contract sterilizers; 5) electromedical and electrotherapeutic apparatus manufacturing; and 6) all other miscellaneous manufacturing. The remaining three facilities which use less than four pounds per year of EtO belong to the following sectors: 1) college and universities; and 2) zoos and botanical gardens. Amended Rule 1405 exempt these three facilities from the interim requirements for venting to control equipment in subdivision (i), the prohibitions in subdivision (n), and the recordkeeping requirements in subparagraph (s)(1)(L) specific to maintaining a log for each sterilization cycle. In addition, 28 large warehouses which mainly belong to the wholesale trade, and transportation and warehousing sectors were identified as being subject to amended Rule 1405.

The total present value of the compliance cost of amended rule 1405 was estimated at \$88.96 million and \$65.45 million with a 1% and 4% discount rate, respectively, from 2023 to 2043. Correspondingly, the average annual compliance cost of amended Rule 1405 was estimated to range from \$4.56 million to \$4.73 million, at a 1% and 4% real interest rate assumed. The utilization of dry-bed scrubbers and Continuous Emission Monitoring Systems/Semi-Continuous Monitoring Systems were estimated to account for about 73 percent (%) of the total annual cost of amended Rule 1405, followed by the PTE requirement and its associated electricity costs which was estimated to account for about 14% of the total annual cost. About 91% of the total average annual compliance cost was expected to be incurred by seven facilities designated as “large facility” based on the thresholds in amended Rule 1405.

When the compliance cost was annualized using a 4% real interest rate, an annual average of 54 net jobs foregone was projected from 2023 to 2043. The 54 annual jobs foregone represented less than 0.0005% of total annual jobs in the four-county area. Amended Rule 1405 was projected to have a maximum single-year increase in the cost of production for the miscellaneous manufacturing industry by 0.015% and electromedical and electrotherapeutic apparatus manufacturing by 0.002% in the South Coast region. The maximum increase in delivered prices for these sectors were projected to be 0.012% and 0.002%, respectively. Overall, the analysis concluded that amended Rule PAR 1405 would not have a significant impact on the competitiveness of the affected industries in the region as these industries are regional businesses and could pass on the costs to their end users.

ONGOING SOCIOECONOMIC IMPACTS FROM ANNUAL AUTOMATIC FEE ADJUSTMENTS

Ongoing Implementation of Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III – Fees

The October 29, 2010, South Coast AQMD Governing Board Resolution requires an assessment of the increase in fee rates per Rule 320 based on the previous year's California Consumer Price Index (CPI) by March 15 of every year and the South Coast AQMD Governing Board has the option to decide to forego the increase.

Pursuant to Rule 320 and South Coast AQMD's statutory fee authority set forth in Health and Safety Code Section 40510, the analysis conducted for Rule 320 indicated that most fees within Regulation III would need to be increased by 5.6 percent in order to be consistent with the change in the California Consumer Price Index (CPI) from December 2021 to December 2022. The South Coast AQMD Governing Board did not decide to forego the increase.

The analysis of the ongoing implementation of Rule 320 provided background information, historical revenue trends, sectoral distributions, and estimated increased fee revenue from the CPI adjustment of South Coast AQMD fees. The analysis considered a 5.6 percent increase in CPI being applied to the fees that are generally collected generally in FY 2021-2022, but in some cases, in calendar year 2022.

The across-the-board CPI-based fee-rate increase of 5.6 percent was projected to bring additional revenue totaling \$5.73 million to South Coast AQMD. The manufacturing sector was identified as incurring the largest increase in fees (approximately \$2.32 million for about 3,400 facilities), followed by the services sector (approximately \$1.00 million for about 9,500 facilities) and the retail trade sector (approximately \$0.81 million for about 4,200 facilities). Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, would experience an increase of approximately \$0.96 million.

CHAPTER II
ENGINEERING AND PERMITTING ACTIVITIES

ENGINEERING & PERMITTING

JASON ASPELL DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2023-24 Adopted	\$28.7M
FY 2024-25 Adopted Budget	\$30.7M
% of FY 2024-25 Adopted Budget	14.5%
Total FTEs FY 2024-25 Adopted Budget	176

DESCRIPTION OF MAJOR SERVICES:

Engineering & Permitting (E&P) is responsible for processing applications for Permits to Construct & Operate, and special services. The permit processing activities involve approximately 330 major facilities that have been issued Title V Federal Operating permits, about 230 facilities in the RECLAIM program, and over 25,000 large and small business operations. In addition, staff also participates in activities with other agencies, assists with Economic Development and Business Retention programs, provides engineering support to other divisions, and evaluates and implements permit backlog reduction and permit streamlining activities, including automation and other permit processing modernization efforts.

ACCOMPLISHMENTS

RECENT:

- Initiated aggressive promotional and recruitment efforts to reduce elevated E&P vacancy rate after hiring freeze and increased staff retirements during the COVID pandemic period. This included the promotion of 2 Senior Engineering Managers, 6 Supervising AQ Engineers, 12 Senior AQ Engineers, and the onboarding of 15 new engineers during the calendar year.
- Reached out to and hired former district engineering staff from South Coast AQMD as temporary employees to assist with permit processing duties.
- Continued permit streamlining efforts by:
 - Processing almost 1,800 Permits to Construct and over 6,100 applications for Permits, Plans, and ERC during Fiscal Year (FY) 2021-22; and
 - Focusing on reducing aged permit applications to the extent possible.
- Continued efforts to reach the 3,000 - 3,500 (less RECLAIM transition applications, less Permits to Construct issued) target from FY 2020-21.
- Achieved and maintained the timely completion rate for new permit applications by processing over 70 percent of new permit applications within 180 days of being deemed complete.

- Issued 180 Title V renewal and modification permits in Calendar Year (CY) 2022.
- Implemented new return-to-office teleworking policy and increased in-office levels of production and processing of applications and permits.
- Continued development of Online Permit Processing tools and other automation efforts.
- Continued support for online applicants for dry cleaning equipment, gasoline dispensing facilities, automotive refinishing spray booths, negative air machines, char broilers, and small heaters and boilers. Over 500 applications were filed online during CY 2022.
- New Emergency IC Engine online permitting module made available to interested stakeholders to apply for a registration permit for smaller certified emergency IC engines.
- Maintained and surpassed Division's Permit Streamlining goal of application delivery to Permitting Teams within an average of 4 business days.
- Continued implementation of EPA Title V Program Audit Findings Action Plan.
- Continued efforts to post all newly issued Title V permits to the internet for online public access on an ongoing basis.
- Participated in public meetings to address public concerns regarding high toxic risks and emissions.
- Assisted in developing and amending South Coast AQMD Rules and Regulations such as Reg. III, Reg. XI, Reg. XIII, Reg. XIV, and other amendments called for under AB 617, including Reg. XX, and incorporating updated Best Available Retrofit Control Technology (BARCT).
- Initiated implementation of Rule 1109.1 which includes significant permit application and plan requirements.
- Amended Best Available Control Technology Guidelines which included cleaner emission requirements for emergency diesel engines at major sources.
- Participated in AB617 Community Meetings and in the Community Emissions Reduction Plan (CERP) implementation with respect to permitting crosschecks.
- Provided Pre- and Post-application conferences to help permit applicants.
- Participated, reviewed, and provided permit remedies to permit holders throughout CY 2022 from Fee Review cases.
- Provided technical support to IM to test and troubleshoot CLASS programs issues.
- Continued to provide engineering support and/or expert testimony in Hearing Board cases throughout CY 2022.
- Continued to maintain the Certified Permitting Professional (CPP) program by reaching out to existing CPP holders to provide support and to update and confirm contact information.
- Conducted a CPP exam for 13 individuals seeking certification as Permitting Professionals, taking into account Risk Management and COVID-19 distancing guidelines to ensure a secure and safe testing process for all those involved.
- Prepared Federal New Source Review (NSR) Equivalency Determination Reports pursuant to Rule 1315.
- Prepared annual report on the NO_x and SO_x RECLAIM Program in accordance with Rule 2015.

ANTICIPATED:

- Continue to fill vacancies at all levels and utilize former district engineering staff to assist with permit inventory reduction efforts.
- Continue to provide training to new engineers and newly promoted seniors and supervisors by offering a range of learning opportunities, including in-house workshops, online courses, and external training programs, to ensure they have the skills and knowledge necessary to succeed in their roles.
- Work towards reducing the pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications to maintain levels at or near 3,000, and total pending applications inventory to below 3,500.
- Continue to maintain the timely completion rate for new permit applications by processing 75 to 80 percent of new permit applications within 180 days of being deemed complete.
- Monitor and reduce average permit application residence times.
- Continue to complete timely renewal of Title V permits.
- Continue to implement action plan to further improve Title V program pursuant to EPA's recommendations:
 - a) Continue to prepare expanded Statement of Basis (SOB) for all initial Title V permits, at least 10 percent of Title V renewals, and all De-Minimis and Significant Title V revisions,
 - b) Continue efforts to develop automated capability to publish Title V permits online,
 - c) Provide more detailed accounts of applicable federal requirements in Title V permits,
 - d) Provide public with online access to all issued Title V permits, and
 - e) Develop formal policy for sources exiting the Title V program.
- Continue efforts to streamline and expedite permit issuance through:
 - a) Equipment certification/registration programs
 - b) Streamlined standard permits
 - c) Enhancement of permitting systems (including electronic permitting)
 - d) Expedited Permit Processing Program
 - e) Maintaining adequate staff resources
 - f) Improve technical training.
 - g) Revisiting policies and rules.
- Expand the outreach of the online permitting and permit automation tools for dry cleaning, gasoline dispensing facilities, automotive spray booths, negative air machines, small heaters, and boilers, char broilers, and future modules.
- Continue the development and deployment of Phase II Online Permitting efforts:
 - a) Maintain existing internal and external-facing Permit Application Status
 - b) Dashboard, and implement enhancements based on user feedback,
 - c) Remaining Rule 222 Filing & Registration Forms,
 - d) Registration/Certification for Emergency Generators,
 - e) 400-E-xx Permit Application Forms, and
 - f) Future enhancements to Dry Cleaning, Gasoline Dispensing and Automotive Spray Booth modules.

- Continue permit processing modernization efforts through the development of a plan and business model that will facilitate transition to electronic permit application submittal and processing and can be deployed as soon as the development of electronic smart permit applications forms is complete.
- Resume implementation of the staff recognition program, recognizing top performing individuals and teams to help maintain high morale and acknowledge performance.
- Continue to improve and monitor the operational and permitting efficiency of permitting teams by:
 - a) Streamlining workflow,
 - b) Enhancing permitting tools,
 - c) Standardizing permit conditions,
 - d) Reviewing and updating outdated Permitting Policies and Procedures, and
 - e) Standardizing time and processing status metrics for monitoring permit applications through completion.
- Continue soliciting stakeholder input on permit application backlog reduction and permit streamlining efforts through Permit Streamlining Task Force subcommittee meetings.
- Continue certification testing of Certified Permitting Professionals (CPPs).
- Continue to improve customer services and public outreach by:
 - a) Providing public education by attending public meetings and addressing public concerns,
 - b) Aiding permit applicants through pre- and post-conferences, and
 - c) Providing permitting information for Public Record requests.
- Continue to evaluate the optional Expedited Permitting Program and propose improvements if warranted.
- Continue to update and expand the Permit Processing Handbook.
- Review and comment on Rule 1402 Risk Reduction Plans.
- Continue to provide critical input in developing and amending South Coast AQMD Rules.
- Continue to provide critical input to Compliance & Enforcement in enforcing South Coast AQMD Rules.
- Continue to provide support in Fee Review cases and Hearing Board cases.
- Continue to prepare Federal NSR Equivalency Determination Reports pursuant to Rule 1315.
- Continue to prepare annual report on the NO_x and SO_x RECLAIM Program in accordance with Rule 2015.
- Continue to provide critical guidance to PRDI in developing a streamlined NSR process for facilities exiting the RECLAIM program.
- Develop options for training of new engineers, and newly promoted seniors and supervisors.
- Continue implementation of Rule 1109.1 application processing and reporting (refinery rule associated with RECLAIM sunset)
- Continue to assist PRDI with the development of PAR 1405 to reduce emissions and associated health risks of ethylene oxide.
- Continue to support the development and rollout of the Source Testing portal, an online platform designed to streamline the process of collecting and reporting data on air

emissions. Collaborate with IM and other divisions to ensure that the portal is user friendly, efficient, and fully compliant with relevant regulations.

- Revisit policies on public notices to ensure accessibility to affected community members.

ORGANIZATIONAL CHART:

POSITION SUMMARY: 176 FTEs

Engineering & Permitting	Amended FY 2023-24	Change	Adopted FY 2024-25
Administration	4	-	4
Engineering	144	-	144
Operations	28	-	28
Total	176	-	176

POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
6	Administrative Assistant I
94	94 Air Quality Engineer II
1	1 Air Quality Specialist
1	1 Assistant Deputy Executive Officer
2	2 Data Technician
1	1 Deputy Executive Officer
1	1 Office Assistant
1	1 Program Supervisor
2	2 Senior Administrative Assistant
23	23 Senior Air Quality Engineer
8	8 Senior Air Quality Engineering Manager
17	17 Senior Office Assistant
2	2 Staff Specialist
15	15 Supervising Air Quality Engineer
2	2 Supervising Office Assistant
176	Total FTEs

Permitting Data

During Calendar Year 2023, South Coast AQMD dispositioned a total of 5874 applications. Most of these applications were for Permits to Operate (2281), Plans (900), Area Sources & Certified/ Registrations (1043), and Changes of Operators (709). Also, 859 permits were not renewed. This data, broken down into nine different categories, is summarized in Table 1, below.

Table – 1 Permit Applications Completed in Calendar Year 2023	
Type	Count
Permits to Construct	388
Permits to Operate (PO)*	2,281
Changes of Operator (C/O)	709
Denials	3
Cancellations	366
Emission Reduction Credits (ERCs)	28
Plans	900
Title V (TV)/RECLAIM	156
Area Sources & Certified/Registrations	1,043
Total	5,874
<i>Permits Not Renewed</i>	859

*This includes 1460 applications for Permit to Construct that were issued as Permits to Construct/Operate.

Table 2, on the following pages, contains a breakdown of permits dispositioned (in the nine categories) by type of industry. The type of industry was based on North American Industry Classification System (NAICS) codes, which were provided by the applicant at the time of application filing. The top three NAICS codes were 324110 – Petroleum Refineries, 447110/447190 – Gasoline Service Stations, and 445110 – Supermarkets and Other Grocery Retailers.

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
111998	All Other Miscellaneous Crop Farming	0	0	0	0	0	0	0	1	0	1
112990	All Other Animal Production	0	0	0	0	0	0	0	1	0	1
115112	Soil Preparation, Planting, and Cultivating	0	0	0	0	0	0	0	1	0	1
115210	Support Activities for Animal Production	0	0	3	0	0	0	0	1	0	4
211111	Crude Petroleum and Natural Gas Extraction – crude petroleum extraction	1	0	1	0	0	5	8	2	3	20
211120	Crude Petroleum Extraction	2	0	0	0	0	5	0	3	1	11
211130	Natural Gas Extraction	0	0	0	0	0	0	0	5	1	6
212312	Crushed and Broken Limestone Mining and Quarrying	0	0	0	0	0	0	0	1	0	1
212313	Crushed and Broken Granite Mining and Quarrying	0	2	0	0	0	0	0	0	0	2
212319	Other Crushed and Broken Stone Mining and Quarrying	0	3	3	0	0	0	0	6	2	14
212321	Construction Sand and Gravel Mining	0	2	1	0	0	0	0	2	0	5
212399	All Other Nonmetallic Mineral Mining	4	0	0	0	0	0	0	0	0	4
213112	Support Activities for Oil and Gas Operations	1	0	0	0	0	1	2	0	1	5

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
221111	Hydroelectric Power Generation	0	1	2	0	0	0	0	0	0	3
221112	Fossil Fuel Electric Power Generation	0	0	9	0	0	6	1	15	5	36
221114	Solar Electric Power Generation	0	0	0	0	0	0	0	1	0	1
221115	Wind Electric Power Generation	0	0	0	0	0	0	0	2	0	2
221118	Other Electric Power Generation	0	0	1	0	2	0	10	14	5	32
221122	Electric Power Distribution	0	0	0	0	0	0	0	0	1	1
221210	Natural Gas Distribution	0	0	0	0	0	6	0	6	1	13
221310	Water Supply and Irrigation Systems	5	0	6	0	0	1	6	11	0	29
221320	Sewage Treatment Facilities	1	0	0	0	0	4	7	27	0	39
236115	New Single-Family Housing Construction (except For-Sale Builders)	31	0	0	0	0	0	0	1	0	32
236116	New Multifamily Housing Construction (except For-Sale Builders)	0	0	0	0	0	0	0	1	0	1
236117	New Housing For-Sale Builders	0	0	0	0	0	0	1	0	0	1
236118	Residential Remodelers	0	0	0	0	0	0	0	2	0	2
236210	Industrial Building Construction	0	1	0	0	0	0	0	2	0	3
236220	Commercial and Institutional Building Construction	1	0	0	0	0	5	2	11	0	19
237120	Oil and Gas Pipeline and Related	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Structures Construction										
237210	Land Subdivision	0	0	0	0	0	0	9	1	0	10
237310	Highway, Street, and Bridge Construction	0	0	0	0	1	0	1	1	0	3
238110	Poured Concrete Foundation and Structure Contractors	0	0	1	0	0	0	1	3	0	5
238160	Roofing Contractors	2	0	0	0	0	0	0	0	0	2
238210	Electrical Contractors and Other Wiring Installation Contractors	11	0	4	0	0	0	0	2	0	17
238220	Plumbing, Heating, and Air-Conditioning Contractors	0	0	1	0	0	0	1	1	0	3
238320	Painting and Wall Covering Contractors	0	1	0	0	0	0	0	2	0	3
238350	Finish Carpentry Contractors	0	0	0	0	0	0	0	1	0	1
238910	Site Preparation Contractors	104	2	0	0	0	0	1	3	0	110
238990	All Other Specialty Trade Contractors	122	0	0	0	1	0	1	5	0	129
311119	Other Animal Food Manufacturing	0	1	0	0	0	0	1	0	0	2
311211	Flour Milling	0	0	2	0	0	0	0	10	0	12
311230	Breakfast Cereal Manufacturing	0	10	0	0	0	0	1	0	0	11
311411	Frozen Fruit, Juice, and Vegetable Manufacturing	6	0	0	0	0	0	0	0	0	6

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
311412	Frozen Specialty Food Manufacturing	1	0	0	0	0	0	6	0	0	7
311421	Fruit and Vegetable Canning	6	9	0	0	0	0	0	0	0	15
311422	Specialty Canning	1	0	0	0	0	0	0	6	0	7
311511	Fluid Milk Manufacturing	1	0	0	0	0	0	0	0	0	1
311611	Animal (except Poultry) Slaughtering	2	0	6	0	0	0	0	0	0	8
311612	Meat Processed from Carcasses	0	1	0	0	0	0	0	0	0	1
311613	Rendering and Meat Byproduct Processing	0	0	0	0	0	1	0	5	1	7
311812	Commercial Bakeries	0	0	0	0	2	0	1	2	0	5
311821	Cookie and Cracker Manufacturing	0	0	0	0	0	1	0	0	0	1
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour	0	0	0	2	0	0	0	0	0	2
311911	Roasted Nuts and Peanut Butter Manufacturing	0	0	0	0	0	0	0	2	0	2
311919	Other Snack Food Manufacturing	0	0	3	0	0	1	1	4	1	10
311920	Coffee and Tea Manufacturing	0	5	0	0	0	0	0	2	0	7
311930	Flavoring Syrup and Concentrate Manufacturing	0	0	0	0	0	0	3	0	1	4
311942	Spice and Extract Manufacturing	0	0	0	0	0	0	2	2	0	4
312111	Soft Drink Manufacturing	0	6	0	0	0	0	0	66	0	72

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
312120	Breweries	0	0	0	0	0	0	0	4	0	4
312140	Distilleries	0	0	21	0	0	0	0	0	0	21
312230	Tobacco Manufacturing	0	0	0	0	0	0	0	2	0	2
313310	Textile and Fabric Finishing Mills	0	7	2	0	0	0	0	4	1	14
313320	Fabric Coating Mills	0	7	1	0	0	0	0	6	0	14
314999	All Other Miscellaneous Textile Product Mills	0	0	1	0	0	0	0	0	0	1
316210	Footwear Manufacturing	0	0	0	0	0	0	0	2	0	2
316998	All Other Leather Good and Allied Product Manufacturing	0	0	0	0	0	0	0	33	0	33
321920	Wood Container and Pallet Manufacturing	0	3	0	1	0	0	0	0	0	4
322121	Paper (except Newsprint) Mills	0	0	1	0	0	0	0	2	0	3
322130	Paperboard Mills	0	0	0	0	0	0	0	1	2	3
322211	Corrugated and Solid Fiber Box Manufacturing	0	0	1	0	0	0	0	4	3	8
322212	Folding Paperboard Box Manufacturing	0	0	0	0	0	1	1	2	0	4
322220	Paper Bag and Coated and Treated Paper Manufacturing	0	0	2	0	0	1	1	6	0	10
323111	Commercial Printing (except Screen and Books)	0	0	0	0	1	6	0	1	0	8
323113	Commercial Screen Printing	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
324110	Petroleum Refineries	0	0	11	0	1	32	11	161	38	254
324121	Asphalt Paving Mixture and Block Manufacturing	1	15	3	0	3	1	1	21	7	52
324122	Asphalt Shingle and Coating Materials Manufacturing	1	1	0	0	0	0	3	14	4	23
324191	Petroleum Lubricating Oil and Grease Manufacturing	0	3	2	0	0	1	0	1	1	8
325110	Petrochemical Manufacturing	0	0	0	0	0	0	0	4	0	4
325120	Industrial Gas Manufacturing	0	0	1	0	0	0	0	4	4	9
325130	Synthetic Dye and Pigment Manufacturing	0	52	0	0	0	1	0	8	0	61
325180	Other Basic Inorganic Chemical Manufacturing	0	0	3	0	0	0	1	7	2	13
325211	Plastics Material and Resin Manufacturing	0	0	0	0	0	0	1	4	1	6
325212	Synthetic Rubber Manufacturing	4	0	6	0	0	0	0	2	2	14
325311	Nitrogenous Fertilizer Manufacturing	0	0	1	0	0	0	0	0	0	1
325411	Medicinal and Botanical Manufacturing	0	0	0	0	0	0	0	26	0	26
325412	Pharmaceutical Preparation Manufacturing	1	0	0	0	0	0	5	11	1	18

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
325414	Biological Product (except Diagnostic) Manufacturing	0	0	0	0	0	0	0	1	0	1
325510	Paint and Coating Manufacturing	0	0	0	0	0	1	1	4	1	7
325520	Adhesive Manufacturing	0	0	3	0	0	0	0	2	1	6
325611	Soap and Other Detergent Manufacturing	0	55	1	0	0	0	0	21	0	77
325620	Toilet Preparation Manufacturing	0	0	14	0	0	0	2	2	0	18
326113	Unlaminated Plastics Film and Sheet (except Packaging) Manufacturing	0	0	0	0	0	0	0	4	0	4
326121	Unlaminated Plastics Profile Shape Manufacturing	5	55	0	0	0	0	0	3	1	64
326130	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing	0	0	1	0	0	0	0	0	0	1
326140	Polystyrene Foam Product Manufacturing	0	0	0	0	0	0	0	1	1	2
326199	All Other Plastics Product Manufacturing	0	0	9	0	6	5	2	3	1	26
326211	Tire Manufacturing (except Retreading)	0	0	0	0	0	0	0	3	0	3
326299	All Other Rubber Product Manufacturing	0	0	0	0	0	0	0	4	0	4

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing	0	8	0	0	0	0	0	0	0	8
327120	Clay Building Material and Refractories Manufacturing	0	10	1	0	0	0	0	0	2	13
327211	Flat Glass Manufacturing	0	0	1	0	0	0	1	0	0	2
327213	Glass Container Manufacturing	0	0	0	0	0	0	0	3	1	4
327320	Ready-Mix Concrete Manufacturing	0	0	2	0	0	0	0	17	0	19
327331	Concrete Block and Brick Manufacturing	0	0	0	0	0	0	0	3	0	3
327332	Concrete Pipe Manufacturing	0	23	0	0	0	0	0	0	0	23
327390	Other Concrete Product Manufacturing	0	0	1	0	0	1	1	23	0	26
327992	Ground or Treated Mineral and Earth Manufacturing	0	0	0	0	0	0	0	7	0	7
331110	Iron and Steel Mills and Ferroalloy Manufacturing	0	0	0	0	0	0	0	3	0	3
331221	Rolled Steel Shape Manufacturing	1	0	0	0	0	0	0	5	0	6
331313	Alumina Refining and Primary Aluminum Production	0	0	0	0	0	0	1	0	1	2
331315	Aluminum Sheet, Plate, and Foil Manufacturing	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
331318	Other Aluminum Rolling, Drawing, and Extruding	0	0	1	0	0	0	0	2	1	4
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing, and Extruding	0	0	1	0	0	0	0	0	0	1
331492	Secondary Smelting, Refining, and Alloying of Nonferrous Metal (except Copper and Aluminum)	0	0	0	0	0	4	0	4	3	11
331513	Steel Foundries (except Investment)	0	0	0	0	0	1	0	5	0	6
331523	Nonferrous Metal Die-Casting Foundries	0	0	0	0	0	0	0	1	0	1
331529	Other Nonferrous Metal Foundries (except Die-Casting)	0	0	0	0	0	0	0	1	1	2
332112	Nonferrous Forging	0	0	7	0	0	6	0	16	4	33
332114	Custom Roll Forming	0	4	0	0	0	0	0	0	0	4
332311	Prefabricated Metal Building and Component Manufacturing	0	0	0	0	0	0	0	1	0	1
332312	Fabricated Structural Metal Manufacturing	0	0	0	0	0	0	0	3	0	3
332313	Plate Work Manufacturing	0	0	0	0	0	0	0	2	0	2
332321	Metal Window and Door Manufacturing	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
332322	Sheet Metal Work Manufacturing	0	0	0	0	0	0	0	1	0	1
332323	Ornamental and Architectural Metal Work Manufacturing	0	2	1	0	0	0	0	0	0	3
332410	Power Boiler and Heat Exchanger Manufacturing	0	0	0	0	0	0	5	0	0	5
332420	Metal Tank (Heavy Gauge) Manufacturing	0	0	0	0	0	0	0	1	0	1
332431	Metal Can Manufacturing	0	0	0	0	0	0	1	0	0	1
332439	Other Metal Container Manufacturing	0	2	0	0	0	0	0	0	0	2
332510	Hardware Manufacturing	0	0	0	0	0	0	0	3	0	3
332710	Machine Shops	0	0	1	0	0	1	0	2	0	4
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing	0	0	2	0	0	0	0	14	0	16
332811	Metal Heat Treating	0	0	3	0	0	0	0	4	2	9
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers	0	0	1	0	0	0	2	9	1	13
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring	0	0	5	0	0	7	0	19	0	31
332912	Fluid Power Valve and Hose Fitting Manufacturing	0	0	0	0	0	0	2	4	0	6

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
332919	Other Metal Valve and Pipe Fitting Manufacturing	0	0	1	0	0	0	0	0	0	1
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing	0	0	0	0	0	0	0	1	0	1
332996	Fabricated Pipe and Pipe Fitting Manufacturing	0	0	0	0	0	3	1	3	1	8
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	0	0	0	0	0	0	0	3	0	3
333111	Farm Machinery and Equipment Manufacturing	0	0	0	0	0	0	0	3	0	3
333120	Construction Machinery Manufacturing	0	0	0	0	0	0	2	1	2	5
333243	Sawmill, Woodworking, and Paper Machinery Manufacturing	0	0	0	0	0	0	0	1	0	1
333314	Optical Instrument and Lens Manufacturing	0	0	0	0	0	0	0	2	0	2
333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing	0	0	0	0	0	0	0	2	0	2
333515	Cutting Tool and Machine Tool	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Accessory Manufacturing										
333618	Other Engine Equipment Manufacturing	0	0	0	0	0	0	0	2	0	2
333914	Measuring, Dispensing, and Other Pumping Equipment Manufacturing	0	0	0	0	0	0	0	1	0	1
333921	Elevator and Moving Stairway Manufacturing	0	1	0	0	0	0	0	0	0	1
333924	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturing	0	0	0	0	0	0	1	2	0	3
333994	Industrial Process Furnace and Oven Manufacturing	0	0	0	0	0	0	0	4	0	4
333997	Scale and Balance Manufacturing	0	0	0	0	0	0	0	1	0	1
334118	Computer Terminal and Other Computer Peripheral Equipment Manufacturing	0	0	0	0	0	0	4	1	0	5
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	0	0	0	0	0	0	0	1	1	2
334412	Bare Printed Circuit Board Manufacturing	0	0	0	0	0	0	1	1	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
334413	Semiconductor and Related Device Manufacturing	0	36	0	0	0	0	1	10	1	48
334419	Other Electronic Component Manufacturing	0	0	1	0	0	0	0	4	0	5
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	0	0	0	0	0	0	1	1	0	2
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	0	0	0	0	0	0	4	0	0	4
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables	0	0	0	0	0	0	0	0	1	1
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	3	0	1	0	0	0	1	0	0	5
334516	Analytical Laboratory Instrument Manufacturing	0	0	0	0	0	0	0	14	0	14
334519	Other Measuring and Controlling Device Manufacturing	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
335220	Major Household Appliance Manufacturing	0	0	0	0	0	0	0	4	0	4
335311	Power, Distribution, and Specialty Transformer Manufacturing	0	0	1	0	0	0	0	0	0	1
335314	Relay and Industrial Control Manufacturing	0	0	1	0	0	1	1	0	0	3
335911	Storage Battery Manufacturing	0	0	4	0	0	1	0	9	0	14
335931	Current-Carrying Wiring Device Manufacturing	0	0	0	0	0	0	0	3	0	3
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing	0	0	0	0	0	0	0	5	0	5
336111	Automobile Manufacturing	0	0	1	0	0	0	1	1	0	3
336211	Motor Vehicle Body Manufacturing	0	0	1	0	0	0	0	2	0	3
336212	Truck Trailer Manufacturing	0	1	0	0	0	0	0	0	0	1
336213	Motor Home Manufacturing	0	0	0	0	0	1	0	0	0	1
336360	Motor Vehicle Seating and Interior Trim Manufacturing	0	0	0	0	0	0	0	1	0	1
336390	Other Motor Vehicle Parts Manufacturing	0	0	1	0	0	0	0	2	0	3
336411	Aircraft Manufacturing	0	0	3	0	0	2	1	5	5	16

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
336412	Aircraft Engine and Engine Parts Manufacturing	0	0	0	0	0	1	0	19	1	21
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing	0	0	2	0	0	0	4	18	0	24
336414	Guided Missile and Space Vehicle Manufacturing	0	0	9	0	0	0	1	21	0	31
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing	0	0	0	0	0	0	0	2	0	2
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing	0	1	0	0	0	1	0	13	5	20
337110	Wood Kitchen Cabinet and Countertop Manufacturing	0	0	0	0	0	0	0	1	0	1
337215	Showcase, Partition, Shelving, and Locker Manufacturing	0	0	0	0	0	0	0	2	0	2
339112	Surgical and Medical Instrument Manufacturing	0	0	0	0	0	2	0	17	0	19
339113	Surgical Appliance and Supplies Manufacturing	0	0	1	0	0	0	0	0	1	2
339114	Dental Equipment and Supplies Manufacturing	0	0	0	0	0	0	0	13	0	13

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
339115	Ophthalmic Goods Manufacturing	0	0	0	0	0	4	0	0	0	4
339920	Sporting and Athletic Goods Manufacturing	0	23	0	0	0	0	0	0	0	23
339930	Doll, Toy, and Game Manufacturing	0	0	0	0	0	0	2	0	0	2
339950	Sign Manufacturing	0	0	0	0	0	0	0	1	0	1
339999	All Other Miscellaneous Manufacturing	0	0	3	0	0	5	0	4	0	12
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	1	0	0	0	0	0	0	0	1
423130	Tire and Tube Merchant Wholesalers	0	0	0	0	0	0	0	3	0	3
423140	Motor Vehicle Parts (Used) Merchant Wholesalers	0	0	2	0	0	0	0	0	0	2
423210	Furniture Merchant Wholesalers	0	0	0	0	0	0	1	8	0	9
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers	0	0	0	0	0	0	1	1	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
423410	Photographic Equipment and Supplies Merchant Wholesalers	0	0	0	0	0	0	1	0	0	1
423440	Other Commercial Equipment Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423510	Metal Service Centers and Other Metal Merchant Wholesalers	0	0	1	0	0	0	1	10	1	13
423520	Coal and Other Mineral and Ore Merchant Wholesalers	0	0	0	0	0	0	0	3	0	3
423710	Hardware Merchant Wholesalers	0	0	0	0	0	0	3	0	0	3
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers	5	0	0	0	0	0	0	0	0	5
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers	10	0	0	0	0	0	0	0	0	10
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423830	Industrial Machinery and Equipment	0	0	1	0	0	0	0	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Merchant Wholesalers										
423840	Industrial Supplies Merchant Wholesalers	1	0	0	0	0	0	1	4	0	6
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	0	0	0	0	0	1	0	7	0	8
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers	0	1	0	0	0	0	0	0	0	1
423930	Recyclable Material Merchant Wholesalers	0	1	1	0	0	0	0	0	0	2
423990	Other Miscellaneous Durable Goods Merchant Wholesalers	3	1	1	0	0	0	0	1	1	7
424210	Drugs and Druggists' Sundries Merchant Wholesalers	0	0	0	0	0	0	3	1	0	4
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
424330	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers	0	0	0	0	0	0	2	0	0	2
424340	Footwear Merchant Wholesalers	1	0	0	0	0	0	0	1	0	2
424410	General Line Grocery Merchant Wholesalers	3	0	0	0	0	0	2	0	0	5
424490	Other Grocery and Related Products Merchant Wholesalers	2	0	0	0	1	0	2	3	0	8
424690	Other Chemical and Allied Products Merchant Wholesalers	0	0	0	0	0	0	0	40	0	40
424710	Petroleum Bulk Stations and Terminals	0	1	9	0	2	9	5	17	1	44
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	0	0	1	0	0	1	0	4	0	6
424910	Farm Supplies Merchant Wholesalers	0	0	1	0	0	0	0	0	0	1
424950	Paint, Varnish, and Supplies Merchant Wholesalers	0	0	0	0	0	0	0	1	0	1
424990	Other Miscellaneous Nondurable Goods	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Merchant Wholesalers										
441110	New Car Dealers	0	5	1	0	0	1	1	2	0	10
441120	Used Car Dealers	0	0	0	0	0	0	0	2	0	2
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers	0	0	2	0	0	3	0	1	0	6
441310	Automotive Parts and Accessories Stores	0	2	3	0	0	0	0	0	0	5
442110	Furniture Stores	0	0	0	0	0	0	1	0	0	1
442210	Floor Covering Stores	0	0	0	0	0	0	0	1	0	1
443142	Electronics Stores	0	0	0	0	0	0	1	0	0	1
444110	Home Centers	0	0	0	0	0	0	1	7	0	8
444120	Paint and Wallpaper Retailers	0	1	0	0	0	0	0	0	0	1
444220	Nursery, Garden Center, and Farm Supply Stores	0	0	1	0	0	0	0	0	0	1
445110	Supermarkets and Other Grocery Retailers (except Convenience Retailers)	3	1	0	0	0	0	118	8	2	132
445120	Convenience Stores	0	0	0	0	0	2	9	13	0	24
445291	Baked Goods Retailers	0	0	0	0	0	0	0	1	0	1
445299	All Other Specialty Food Stores	0	0	0	0	1	0	0	0	0	1
446110	Pharmacies and Drug Stores	0	0	0	0	0	0	1	0	0	1
446120	Cosmetics, Beauty Supplies, and Perfume Stores	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
447110	Gasoline Stations with Convenience Stores	10	67	8	0	0	50	3	114	0	252
447190	Other Gasoline Stations	3	0	14	0	1	37	7	103	0	165
448120	Women's Clothing Stores	0	0	0	0	0	0	4	0	0	4
448140	Family Clothing Stores	1	0	0	0	0	0	1	2	0	4
448150	Clothing Accessories Stores	0	0	0	0	0	0	1	0	0	1
448190	Other Clothing Stores	0	0	0	0	0	0	0	1	0	1
448210	Shoe Stores	0	0	0	0	0	0	0	1	0	1
448320	Luggage and Leather Goods Stores	0	0	0	0	0	0	0	37	0	37
451110	Sporting Goods Stores	0	0	0	0	0	1	0	0	0	1
451120	Hobby, Toy, and Game Stores	0	0	0	0	0	0	2	0	0	2
452111	Department Stores (except Discount Department Stores)	0	0	0	0	0	0	1	2	0	3
452112	Discount Department Stores – insignificant perishable grocery sales	0	0	0	0	0	0	9	5	0	14
452210	Department Stores	1	0	0	0	0	0	32	3	0	36
452311	Warehouse Clubs and Supercenters	89	0	0	0	0	1	17	8	0	115
452319	All Other General Merchandise Stores	0	0	0	0	0	0	0	1	0	1
452910	Warehouse Clubs and Supercenters	37	0	0	0	0	0	1	0	0	38
453110	Florists	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
453220	Gift, Novelty, and Souvenir Stores	0	0	0	0	0	0	1	0	0	1
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	0	0	0	0	0	0	5	5	0	10
454110	Electronic Shopping and Mail-Order Houses	0	0	1	0	0	0	0	1	0	2
454310	Fuel Dealers	0	1	0	0	0	0	0	2	0	3
457120	Other Gasoline Stations	0	0	2	0	0	0	0	0	0	2
481111	Scheduled Passenger Air Transportation	1	0	0	0	0	0	0	1	0	2
481112	Scheduled Freight Air Transportation	0	0	0	0	0	0	0	1	0	1
481219	Other Nonscheduled Air Transportation	0	1	0	0	0	0	0	0	0	1
482111	Line-Haul Railroads	0	0	2	0	0	0	0	0	0	2
484110	General Freight Trucking, Local	0	0	0	0	0	0	0	1	0	1
484121	General Freight Trucking, Long-Distance, Truckload	1	0	0	0	0	0	0	0	0	1
485111	Mixed Mode Transit Systems	0	0	0	0	0	0	1	1	0	2
485113	Bus and Other Motor Vehicle Transit Systems	1	0	0	0	0	0	0	1	0	2
486110	Pipeline Transportation of Crude Oil	0	0	0	0	0	0	0	1	0	1
486210	Pipeline Transportation of Natural Gas	1	0	0	0	0	11	0	0	1	13

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
486910	Pipeline Transportation of Refined Petroleum Products	0	0	0	0	0	0	1	14	0	15
487110	Scenic and Sightseeing Transportation, Land	0	1	0	0	0	0	0	0	0	1
488111	Air Traffic Control	1	0	0	0	0	0	0	0	0	1
488119	Other Airport Operations	1	0	0	0	0	0	1	1	1	4
488190	Other Support Activities for Air Transportation	0	4	0	0	0	0	0	1	3	8
488310	Port and Harbor Operations	0	0	0	0	0	0	2	0	0	2
488320	Marine Cargo Handling	1	0	1	0	1	3	0	1	0	7
488410	Motor Vehicle Towing	0	0	0	0	0	0	0	1	0	1
488510	Freight Transportation Arrangement	0	0	0	0	0	1	0	0	0	1
488999	All Other Support Activities for Transportation	0	0	0	0	1	2	2	3	0	8
491110	Postal Service	1	0	0	0	0	0	1	0	0	2
493110	General Warehousing and Storage	4	7	4	0	0	0	0	23	0	38
493120	Refrigerated Warehousing and Storage	0	0	0	0	0	4	0	0	0	4
493190	Other Warehousing and Storage	0	0	0	0	1	0	0	5	0	6
511110	Newspaper Publishers	0	0	0	0	0	0	2	0	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
511210	Software Publishers	0	0	4	0	0	0	0	0	0	4
512110	Motion Picture and Video Production	0	1	1	0	0	3	5	6	0	16
512210	Record Production	0	0	0	0	0	0	1	0	0	1
512240	Sound Recording Studios	0	0	0	0	0	0	1	0	0	1
515111	Radio Networks	1	0	0	0	0	0	0	0	0	1
515120	Television Broadcasting	0	0	0	0	0	0	2	0	0	2
515210	Cable and Other Subscription Programming	1	4	0	0	0	0	2	0	0	7
517311	Wired Telecommunications Carriers	0	8	0	0	0	0	1	1	0	10
517312	Wireless Telecommunications Carriers (except Satellite)	0	0	17	0	0	0	2	20	0	39
517911	Telecommunications Resellers	0	0	0	0	0	0	2	12	0	14
517919	All Other Telecommunications	0	0	0	0	0	0	3	0	0	3
518210	Computing Infrastructure Providers, Data Processing, Web Hosting, and Related Services	0	0	0	0	0	0	2	0	0	2
519120	Libraries and Archives	0	0	0	0	0	0	8	0	0	8
519130	Internet Publishing and Broadcasting and Web Search Portals	0	0	0	0	0	0	1	0	0	1
522110	Commercial Banking	0	0	0	0	0	0	3	0	0	3

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
522120	Savings Institutions	0	5	0	0	0	0	0	0	1	6
522130	Credit Unions	1	0	0	0	0	0	3	0	0	4
522310	Mortgage and Nonmortgage Loan Brokers	0	1	0	0	0	0	0	0	0	1
522390	Other Activities Related to Credit Intermediation	0	0	0	0	0	0	1	0	0	1
523910	Miscellaneous Intermediation	1	0	0	0	0	0	1	3	0	5
523930	Investment Advice	0	0	0	0	0	0	2	0	0	2
524113	Direct Life Insurance Carriers	0	0	0	0	0	0	1	0	0	1
524114	Direct Health and Medical Insurance Carriers	0	0	0	0	0	0	3	0	0	3
524126	Direct Property and Casualty Insurance Carriers	0	0	0	0	0	0	4	0	0	4
524127	Direct Title Insurance Carriers	0	0	0	0	0	0	2	0	0	2
524210	Insurance Agencies and Brokerages	0	0	0	0	0	0	1	1	0	2
524298	All Other Insurance Related Activities	15	0	0	0	0	0	0	0	0	15
525920	Trusts, Estates, and Agency Accounts	0	0	0	0	0	0	1	0	0	1
525990	Other Financial Vehicles	0	1	1	0	0	0	1	0	0	3
531110	Lessors of Residential Buildings and Dwellings	3	9	1	0	0	0	21	19	0	53
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	2	1	1	0	0	0	13	4	0	21

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
531130	Lessors of Miniwarehouses and Self-Storage Units	0	0	0	0	0	0	0	6	0	6
531190	Lessors of Other Real Estate Property	0	0	0	0	0	0	1	0	0	1
531210	Offices of Real Estate Agents and Brokers	5	0	2	0	0	1	15	0	0	23
531312	Nonresidential Property Managers	0	0	0	0	0	0	11	2	0	13
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	0	0	0	0	0	0	0	1	0	1
532210	Consumer Electronics and Appliances Rental	0	1	0	0	0	0	0	0	0	1
532289	All Other Consumer Goods Rental	0	0	0	0	0	0	2	0	0	2
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing	0	0	0	0	0	1	0	1	2	4
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	5	0	0	0	0	0	0	1	0	6
541110	Offices of Lawyers	0	0	0	0	0	0	1	0	0	1
541330	Engineering Services	0	0	7	0	0	6	2	3	0	18
541350	Building Inspection Services	0	0	0	0	0	0	1	0	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
541380	Testing Laboratories and Services	0	0	0	0	0	0	1	6	0	7
541410	Interior Design Services	0	0	0	0	0	0	1	0	0	1
541430	Graphic Design Services	0	0	0	0	0	0	0	1	0	1
541511	Custom Computer Programming Services	0	0	1	0	0	0	1	0	0	2
541512	Computer Systems Design Services	0	0	0	0	0	0	1	0	0	1
541611	Administrative Management and General Management Consulting Services	23	3	0	0	0	4	0	2	0	32
541618	Other Management Consulting Services	5	0	0	0	0	0	1	3	0	9
541620	Environmental Consulting Services	30	0	1	0	0	0	1	11	0	43
541690	Other Scientific and Technical Consulting Services	0	0	0	0	0	0	0	9	0	9
541711	Research and Development in Biotechnology – nanobiotechnologies research and experimental development laboratories	2	0	0	0	0	0	0	0	0	2
541712	Research and Development in the Physical, Engineering, and Life Sciences (except	0	0	1	0	0	0	1	6	0	8

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	Biotechnology) – nanotechnology research and experimental development laboratories										
541713	Research and Development in Nanotechnology	0	1	0	0	0	0	2	1	0	4
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	0	0	0	0	0	0	4	0	0	4
541860	Direct Mail Advertising	0	0	0	0	0	1	0	3	0	4
541890	Other Services Related to Advertising	0	0	0	0	0	0	0	17	0	17
541922	Commercial Photography	0	0	0	0	0	0	1	0	0	1
541940	Veterinary Services	0	0	0	0	0	0	0	1	0	1
541990	All Other Professional, Scientific, and Technical Services	0	0	0	0	0	1	3	5	0	9
551112	Offices of Other Holding Companies	0	1	0	0	0	0	0	3	0	4
561110	Office Administrative Services	0	0	0	0	0	0	4	5	0	9
561210	Facilities Support Services	14	0	0	0	0	0	0	38	0	52
561311	Employment Placement Agencies	0	0	0	0	0	0	0	6	0	6

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
561320	Temporary Help Services	1	0	0	0	0	0	0	0	0	1
561421	Telephone Answering Services	0	0	0	0	0	0	0	1	0	1
561431	Private Mail Centers	0	0	0	0	0	0	0	1	0	1
561450	Credit Bureaus	0	0	0	0	0	0	1	0	0	1
561499	All Other Business Support Services	0	0	6	0	0	0	3	12	0	21
561510	Travel Agencies	0	0	0	0	0	0	0	1	0	1
561599	All Other Travel Arrangement and Reservation Services	0	0	0	0	0	0	1	1	0	2
561613	Armored Car Services	0	0	0	0	0	0	1	0	0	1
561720	Janitorial Services	0	0	0	0	0	0	0	5	0	5
561730	Landscaping Services	0	0	2	0	0	0	0	1	0	3
561790	Other Services to Buildings and Dwellings	0	0	1	0	0	0	0	2	0	3
561910	Packaging and Labeling Services	0	0	0	0	0	2	0	10	0	12
561920	Convention and Trade Show Organizers	0	0	0	0	0	0	1	0	0	1
561990	All Other Support Services	1	0	0	0	0	1	12	5	0	19
562211	Hazardous Waste Treatment and Disposal	0	0	4	0	0	0	5	10	0	19
562212	Solid Waste Landfill	0	0	2	0	0	14	3	5	1	25
562910	Remediation Services	75	0	0	0	1	0	1	19	0	96
562920	Materials Recovery Facilities	0	0	0	0	0	0	0	1	0	1

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
611110	Elementary and Secondary Schools	0	0	0	0	0	0	21	6	0	27
611210	Junior Colleges	2	0	0	0	0	0	12	4	1	19
611310	Colleges, Universities, and Professional Schools	6	0	2	0	0	7	17	19	3	54
611699	All Other Miscellaneous Schools and Instruction	0	0	0	0	0	0	1	2	0	3
621111	Offices of Physicians (except Mental Health Specialists)	0	4	0	0	0	0	6	1	0	11
621210	Offices of Dentists	0	0	0	0	0	0	1	0	0	1
621491	HMO Medical Centers	0	0	0	0	0	0	3	4	0	7
621511	Medical Laboratories	0	1	1	0	0	0	3	2	0	7
621999	All Other Miscellaneous Ambulatory Health Care Services	0	0	0	0	0	0	1	0	0	1
622110	General Medical and Surgical Hospitals	2	2	5	0	0	0	22	12	4	47
622210	Psychiatric and Substance Abuse Hospitals	1	0	1	0	0	0	1	2	0	5
623110	Nursing Care Facilities (Skilled Nursing Facilities)	0	0	0	0	0	0	4	2	0	6
623210	Residential Intellectual and Developmental Disability Facilities	0	0	0	0	0	0	0	5	0	5

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
623311	Continuing Care Retirement Communities	0	0	0	0	0	0	0	1	0	1
623312	Assisted Living Facilities for the Elderly	1	0	0	0	0	0	0	0	0	1
624190	Other Individual and Family Services	0	0	0	0	0	0	2	2	0	4
624310	Vocational Rehabilitation Services	0	0	1	0	0	0	0	0	0	1
624410	Child Care Services	2	1	0	0	0	0	1	4	0	8
711110	Theater Companies and Dinner Theaters	4	0	0	0	0	0	0	0	0	4
711190	Other Performing Arts Companies	1	0	0	0	0	0	1	0	0	2
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	1	0	0	0	0	0	0	0	0	1
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	0	0	0	0	0	0	1	0	0	1
712110	Museums	0	0	0	0	0	0	2	1	0	3
713110	Amusement and Theme Parks	0	0	0	0	0	3	2	8	0	13
713910	Golf Courses and Country Clubs	1	1	0	0	0	1	0	3	0	6
713920	Skiing Facilities	0	0	0	0	0	0	0	6	1	7
713930	Marinas	0	0	0	0	0	0	0	1	0	1
713940	Fitness and Recreational Sports Centers	0	0	6	0	0	0	4	0	0	10

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
713990	All Other Amusement and Recreation Industries	0	0	1	0	0	0	0	1	0	2
721110	Hotels (except Casino Hotels) and Motels	5	3	0	0	0	0	23	2	0	33
722310	Food Service Contractors	0	0	2	0	0	0	0	2	0	4
722511	Full-Service Restaurants	3	0	0	0	0	1	3	1	0	8
722513	Limited-Service Restaurants	5	0	0	0	0	0	0	7	0	12
722515	Snack and Nonalcoholic Beverage Bars	0	0	0	0	0	0	1	0	0	1
811111	General Automotive Repair	36	24	2	0	0	0	2	13	0	77
811112	Automotive Exhaust System Repair	0	1	0	0	0	0	0	0	0	1
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	0	4	0	0	0	0	0	7	0	11
811121	Automotive Body, Paint, and Interior Repair and Maintenance	0	48	11	0	1	2	1	56	0	119
811192	Car Washes	0	0	0	0	0	0	0	3	0	3
811211	Consumer Electronics Repair and Maintenance	0	0	0	0	0	0	0	2	0	2
811219	Other Electronic and Precision Equipment Repair and Maintenance	0	0	0	0	0	0	1	1	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	0	0	0	0	0	0	1	3	0	4
811412	Appliance Repair and Maintenance	2	0	1	0	0	0	0	2	0	5
811490	Other Personal and Household Goods Repair and Maintenance	0	0	0	0	0	0	1	0	0	1
812112	Beauty Salons	0	0	0	0	0	0	2	0	0	2
812210	Funeral Homes and Funeral Services	0	19	7	0	0	1	0	4	0	31
812220	Cemeteries and Crematories	0	0	1	0	0	3	0	8	0	12
812320	Drycleaning and Laundry Services (except Coin-Operated)	0	17	0	0	0	0	1	24	0	42
812332	Industrial Launderers	0	0	0	0	0	0	0	5	0	5
812930	Parking Lots and Garages	0	0	0	0	0	0	3	0	0	3
813110	Religious Organizations	0	0	1	0	0	0	4	2	0	7
813319	Other Social Advocacy Organizations	0	0	0	0	0	0	5	2	0	7
813410	Civic and Social Organizations	2	0	0	0	0	0	1	1	0	4
813990	Other Similar Organizations (except Business, Professional, Labor,	0	0	0	0	0	0	0	2	0	2

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
	and Political Organizations)										
921110	Executive Offices	1	0	0	0	0	0	13	8	0	22
921120	Legislative Bodies	0	0	0	0	0	0	1	0	0	1
921190	Other General Government Support	3	2	0	0	0	0	20	5	0	30
922110	Courts	0	0	0	0	0	0	19	2	0	21
922120	Police Protection	0	0	0	0	0	1	4	5	0	10
922130	Legal Counsel and Prosecution	0	0	0	0	0	0	2	0	0	2
922150	Parole Offices and Probation Offices	0	0	0	0	0	0	2	0	0	2
922160	Fire Protection	0	0	0	0	0	0	2	6	0	8
923130	Administration of Human Resource Programs (except Education, Public Health, and Veterans' Affairs Programs)	0	0	0	0	0	0	1	0	0	1
924110	Administration of Air and Water Resource and Solid Waste Management Programs	0	0	0	0	0	0	2	2	0	4
925120	Administration of Urban Planning and Community and Rural Development	0	0	0	0	0	0	1	0	0	1
926120	Regulation and Administration of Transportation Programs	0	0	0	0	0	0	2	2	0	4

Table 2- Calendar Year 2022 Disposition Type by NAICS Code

NAIC (Revised)	NAIC Desc (Revised)	Area Source /Registration	C/O	Cancelled	Denial	ERC	Permit to Construct	Plans	PO	RECLAIM/TV	Grand Total
926130	Regulation and Administration of Communications, Electric, Gas, and Other Utilities	1	0	0	0	1	0	0	30	3	35
927110	Space Research and Technology	0	0	0	0	0	1	0	2	2	5
928110	National Security	2	0	1	0	0	0	0	5	0	8
XXXXXX	Uncategorized	278	98	31	0	0	81	124	250	0	862
Grand Total		1,043	709	366	3	28	388	900	2,281	156	5,874

Annualized Publication of Emission Reduction Credit (ERC) And Short-Term Emission Reduction Credit (STERC) Transactions for Fiscal Year 2022-23¹ (California Health and Safety Code Section 40452)

Pursuant to paragraph (c) of section 40452 of the California Health and Safety Code, this report summarizes data on emission offset transactions and applications, by pollutant, during the previous fiscal year. Note that during Fiscal Year 2022-23, no applications were denied for a permit for a new source for the reason of failure to provide the required emission offsets.

Table 1 summarizes privately held Emission Reduction Credit (ERC) and Short Term Emission Reduction Credit (STERC) transactions for Fiscal Year 2022-23, including totals, by pollutant, of the number of emission offset transactions and the quantity of emission offsets transferred in units of pounds per day and tons per year. Table 2 summarizes ERC banking applications processed during Fiscal Year 2022-23, including the number of newly generated STERCs by pollutant in units of pounds per day and tons per year.

Tables 3 and 4 provide details on the amount of each emission offset transaction and processed ERC banking application, respectively.

Table 3: Emission Offset Transactions – Fiscal Year 2022-23

Criteria Pollutant	Number of Emission Offset Transfer Transactions ²				Quantity of Emission Offsets Transferred ³ (lb/day)				Annualized Quantity of Emission Offsets Transferred ³ (ton/year ⁴)			
	ERC	STERC ⁵	STERC ⁶	TOTAL	ERC	STERC ⁵	STERC ⁶	TOTAL	ERC	STERC ⁵	STERC ⁶	TOTAL
ROG	10	5	0	15	235	35	0	270	42.9	6.4	0	49.3
NOX	2	0	0	2	154	0	0	154	28.1	0	0	28.1
SOX	0	0	0	0	0	0	0	0	0	0	0	0
CO	0	0	0	0	0	0	0	0	0	0	0	0
PM10	1	1	0	2	1	1	0	2	0.2	0.2	0	0.4

Table 4: Emission Offset Applications – Fiscal Year 2022-23

Criteria Pollutant	Number of Banking Applications Resulting in the Issuance of New STERCs ⁷	Quantity of Emission Reductions Achieved (STERCs) ⁸ (lb/day)	Annualized Quantity of Emission Reductions Achieved ⁸ (ton/year ⁹)
ROG	1	39	7.1
NOX	0	0	0
SOX	1	4	0.7
CO	0	0	0
PM10	3	58	10.6

¹ This report does not include RECLAIM Trading Credit (RTC) transactions.

² Includes all emission offset certificates that transferred ownership.

³ Includes the total amount of emission offsets transferred.

⁴ Sum of individual transactions in Table 3.

⁵ STERC transfer transactions including the long-term emission offset, those that have an ending year of 9999.

⁶ STERC transfer transactions not including the long-term emission offset in which the emission offset with the greatest year is treated like a long term emission offset.

⁷ Includes all emission offset applications resulting in the generation of new certificates.

⁸ Includes the total amount of emission offsets generated.

⁹ Sum of individual transactions in Table 4.

**Table 5: Emission Offset Transaction Summary – Fiscal Year 2022-23
Sorted by Pollutant and Amount**

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-001	ROG	1	0.2	ERC	N/A	N/A
SC2223-002	ROG	3	0.5	STERC	2021	9999
SC2223-003	ROG	4	0.7	ERC	N/A	N/A
SC2223-004	ROG	9	1.6	ERC	N/A	N/A
SC2223-005	ROG	7	1.3	STERC	2021	9999
SC2223-006	ROG	70	12.8	ERC	N/A	N/A
SC2223-007	ROG	9	1.6	ERC	N/A	N/A
SC2223-008	ROG	2	0.4	ERC	N/A	N/A
SC2223-009	ROG	2	0.4	STERC	2021	9999
SC2223-010	ROG	6	1.1	ERC	N/A	N/A
SC2223-011	ROG	21	3.8	STERC	2021	9999
SC2223-012	ROG	3	0.5	ERC	N/A	N/A
SC2223-013	ROG	2	0.4	STERC	2021	9999
SC2223-014	ROG	71	13	ERC	N/A	N/A
SC2223-015	ROG	60	11	ERC	N/A	N/A
Total		270	49.3		N/A	

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-016	NOX	29	5.3	ERC	N/A	N/A
SC2223-017	NOX	125	22.8	ERC	N/A	N/A
Total		154	28.1		N/A	

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
N/A	SOX	No Records				
Total		0	0		N/A	

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
N/A	CO	No Records				
Total		0	0		N/A	

Table 5, Continued

SCAQMD NO.	POLLUTANT	AMOUNT (LB/DAY)	AMOUNT (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-018	PM10	1	0.2	ERC	N/A	N/A
SC2223-019	PM10	1	0.2	STERC	2013	9999
Total		2	0.4	N/A		

**Table 6: Emission Offset Application Summary – Fiscal Year 2022-23
Sorted by Pollutant and Amount**

SCAQMD NO.	POLLUTANT	AMOUNT ¹⁰ (LB/DAY)	AMOUNT ¹⁰ (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-020	ROG	39	7.1	STERC	2023	2023
SC2223-021	ROG	39	7.1	STERC	2024	2024
SC2223-022	ROG	39	7.1	STERC	2025	2025
SC2223-023	ROG	39	7.1	STERC	2026	2026
SC2223-024	ROG	39	7.1	STERC	2027	2027
SC2223-025	ROG	39	7.1	STERC	2028	2028
SC2223-026	ROG	39	7.1	STERC	2029	2029
SC2223-027	ROG	39	7.1	STERC	2030	9999
Total		39	7.1	N/A		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT ¹⁰ (LB/DAY)	AMOUNT ¹⁰ (TON/YR)	TYPE	START YEAR	END YEAR
NA	NOX	No Records				
Total		0	0	N/A		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT ¹⁰ (LB/DAY)	AMOUNT ¹⁰ (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-028	SOX	4	0.7	STERC	2023	2023
SC2223-029	SOX	4	0.7	STERC	2024	2024
SC2223-030	SOX	4	0.7	STERC	2025	2025
SC2223-031	SOX	4	0.7	STERC	2026	2026
SC2223-032	SOX	4	0.7	STERC	2027	2027
SC2223-033	SOX	4	0.7	STERC	2028	2028
SC2223-034	SOX	4	0.7	STERC	2029	2029
SC2223-035	SOX	4	0.7	STERC	2030	9999

SCAQMD NO.	POLLUTANT	AMOUNT ¹⁰ (LB/DAY)	AMOUNT ¹⁰ (TON/YR)	TYPE	START YEAR	END YEAR
Total		4	0.7	N/A		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT ¹⁰ (LB/DAY)	AMOUNT ¹⁰ (TON/YR)	TYPE	START YEAR	END YEAR
NA	CO	No Records				
Total		0	0	N/A		

Table 6, Continued

SCAQMD NO.	POLLUTANT	AMOUNT ¹⁰ (LB/DAY)	AMOUNT ¹⁰ (TON/YR)	TYPE	START YEAR	END YEAR
SC2223-036	PM10	1	0.2	STERC	2024	2024
SC2223-037	PM10	1	0.2	STERC	2023	2023
SC2223-038	PM10	1	0.2	STERC	2024	2024
SC2223-039	PM10	1	0.2	STERC	2025	2025
SC2223-040	PM10	1	0.2	STERC	2026	2026
SC2223-041	PM10	1	0.2	STERC	2027	2027
SC2223-042	PM10	1	0.2	STERC	2028	2028
SC2223-043	PM10	1	0.2	STERC	2029	9999
SC2223-044	PM10	4	0.7	STERC	2024	2024
SC2223-045	PM10	4	0.7	STERC	2023	2023
SC2223-046	PM10	4	0.7	STERC	2024	2024
SC2223-047	PM10	4	0.7	STERC	2025	2025
SC2223-048	PM10	4	0.7	STERC	2026	2026
SC2223-049	PM10	4	0.7	STERC	2027	2027
SC2223-050	PM10	4	0.7	STERC	2028	2028
SC2223-051	PM10	4	0.7	STERC	2029	9999
SC2223-052	PM10	53	9.7	STERC	2023	2023
SC2223-053	PM10	53	9.7	STERC	2024	2024
SC2223-054	PM10	53	9.7	STERC	2025	2025
SC2223-055	PM10	53	9.7	STERC	2026	2026
SC2223-056	PM10	53	9.7	STERC	2027	2027
SC2223-057	PM10	53	9.7	STERC	2028	2028
SC2223-058	PM10	53	9.7	STERC	2029	2029
SC2223-059	PM10	53	9.7	STERC	2030	9999
Total		58	10.6	N/A		

¹⁰ To avoid over counting, only long-term emission offsets, those that have an ending year of 9999, are quantified.

CHAPTER III
FISCAL YEAR 2024-2025 BUDGET

Due to the bulk of this material, Chapter III is available online at [adopted-fy-2024-25-budget.pdf](https://www.aqmd.gov/adopted-fy-2024-25-budget.pdf) ([aqmd.gov](https://www.aqmd.gov)). Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.

CHAPTER IV
CLEAN FUELS PROGRAM 2023 ANNUAL REPORT AND 2024 PLAN UPDATE

Due to the bulk of this material, Chapter IV is available online at [2023 Annual Report & 2024 Plan Update \(aqmd.gov\)](#). Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.

CHAPTER V
ANNUAL RECLAIM AUDIT REPORT FOR 2022 COMPLIANCE YEAR

Due to the bulk of this material, Chapter V is available online at www.aqmd.gov/docs/default-source/reclaim/reclaim-annual-report/2022-reclaim-report.pdf. Anyone who would like to obtain a hard copy may do so by contacting South Coast AQMD's Public Information Center at (909)396-2001.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 18

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all South Coast AQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, November 8, 2024, Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

RMM:XC:DD:HL:dc

Background

Information Management (IM) provides a wide range of information systems and services in support of all South Coast AQMD operations. IM's primary goal is to provide automated tools and systems to implement rules and regulations, and to improve internal efficiencies. The annual Budget and Board-approved amendments to the Budget specify projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
 December 6, 2024 Board Meeting
 Status Report on Ongoing and Upcoming Projects for
 Information Management

Warehouse Indirect Source Rule Online Reporting Portal Phase 4	
Brief description:	Development of online reporting portal for Rule 2305 –Warehouse Indirect Source
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	85%
LAST 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing
NEXT 30 days	<ul style="list-style-type: none"> ● Working on going live
Original estimated go-live date	8/9/24
Current estimated go-live date	12/27/24
Go-live date	N/A
Notes	Schedule extended to accommodate new requirements.

South Coast AQMD Mobile Application Phase 6	
Brief description:	The Phase 6 enhancement of the South Coast AQMD mobile app focuses on introducing the Open Burn Program and Check Before You Burn (CBYB) feature layers, enhancing user access to detailed environmental data and preparing the map component for future expansions.
Estimated project cost	\$54,785
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing
NEXT 30 days	<ul style="list-style-type: none"> ● Working on going live
Original estimated go-live date	12/20/24
Current estimated go-live date	12/20/24
Go-live date	N/A
Notes	IM Development Complete.

ATTACHMENT
 December 6, 2024 Board Meeting
 Status Report on Ongoing and Upcoming Projects for
 Information Management

Agenda Tracking System	
Brief description:	Develop new Agenda Tracking System for submittal, review, and approval of Governing Board meeting agenda items
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	<ul style="list-style-type: none"> ● System Development in Progress
NEXT 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing
Original estimated go-live date	11/15/24
Current estimated go-live date	2/11/25
Go-live date	N/A
Notes	Additional enhancements were requested by the users.

Online Application Filing	
Brief description:	Enhanced Web application to automate filing of permit applications, Rule 222 equipment and registration for IC engines; implement electronic permit folder and workflow for staff
Estimated project cost	\$525,000
Overall project status	In Progress
Percentage complete	90%
LAST 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing of Phase 1 of the project (first ten 400-E-XX forms) ● User Acceptance Testing of next set of Rule 222 forms
NEXT 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing of Phase 1 of the project (first ten 400-E-XX forms) ● User Acceptance Testing of next set of Rule 222 forms
Original estimated go-live date	1/17/25
Current estimated go-live date	1/17/25
Go-live date	N/A
Notes	IM Development Complete.

ATTACHMENT
 December 6, 2024 Board Meeting
 Status Report on Ongoing and Upcoming Projects for
 Information Management

Permit Workflow Automation – Phase 1	
Brief description:	Automate application acceptance and engineering evaluation processes into paperless workflows
Estimated project cost	\$250,000
Overall project status	In Progress
Percentage complete	55%
LAST 30 days	<ul style="list-style-type: none"> ● System Development in Progress
NEXT 30 days	<ul style="list-style-type: none"> ● System Development in Progress
Original estimated go-live date	3/14/25
Current estimated go-live date	3/14/25
Go-live date	N/A
Notes	Project is on schedule.

Website Upgrade	
Brief description:	Upgrade the Website Content Management System to latest version
Estimated project cost	\$100,000
Overall project status	In Progress
Percentage complete	80%
LAST 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing and Training
NEXT 30 days	<ul style="list-style-type: none"> ● User Acceptance Testing and Training
Original estimated go-live date	10/11/24
Current estimated go-live date	1/31/25
Go-live date	N/A
Notes	Go-live postponed for additional testing cycle.

ATTACHMENT
 December 6, 2024 Board Meeting
 Status Report on Ongoing and Upcoming Projects for
 Information Management

Compliance System	
Brief description:	Develop new Compliance System to help streamline the compliance business process. The new system will provide full integration of incident management, inspection process, field operations and operations dashboard
Estimated project cost	\$450,000
Overall project status	In Progress
Percentage complete	70%
LAST 30 days	<ul style="list-style-type: none"> ● System Development in progress
NEXT 30 days	<ul style="list-style-type: none"> ● System Development in progress
Original estimated go-live date	2/28/25
Current estimated go-live date	2/28/25
Go-live date	N/A
Notes	Project is on schedule.

Projects that have been completed within the last 12 months are shown below	
COMPLETED PROJECTS	
PROJECT	DATE COMPLETED
Source Test Tracking System (STTS)	September 20, 2024
IT Service Management	September 17, 2024
Rule 1180 System Enhancements	August 16, 2024
Rule 1415 System Enhancements	August 9, 2024
AQ-SPEC Cloud Platform Phase 2	July 10, 2024
AB2766 Version 2 Enhancements	May 9, 2024
PeopleSoft HCM Labor Agreement Implementation	April 30, 2024
PeopleSoft Electronic Requisition	April 30, 2024
Volkswagen Environmental Mitigation Trust Program GMS Enhancement	March 5, 2024
Email Gateway Replacement	March 1, 2024
Prequalify Vendor List for PCs, Network Hardware, etc.	February 2, 2024

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 19

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a hybrid meeting on Friday, November 8, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Vanessa Delgado, Chair
Administrative Committee

SN:cb

Committee Members

Present: Chair Vanessa Delgado, Committee Chair
Vice Chair Michael Cacciotti
Board Member Gideon Kracov

Absent: Supervisor V. Manuel Perez

Call to Order

Vice Chair Cacciotti called the meeting to order at 10:00 a.m. Chair Delgado arrived at approximately 10:20 a.m.

For additional details of the Administrative Committee Meeting, please refer to the [Webcast](#).

DISCUSSION ITEMS:

1. **Board Members' Concerns:** There were no Board Members' concerns to report.
2. **Chair's Report of Approved Travel:** There was approved travel for Board Member Gideon Kracov for the California Lawyers Association Environmental Law Conference in Yosemite, California and for the CARB meeting in Sacramento.
3. **Report of Approved Out-of-Country Travel:** No out-of-country travel was reported.

4. **Review December 6, 2024 Governing Board Agenda:** Executive Officer Wayne Nastri indicated there will be a Set Hearing for Proposed Amended Rule 1179.1 and Proposed Amended Rule 3002. There will be a Public Hearing on Proposed Rule 1159.1, which is regarding NOx emissions from nitric acid tanks. For additional information, please refer to the [Webcast at 5:00](#).
5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** There were none for approval.
6. **Update on South Coast AQMD Diversity, Equity and Inclusion Efforts:** Anissa Heard-Johnson, Diversity, Equity & Inclusion (DEI) Officer, DEI with Community Air Programs, provided an update on agency efforts, seasonal events, cultural displays, Statewide DEI Working Group, and discussed Winona LaDuke for Fabulous Female Friday. For additional information, please refer to the [Webcast at 6:43](#).
7. **Annual Audited Financial Statements for FY Ended June 30, 2024:** Brandon Young from Lance, Soll & Lunghard, LLC, presented the annual comprehensive financial report for FY 2023-24 and the results of the audit. For additional information, please refer to the [Webcast at 12:40](#).
8. **South Coast AQMD's FY 2024-25 First Quarter Ended September 30, 2024 Budget vs. Actual (Unaudited):** Sujata Jain, Chief Financial Officer, presented an overview of the budget versus actual results for the first quarter of FY 2024-25, provided a revenue and expenditure comparison with last fiscal year's first quarter, and an update of the five-year projection. For additional information, please refer to the [Webcast at 17:51](#).
9. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Xin Chen, Information Technology Manager/Information Management, reported on the status of various projects. For additional information, please refer to the [Webcast at 22:42](#).

ACTION ITEMS:

10. **Amend Contract to Provide Short- and Long-Term Systems Development, Maintenance and Support Services:** Mr. Chen reported that this item is a standard request to amend contracts for systems development, maintenance and support systems and funds are available in the budget. For additional information, please refer to the [Webcast at 24:50](#).

Moved by Kracov; seconded by Cacciotti, unanimously approved.

Ayes: Cacciotti, Delgado, Kracov
Noes: None
Absent: Perez

11. **Amend Contracts for Legislative Representation in Sacramento, California:** Lisa Tanaka, Assistant Deputy Executive Officer/Legislative, Public Affairs and Media indicated that this item is to approve a one-year extension contract for our State legislative representatives, Gonsalves and Sons and authorize California Advisors to assign its current contract to Buckley Government Affairs.

Chair Delgado inquired about the RFP related to this item. Ms. Tanaka confirmed there was an RFP that authorized one year, plus two additional one-year contract extensions. This would be first contract extension. Ms. Tanaka also confirmed that in December, staff will bring this item back to the Legislative Committee with an RFP to add an additional State legislative representative firm for Board approval in January. For additional information, please refer to the [Webcast at 25:43](#).

Moved by Cacciotti; seconded by Kracov, unanimously approved.

Ayes: Cacciotti, Delgado, Kracov
Noes: None
Absent: Perez

12. **Transfer and Appropriate Funds, Issue Solicitations and Purchase Orders for MATES VI:** Scott Epstein, Planning and Rules Manager/Planning, Rule Development and Implementation reported that this item is to transfer and appropriate funds for a MATES VI study on ethylene oxide, and to purchase additional instrumentation and temporary services, and laboratory supplies. For additional information, please refer to the [Webcast at 29:04](#).

Moved by Kracov; seconded by Cacciotti, unanimously approved.

Ayes: Cacciotti, Delgado, Kracov
Noes: None
Absent: Perez

WRITTEN REPORT:

No written reports.

OTHER MATTERS:

13. **Other Business:** There was no other business to report.

14. **Public Comment:** Harvey Eder, Public Solar Power Coalition, provided public comment on the start time of the administrative committee meeting. For additional information, please refer to the [Webcast at 32:07](#).
15. **Next Meeting Date:** The next regular Administrative Committee meeting is scheduled for Friday, December 13, 2024 at 10:00 a.m.

Adjournment

The meeting was adjourned at 10:30 a.m.

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 20

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, November 8, 2024. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
CARB Board Air District Representative Fair Compensation Bill Proposal	Approve
Amendments to AB 2851 (Bonta) re: Fenceline Monitoring at Metal-Shredding Facilities Bill Proposal	Approve
2025 State and Federal Legislative Guiding Principles	Approve

Receive and file this report and approve agenda items as specified in this letter.

Michael A. Cacciotti, Committee Chair
Legislative Committee

LTO:PFC:DPG:EV:MC:mc

Committee Members

Present: Councilmember Michael A. Cacciotti, Committee Chair
Mayor Patricia Lock Dawson
Councilmember Nithya Raman

Absent: Supervisor Curt Hagman
Supervisor V. Manuel Perez
Mayor José Luis Solache

Call to Order

Chair Michael Cacciotti called the meeting to order at 8:30 a.m. Executive Officer Wayne Nastri suggested that the Legislative Committee proceed with non-voting items first to allow for a possible quorum later for items requiring a vote. Chair Cacciotti acknowledge the attendance of Councilmember Nithya Raman. Committee met the minim number of voting members for quorum. Committee was able to proceed with items that require voting.

For additional information, please refer to the [Webcast](#) beginning at 3:35.

ACTION/DISCUSSION ITEMS:

1. Execute Contract(s) for Legislative Representation in Washington, D.C.

This item was taken out of order.

The Legislative Committee considered proposals from Balance Public Relations & Strategic Solutions Inc., Carmen Group Inc., Cassidy & Associates, Ferox Strategies, and Kadesh & Associates for legislative representation in Washington, D.C.

The Committee recommended executing contracts with Cassidy & Associates, Kadesh & Associates, and Carmen Group for legislative representation in Washington, D.C.

Moved by: Lock Dawson, Seconded: Raman

Ayes: Cacciotti, Lock Dawson, Raman

Noes: None

Abstain: None

Absent: Hagman, Perez, Solache

The Committee recommended the Board consider up to a \$42,000 increase in Legislative, Public Affairs and Media's budget for Legislative Representation in Washington, D.C. to implement the recommended consulting firms.

Moved by: Lock Dawson, Seconded: Raman

Ayes: Cacciotti, Lock Dawson, Raman

Noes: None

Abstain: None

Absent: Hagman, Perez, Solache

The Committee indicated an interest in having the Executive Officer work with Ferox Strategies within his signing authority for possible limited engagement related to legislative representation in Washington, D.C. and Executive Officer Nastri expressed a willingness to accommodate this request.

There was no public comment.

For additional information, please refer to the [Webcast](#) beginning at 28:02.

2. Concepts for 2025 South Coast AQMD Sponsored State Legislative Proposals

This item was taken out of order.

Philip Crabbe, Senior Public Affairs Manager/Legislative, Public Affairs & Media, presented two 2025 South Coast AQMD sponsored state legislative proposals for consideration by the Committee, as follows:

- CARB Board Air District Representative Fair Compensation Bill: This proposal is the same as AB 2958 (Calderon) from last session. It would increase compensation for CARB board members representing air districts.
- Amendments to AB 2851 (Bonta) [Chapter 743, Statutes of 2024] Fenceline Monitoring at Metal Shredding Facilities: This proposal would seek to amend provisions of AB 2851 to require air districts to be reimbursed by metal shredding facilities for fenceline monitoring costs.

Staff recommended APPROVAL of the two 2025 South Coast AQMD Sponsored State Legislative Proposals in Concept.

Moved by: Lock Dawson, Seconded: Raman

Ayes: Cacciotti, Lock Dawson, Raman

Noes: None

Abstain: None

Absent: Hagman, Perez, Solache

There was no public comment.

For additional information, please refer to the [Webcast](#) beginning at 1:04:54.

3. 2025 State and Federal Legislative Guiding Principles

This item was taken out of order.

Mr. Crabbe presented the proposed South Coast AQMD 2025 State and Federal Legislative Guiding Principles to the Committee.

Staff recommended APPROVAL of the 2025 State and Federal Legislative Guiding Principles.

Moved by: Lock Dawson Seconded: Raman

Ayes: Cacciotti, Lock Dawson, Raman

Noes: None

Abstain: None

Absent: Hagman, Perez, Solache

Harvey Eder, Public Solar Power Coalition, provided public comment regarding the legislative guiding principles.

For additional information, please refer to the [Webcast](#) beginning at 21:55.

DISCUSSION ITEMS:

4. Update and Discussion on Federal Legislative Issues

This item was taken out of order.

South Coast AQMD's federal legislative consultants (Kadesh & Associates, Carmen Group and Cassidy & Associates) provided written reports on key Washington, D.C. issues.

Mark Kadesh, Kadesh & Associates, provided an overview of the election results for the California Congressional Delegation. For additional information, please refer to the [Webcast](#) beginning at 5:09.

Gary Hoistma, Carmen Group, reported on the composition and majority of the U.S. Senate for the 119th Congress. For additional information, please refer to the [Webcast](#) beginning at 6:04.

Amelia Jenkins, Cassidy & Associates, provided an overview of milestones for the lame duck session of the 118th Congress and other key dates. For additional information, please refer to the [Webcast](#) beginning at 8:57.

There was no public comment.

5. Update and Discussion on State Legislative Issues

This item was taken out of order.

South Coast AQMD's state legislative consultants (Joe A. Gonsalves & Son, Resolute and California Advisors, LLC) provided written reports on key issues in Sacramento.

Paul Gonsalves, Joe A. Gonsalves & Son, provided an overview of State Assembly election results. For additional information, please refer to the [Webcast](#) beginning at 14:07.

David Quintana, Resolute, reported that Governor Gavin Newsom has called for a special legislative session that will begin on December 2. This session will focus on possible legislation and funding needed to defend actions by the Trump

Administration that could negatively impact California’s policy priorities and programs. For additional information, please refer to the [Webcast](#) beginning at 17:24.

Ross Buckley, California Advisors, LLC, provided an overview of election results for the State Senate and two statewide ballot propositions. For additional information, please refer to the [Webcast](#) beginning at 18:15.

There was no public comment.

OTHER MATTERS:

6. Other Business

There was no other business to report.

7. Public Comment Period

There was no public comment to report.

8. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, December 13, 2024.

Adjournment

The meeting was adjourned at 9:40 a.m.

Attachments

1. Attendance Record
2. Concepts for 2025 South Coast AQMD State Legislative Proposals
3. 2025 State and Federal Guiding Principles
4. Update on Federal Legislative Issues – Written Reports
5. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – NOVEMBER 8, 2024

Councilmember Michael Cacciotti	South Coast AQMD Board Member
Mayor Patricia Lock Dawson	South Coast AQMD Board Member
Supervisor V. Manuel Perez	South Coast AQMD Board Member
Councilmember Nithya Raman	South Coast AQMD Board Member
Mark Taylor.....	Board Consultant (Rodriguez)
Ben Wong.....	Board Consultant (Cacciotti)
Debra Mendelsohn.....	Board Consultant (McCallon)
Dean Flores	Balance Public Relations
Ross Buckley	California Advisors, LLC
Dal Harper	Carmen Group, Inc.
Gary Hoitsma	Carmen Group, Inc.
Jed Dearborn.....	Cassidy & Associates
Amelia Jenkins Morales	Cassidy & Associates
Cristina Antelo	Ferox Strategies
Michael Taggart	Ferox Strategies
Mark Williams	Ferox Strategies
Paul Gonsalves	Joe A. Gonsalves & Son
Mark Kadesh	Kadesh & Associates
Ben Miller	Kadesh & Associates
David Quintana.....	Resolute
Bob Alvarez.....	Public Member
Harvey Eder.....	Public Solar Power Coalition
Bill La Marr.....	Public Member
Ramine Ross.....	Public Member
Debra Ashby.....	South Coast AQMD Staff
Jason Aspell	South Coast AQMD Staff
Barbara Baird	South Coast AQMD Staff
Cindy Bustillos	South Coast AQMD Staff
Lara Brown.....	South Coast AQMD Staff
Matthew Ceja	South Coast AQMD Staff
Maria Corralejo	South Coast AQMD Staff
Philip Crabbe.....	South Coast AQMD Staff
Scott Gallegos	South Coast AQMD Staff
Denise Gailey	South Coast AQMD Staff
Bayron Gilchrist	South Coast AQMD Staff
De Groeneveld.....	South Coast AQMD Staff
Sheri Hanizavareh	South Coast AQMD Staff
Anissa Cessa Heard-Johnson.....	South Coast AQMD Staff
Angela Kim	South Coast AQMD Staff
Howard Lee	South Coast AQMD Staff
Alicia Lizarraga	South Coast AQMD Staff

Brisa Lopez South Coast AQMD Staff
Cristina Lopez South Coast AQMD Staff
Jason Low South Coast AQMD Staff
Terrence Mann South Coast AQMD Staff
Ian McMillan South Coast AQMD Staff
Ron Moskowitz South Coast AQMD Staff
Susan Nakamura South Coast AQMD Staff
Wayne Nastri South Coast AQMD Staff
Payam Pakbin South Coast AQMD Staff
Robert Paud South Coast AQMD Staff
Aaron Katzenstein South Coast AQMD Staff
Sarah Rees South Coast AQMD Staff
Sandra Robles South Coast AQMD Staff
Melanie Soriano South Coast AQMD Staff
Lisa Tanaka O'Malley South Coast AQMD Staff
Brian Tomasovic South Coast AQMD Staff
Carolina Vargas South Coast AQMD Staff
Mei Wang South Coast AQMD Staff
Victor Yip South Coast AQMD Staff
Chris Yu South Coast AQMD Staff

ATTACHMENT 2A

Potential 2025 South Coast AQMD State Legislative Proposals to Sponsor

1) CARB Board Air District Representative Fair Compensation Bill

- a. *History:* This bill concept was approved by the Board in 2024, resulting in AB 2958 (Calderon) which got held in Senate Committee and subsequently died.
- b. *Description of Bill Proposal:* Provide that CARB board members representing air districts, who currently receive little to no compensation, receive the same level of compensation as other voting CARB board members. This would be the same as AB 2598 (Calderon), and would incorporate lessons learned from 2024.

2) Amendments for AB 2851 (Bonta) re: Fenceline Monitoring at Metal-shredding Facilities. AB 2851 signed into law and will take effect on January 1, 2025.

- a. *History:* In 2024, Board approved a position of “Support if Amended” for an early version of AB 2851. Some amendments were accepted, but in the end the bill contained provisions that South Coast AQMD did not support.
- b. *Issues to Address:* AB 2851 (Chapter 743, Statutes of 2024) requires, by January 1, 2027, air districts with metal shredding facilities, in consultation with DTSC and OEHHA, shall develop requirements for facility wide fence-line air quality monitoring at metal shredding facilities.
- c. *Description of Bill Proposal:* Secure cleanup legislation to the funding source:
 - i. Secure bill language requiring that air districts are reimbursed by metal shredding facilities for implementation costs incurred (similar to DTSC and OEHHA) rather than current language which says:
 1. “Any reasonable regulatory costs incurred by a district in implementing this section may be reimbursed pursuant to its fee authority.”

ATTACHMENT 3A



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

South Coast AQMD's State Legislative Guiding Principles for 2025

The following guiding principles are identified to protect public health, facilitate attainment of state and federal clean air standards within the South Coast region by statutory deadlines and address other South Coast AQMD needs and policy priorities, while working with and serving as a resource to state legislators and the Governor; state and local agencies; and business, environmental, health, community, and other stakeholders.

Air Quality Funding

Protect and increase existing and identify new funding sources that provide a sustainable revenue stream for South Coast AQMD programs and priorities that support attainment of state and federal ambient air quality standards and reduce toxic air contaminants to protect public health, especially to achieve equitable clean air for disproportionately impacted communities. Ensure that there is a sufficient level of administrative and implementation funding to facilitate the effective execution of clean air programs, projects and overall efforts.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority to raise revenue and impose fees as needed and implement the Board's clean air policies and programs, including those required by state and federal laws, to support Air Quality Management Plans (AQMPs), State Implementation Plans, and Letters of Commitment with U.S. EPA and CARB.

State Support

Ensure that the State does not impose unfunded mandates on South Coast AQMD and does its fair share to reduce air pollution within the South Coast region. State actions needed in support of air quality include, but are not limited to, funding, legislation, regulatory actions, and support by the Administration. In particular, South Coast AQMD requires State action to: 1) Facilitate implementation of applicable South Coast AQMD AQMPs to attain federal ozone and particulate matter air quality standards in accordance with deadlines; 2) Ensure there are sufficient resources to fully implement air district responsibilities and programs created through AB 617 [Health & Safety Code Sections 39607.1; 40920.6; 40920.8; 42705.5; 44391.2]; and 3) Maximize funding opportunities from the federal government to the State through public laws, such as the Bipartisan Infrastructure Law and Inflation Reduction Act.

Surface Transportation & Goods Movement

Support and expand policy and funding that promotes air quality priorities related to the implementation of state and federal surface transportation, infrastructure and goods movement policies and programs, especially related to the development and deployment of the cleanest technologies for medium- and heavy-duty trucks, locomotives, oceangoing vessels, aircraft, and off-road equipment with a priority for zero-emission technology where commercially viable at scale.

South Coast AQMD's State Legislative Guiding Principles for 2025

Development and Deployment of Clean Technology

Support and advocate for legislative and administrative policies, programs, and funding, that promote the development and deployment of the cleanest commercially available technologies with prioritization for zero-emission infrastructure, equipment, and vehicles to: 1) protect public health; 2) facilitate attainment of clean air standards; and/or 3) support a healthy economy and promote job retention/creation within the South Coast region.

Environmental Justice

Support and advocate for legislative and administrative policies and funding that: 1) promote and sustain environmental justice initiatives which reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions; 2) prioritize equitable access to zero-emission or the cleanest technologies available for over-burdened communities; 3) enhance community participation in decision-making; and 4) provide the resources necessary to fully implement local air districts' responsibilities and programs created through AB 617, including implementing CARB's blueprint to expand the program to address communities that have been consistently nominated.

Climate Change

Support efforts directing that the Greenhouse Gas Reduction Fund provide funding to maximize criteria pollutant and toxic emission reduction co-benefits that facilitate attainment of clean air standards and reduce public health impacts in the South Coast region, such as through the development and deployment of zero-emission or cleanest commercially available vehicles, equipment, and fueling/charging infrastructure, especially as it relates to mobile sources such as medium- and heavy-duty trucks, locomotives, oceangoing vessels, aircraft, and off-road equipment.

Clean Energy

Support legislative and administrative efforts to promote energy efficiency, demand reduction, and reliable, cost effective and the cleanest energy in the South Coast region, especially in disproportionately impacted environmental justice communities. Also, support production and development of renewable and alternative energy, energy storage, and microgrids, as well as charging and fueling infrastructure, to reduce emissions from transportation and other sources, such as back-up generators.

Business, Job Creation, Workforce Training & Economy

Support legislative policies and administrative actions that promote job retention and creation, workforce training for zero-emission technologies, as well as economic growth, while working toward attainment of clean air standards; and that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner. Work to ensure job and economic benefits are equitably accessible to environmental justice communities.

Addressing Impacts of Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs, and funding that reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sandstorms, odors, or other events.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions that ensure that South Coast AQMD can meet its administrative and operational needs,

South Coast AQMD's State Legislative Guiding Principles for 2025

including, but not limited to, those related to human resources, pensions, and other employment related issues.

ATTACHMENT 3B



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

South Coast AQMD's Federal Legislative Guiding Principles for 2025

The following guiding principles are identified to enable South Coast AQMD to seek rules, legislative policies, and funding from the federal government that will help facilitate attainment of National Ambient Air Quality Standards (NAAQS) and the protection of public health in the South Coast region, through practical and innovative strategies. As part of these efforts, it is critical that South Coast AQMD work with and serve as a resource to the Administration and agencies, Congress, business, environmental, health, and community groups, and other stakeholders.

Air Quality Funding (Authorization of Program/Policies and Appropriations of Funds)

Increase and protect existing and seek new funding sources that support South Coast AQMD programs and priorities to reach attainment of state and federal ambient air quality standards and reduce hazardous air pollutants to protect public health. Examples of programs are, but not limited to, Targeted Airshed Grants, Diesel Emissions Reduction Act, Clean Ports, Port Infrastructure Development Program, National Electric Vehicle Infrastructure, Charging and Fueling Infrastructure Grants for Corridors and Communities, Clean Heavy-Duty Trucks, Reduction of Emissions at Port, Section 103/105, Climate Pollution Reduction Grant, and annual Appropriations.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority for implementation of the Board's clean air policies and programs, including those required by the Clean Air Act and other federal and state laws to support Air Quality Management Plans (AQMP), State Implementation Plans, and Letters of Commitment with EPA and CARB

Federal Support -- Clean Air Act, NAAQS, and State Implementation Plan (SIP)

Work to ensure the federal government (Administration, Agencies and Congress) do their fair share to reduce air pollution with a focus on mobile sources, within the South Coast region through funding, regulations, and administration actions. In particular, South Coast AQMD requires federal action to: 1) Maximize funding opportunities under the Bipartisan Infrastructure Law, Inflation Reduction Act, and other public laws 2) Provide incentive funding, policies, and require regulatory actions sufficient to, in combination with state and local actions, attain NAAQS for ozone by 2031 and 2037 in the South Coast Air Basin, and if standards are not attained due to lack of federal actions, ensure that the Basin is not punished by further sanctions, fees or other penalty for failure to timely attain; 3) Provide support for and protect state and local regulatory authority for nonattainment areas to meet NAAQS for upcoming federal deadlines, and the South Coast AQMD to implement Air Quality Management Plans (AQMPs) and attain federal ozone and particulate matter standards; and, 4) Protect science-driven and health-based determinations of NAAQS, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

South Coast AQMD's Federal Legislative Guiding Principles for 2025

Surface Transportation & Goods Movement

Pursue the adoption of legislation and/or policies which will reduce or eliminate air quality impacts from mobile sources with an emphasis on the goods movement sector (for both medium- and heavy-duty vehicles and trucks), as well as off-road vehicles (such as ocean-going vessels, locomotives, aircraft, agricultural vehicles, cargo handling equipment, freight handling equipment, and construction equipment).

Technology Advancement

Expand and secure funding, policies, and tax incentives for advanced clean technology research, development, demonstration, and deployment programs, including those related to:

- Zero and near-zero emission technologies for the cleanest vehicles (such as heavy- and medium-duty trucks, locomotives, marine vessels, aircraft, and off-road technologies) and the cleanest stationary sources (heaters, boilers, furnaces, engines, etc.), with prioritization of zero-emission technologies.
- Infrastructure to support zero-emission and near-zero emission technologies, prioritizing zero-emission technologies where available.
- Renewable energy and alternative energy, energy storage, microgrids and other programs, especially as related to electric and hydrogen infrastructure for transportation and emissions reductions from sources such as back-up generators.
- Technologies, systems and/or processes which reduce ambient concentrations of air pollutants and/or toxic air emissions.
- Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies with prioritization for zero-emissions.
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean, zero and near-zero emission technologies.

Environmental Justice

Support legislation and regulatory action that promotes environmental justice initiatives to reduce localized health risks, develop clean air technologies that directly benefit disproportionately impacted communities, and enhance community participation in decision-making.

Reduction of Toxic Emissions

Pursue efforts through legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, including funding, to promote co-benefits with emission reductions to achieve the NAAQS and to reduce air toxic emissions, consistent with the Board's policy.

Business, Jobs Creation & Economy

Support legislation, policies or administrative actions that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.

South Coast AQMD's Federal Legislative Guiding Principles for 2025

Addressing Impacts of Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs, and funding that reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sandstorms, odors, or other events.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions that ensure that South Coast AQMD can meet its administrative and operational needs related to human resources, health and safety, or other employment related issues.

ATTACHMENT 4B



Carmen Group
I N C O R P O R A T E D

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: October 23, 2024

Re: Federal Update -- Executive Branch

Old Congress: The post-election lame-duck Congress is planned to convene on Nov. 12 and has set a Dec. 20 deadline to address significant unfinished and complicated business, including FY 25 appropriations, the National Defense Authorization Act (NDAA), the Water Resources Development Act (WRDA), and the Farm Bill.

New Congress: The newly-elected Congress will convene in January, but leadership elections for the new Congress are expected to begin the week of November 11. One of the challenges we will be watching closely, regardless of the election outcome, is the fate of the Inflation Reduction Act and the Bipartisan Infrastructure Law, both of which continue to harbor large amounts unspent federal funds for climate, clean air and related programs. Attempts are going to be made on the Republican side to claw back all or some of this money, and we are collectively preparing strategies and plans to deal with such eventualities. In October, for example, Republican Hill Staff and others have been targeting the EPA's multi-billion-dollar Greenhouse Gas Reduction Fund program.

Department of Transportation

MARAD Advances U.S. Center for Maritime Innovation: In October, following an RFP solicitation, the Maritime Administration selected the American Bureau of Shipping (ABS) to establish and maintain the Congressionally-authorized U.S. Center for Maritime Innovation that comes from MARAD's Office of Environment and Innovation through the Maritime Environmental and Technical Assistance (META) Program. The Center will promote the study, research, development, assessment and development of emerging maritime technologies and practices related to the maritime transportation system. This dovetails with South Coast AQMD's discussions in meetings with MARAD over the past two years on prioritizing research and efforts to reduce maritime emissions from harbor craft and ocean-going vessels.

DOT Announces Mega and INFRA Grant Awards: In October, the Department of Transportation (DOT) announced more than \$4.2 billion in grant awards under the Mega and INFRA grant programs, two of the agency's largest discretionary grant programs. This includes two Mega projects in California: \$54.5 million to construct a high-speed rail station in Merced-Bakersfield, and \$166 million to complete the Contra Costa I-680 express lane improvements. It also includes two INFRA projects in California: \$105 million to modernize an outdated interchange in Redwood City, and \$98 million for multimodal interchange improvements in Tulare.

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Environmental Protection Agency

EPA Releases 2023 Data from Greenhouse Gas Reporting Program: In October, the EPA reported that direct emissions of greenhouse gases (GHG) from stationary sources, representing approximately 50% of total US GHG emissions in 2023, were down by approximately 4% from 2022. More than 8,100 industrial facilities reported GHG emissions data in 2023 to EPA under the agency’s Greenhouse Gas Reporting program. Power plants were the largest stationary source of such emissions and petroleum and natural gas systems were the second largest source.

EPA Selects New Members for Its Science and Clean Air Advisory Panels: The EPA recently announced selections for new memberships of the agency’s Science Advisory Board (SAB) and Clean Air Scientific Advisory Committee (CASAC). Notably,

Dr. Jeremy A Sarnat, Associate Professor in Environmental Health at Emory University has been named Chair of CASAC, and **Dr. Joshua Graff Zivin**, Economics Professor at the University of California, San Diego, has been named as a member of the SAB and its Economic Analysis Committee. Both panels provide expert advice to EPA.

EPA Announces DERA National Grants: In October, the EPA announced that it had tentatively selected approximately 70 national DERA projects totaling \$125 million to reduce diesel emissions across a range of transportation sectors, including engine replacements, upgrades to school buses, port equipment and construction equipment. EPA said these awards are in final workplan negotiations with the tentatively selected applicants and noted that the DERA program prioritizes projects in areas that face air quality impacts, especially those projects that benefit disadvantaged communities or other areas that face particular public health or environmental justice risks.

Department of Energy

DOE Announces Continuing Efforts to Improve Electricity Grid: In October, the Department of Energy (DOE) announced \$1.5 billion in four transmission projects to improve the nation’s electricity grid. At the same time, it released the final National Transmission Planning (NTP) Study, a set of long-term planning tools and analyses that examine future scenarios on pathways to maintain grid reliability in the face of electricity capacity needs, including in the transportation sector, that the report says will double or triple by 2050. [National Transmission Planning \(NTP\) Study](#)

DOE Announces California’s Launch of Federal Home Energy Rebates Programs:

In October, the Department of Energy announced that California is launching its first Home Energy Rebates Program, supported by the Inflation Reduction Act. This will include the Home Electrification and Appliance Rebates (HEAR), enabling savings in energy efficiency improvements.

Outreach: During October, Carmen Group was in touch with key staff at the America First Policy Institute in Washington, DC regarding potential post-election transition matters dealing with energy and environmental policies and personnel. The Carmen Group team continues to work closely with SCAQMD staff and the other federal consultants to promote SCAQMD and its success securing significant federal funding with federal agency and congressional staff.

###

South Coast Air Quality Management District Legislative and Regulatory Update – October 2024

❖ Important Upcoming Dates

November 5, 2024 – Election Day

❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana, and Alfredo Arredondo continued their representation of SCAQMD before the State's Legislative and the Executive branch. Selected highlights of our recent advocacy include:

- Provided ongoing updates as the Legislature initiated and ended their second extraordinary session on the topic of gasoline prices.
- Followed up on bills for the 2024 legislative session, including for SCAQMD sponsored legislation.

❖ Second Extraordinary Session Called by Governor Newsom Comes to Close. On the last day of the regular session Governor Newsom called for a Second Extraordinary session to consider legislation related to the topic of gasoline prices and price spikes. The Assembly held its first hearing of ABX2-1 (Hart) in late September. The final version of the bill is available at this link:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320242ABI

- September 26: passed by the Assembly Committee on Petroleum and Gasoline Supply
 - Ayes: Aguiar-Curry, Alvarez, Bennett, Friedman, Garcia, Hart, Jackson, Lee, Papan, Pellerin, Petrie-Norris, Wood, Zbur.
 - Noes: Jim Patterson, Joe Patterson
 - No Vote Recorded: Flora, Gipson, Muratsuchi, Blanca Rubio
- October 1: passed by the Assembly Floor: 44 Aye- 18 Noes -17 NVR
 - Ayes: Addis, Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Juan Carrillo, Connolly, Mike Fong, Friedman, Gabriel, Garcia, Haney, Hart, Holden, Jackson, Jones-Sawyer, Kalra, Lee, Low, Lowenthal, Maienschein, McCarty, McKinnor, Muratsuchi, Pacheco, Papan, Pellerin, Petrie-Norris, Ramos, Reyes, Rodriguez, Santiago, Ting, Valencia, Ward, Weber, Wicks, Wilson, Wood, Zbur, Robert Rivas
 - Noes: Alanis, Bains, Chen, Megan Dahle, Davies, Dixon, Flora, Gallagher, Hoover, Lackey, Mathis, Jim Patterson, Joe Patterson, Sanchez, Soria, Ta, Waldron, Wallis
 - No Vote Recorded: Alvarez, Bryan, Calderon, Wendy Carrillo, Cervantes, Essayli, Gipson, Grayson, Irwin, Stephanie Nguyen, Ortega, Quirk-Silva, Rendon, Luz Rivas, Blanca Rubio, Schiavo, Villapudua
- October 7: passed by Senate Committee on Fuel Supply and Price Spikes
 - Ayes: Ashby, Becker, Blakespear, Bradford, Gonzalez, Laird, Limón, Skinner, Stern
 - Noes: Dahle, Seyarto
- October 11: passed by Senate Floor: 23 Aye- 9 Noes- 8 NVR
 - Ayes: Allen, Archuleta, Ashby, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Durazo, Glazer, Gonzalez, Laird, Limón, McGuire, Padilla, Portantino, Skinner, Smallwood-Cuevas, Stern, Umberg, Wahab, Wiener

- Noes: Alvarado-Gil, Dahle, Grove, Hurtado, Jones, Nguyen, Niello, Ochoa Bogh, Wilk
- No Vote Recorded: Dodd, Eggman, Menjivar, Min, Newman, Roth, Rubio, Seyarto

- October 14: Concurrence Vote passed by Assembly Floor: 42 Ayes- 16 Noes- 21 NVR
 - Ayes: Addis, Aguiar-Curry, Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Juan Carrillo, Connolly, Mike Fong, Friedman, Gabriel, Garcia, Haney, Hart, Holden, Jackson, Jones-Sawyer, Kalra, Lee, Low, Lowenthal, McCarty, McKinnor, Muratsuchi, Pacheco, Papan, Pellerin, Petrie-Norris, Reyes, Santiago, Ting, Valencia, Ward, Wicks, Wilson, Wood, Zbur, Robert Rivas
 - Noes: Alanis, Bains, Davies, Dixon, Flora, Gallagher, Hoover, Lackey, Mathis, Jim Patterson, Joe Patterson, Quirk-Silva, Sanchez, Soria, Villapudua, Wallis
 - No Vote Recorded: Calderon, Wendy Carrillo, Cervantes, Chen, Megan Dahle, Essayli, Gipson, Grayson, Irwin, Maienschein, Stephanie Nguyen, Ortega, Ramos, Rendon, Luz Rivas, Rodriguez, Blanca Rubio, Schiavo, Ta, Waldron, Weber

- October 14: Signed by the Governor

ATTACHMENT 5B



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-5766

916 441-8597 · FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – October 2024

DATE: Wednesday, October 23, 2024

The Legislature adjourned on August 31, 2024 and typically, once the Legislature adjourns session, Legislators would be in their districts until the newly elected Legislature convenes in early December. This year however, the Legislature returned to Sacramento in late September for a special session on gas spikes called by Governor Newsom.

In addition, the November 5th General Election is fast approaching. All 80 Members of the Assembly and half of the Members of the Senate are up for election. The November General Election will also include 10 propositions for voters to decide on, including a \$10 billion Climate Bond. Regardless of the outcomes at the ballot box, the State Legislature will have at least 35 new members when they return on December 2, 2024 for their ceremonial swearing in. That, coupled with the 37 new members elected in 2022, means 72 of 120 (60%) of the members of the Legislature will have 2 years or less of experience.

The following will provide you with updates of interest to the District:

Low Carbon Transit Operation Program

On October 8, 2024, Governor Newsom announced that Caltrans will provide \$206 million for 149 local clean transportation initiatives aimed at reducing pollution, particularly in disadvantaged communities throughout the state. This funding boosts the state's total investment in such projects to over \$1 billion over the past 10 years.

The financing is made possible through California Climate Investment funds within the Low Carbon Transit Operation Program (LCTOP), which is supported by the state's cap-and-trade program. Over the last 10 years, LCTOP has allocated more than \$1 billion to over 1,400 projects that have enhanced bus and rail services, assisted transit agencies in acquiring zero-emission vehicles, funded zero-emission infrastructure, and supported programs for free or reduced transit fares. Approximately 96% of this funding has benefited disadvantaged and low-income communities.

LCTOP is financed by the GGRF and is part of California Climate Investments, a statewide initiative that channels billions of dollars from cap-and-trade revenues to lower greenhouse gas emissions, bolster the economy, and enhance public health and the environment, especially in disadvantaged areas.

This year's LCTOP funding will support several projects, including:

- Los Angeles County Metropolitan Transportation Authority – Metro E-Line Operations: \$51.3 million will be allocated for operations benefiting the Metro E Line light rail service, which serves 29 stations and operates daily.
- Orange County Transportation Authority (OCTA) – 40 Hydrogen Fuel Cell Electric Bus Project: \$10.3 million will be used to purchase 40 hydrogen fuel cell electric buses to advance OCTA's transition to a zero-emission fleet.

CIMS & STEP

On October 11, 2024, CARB announced the allocation of over \$42 million in a second round of grants aimed at funding community-led clean mobility planning, education, and implementation projects in disadvantaged and low-income neighborhoods.

The Clean Mobility in Schools (CMIS) and Sustainable Transportation Equity Project (STEP) initiatives support creative solutions that enhance zero-emission transportation options, such as zero-emission car-sharing, biking and walking infrastructure, traffic-calming measures, and educational outreach, particularly in communities grappling with air quality challenges and limited access to mobility resources. These projects not only aim to reduce greenhouse gas emissions and vehicle miles traveled, but also tackle inequities by facilitating easier access to essential destinations like schools, medical facilities, grocery stores, and jobs without the reliance on personal vehicles.

The latest round of grants will fund five new transportation projects, provide additional resources for ongoing efforts, and offer technical assistance to grant recipients. The following five new projects received funding:

1. Porterville Unified School District: Porterville and the Tule River Tribe of California have been awarded \$9.1 million for projects identified through a needs assessment funded by CARB. Initiatives include automated and optimized school bus routing, zero-emission micro-transit services, and community outreach and engagement.
2. Omnitrans (San Bernardino Valley): Omnitrans has received \$4.5 million for transportation investments identified through a previous STEP planning grant, which includes the purchase of electric buses and chargers to enhance service. The funding will also support a bilingual transit ambassador program, a transit rider advisory council, a zero-emission mechanic apprenticeship, and distribution of transit passes.
3. City of Fresno: Fresno was awarded \$5.1 million for projects identified through a CARB-funded needs assessment. These initiatives include sidewalk rehabilitation, the installation of pedestrian crossing beacons, bike racks, and urban greening efforts.

4. City of San José: The East San José Mobility Equity Project received \$5.2 million to implement various initiatives, such as an Earn-a-Bike program, bike repair clinics, a bike mechanic apprenticeship, subsidies for public transit and bikeshare programs, and a Universal Mobility Wallet.
5. City of West Hollywood: West Hollywood secured \$8.2 million for pedestrian and bike safety infrastructure, including the removal of a car lane and on-street parking to create a protected bike lane and widen sidewalks. The funding will also enhance zero-emission transit vehicles and charging infrastructure to improve fixed-route commuter shuttles and paratransit services.

Additionally, \$10 million will fund the Planning and Capacity Building program, which offers technical assistance to CMIS and STEP grantees. Some of this funding will be made available later this year through another grant solicitation that will select up to 15 projects to develop needs assessments and planning tools for necessary transportation improvements and future funding opportunities.

Special Session on Gas Spiking

At the end of the regular session, Governor Newsom threatened to call a special session in the fall as Democratic lawmakers wobbled on a package of energy bills that he wanted to pass before the Legislature adjourned for the year. Unfortunately, the Governor and Legislative Leaders could not reach an agreement due to tension within their caucuses which was exacerbated by the statutory deadline to pass legislation.

The Governor was calling for legislation that would offer a customer credit for electricity and gas bills, accelerate environmental reviews for clean energy projects and require oil refiners to maintain reserves, among other proposals. Some environmentalists criticized the plan because of the push to expedite environmental reviews.

Ultimately, the Assembly rejected the Governor's proposal, responding that they did not have time to consider it properly and that the Governor should instead call a Special Session of the Legislature. In the final hours of session, Governor Newsom did so.

Nearly a month later, the Special Session convened and the Assembly and Senate both heard and passed ABX2-1 (Hart), which authorizes the California Energy Commission (CEC) to increase transportation fuel supply through various actions. This includes authorizing the CEC to develop requirements on refiners to maintain resupply plans to cover production loss during maintenance events and to maintain minimum levels of inventories.

On October 14, 2024, Governor Newsom signed ABX2-1(Hart) into law.

Financing for Energy Upgrades

On October 14, 2024, State Treasurer Fiona Ma announced a \$30 million agreement with the CEC to enhance a popular financing program for home energy efficiency upgrades. The program, known as GoGreen Financing, is managed by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), which Ma chairs in her role as State Treasurer.

This agreement ensures that over 7 million customers of publicly owned utilities remain eligible for the residential aspect of GoGreen Financing, called GoGreen Home. The funds can be utilized for various

energy upgrades, including heat pumps for space and water heating, efficient electric appliances, solar panels with battery storage, electric vehicle chargers, efficient lighting, and smart home energy management systems.

GoGreen Financing facilitates clean energy improvements for Californians by providing a credit enhancement in the form of a loan loss reserve, which gives participating lenders coverage in the event of borrower defaults. This loss reserve reduces the risk of default, enabling lenders to offer more competitive rates, longer repayment terms, and to approve a wider range of borrowers for energy upgrade loans. As these loans are repaid, the credit enhancement funds are reintegrated into the system for future loan financing.

This program, financed through California Climate Investments, allows the CEC's Equitable Building Decarbonization Program to provide the funding to help achieve its objectives of lowering carbon emissions in California homes and promoting energy equity.

This initiative is part of a broader set of programs at both state and federal levels aimed at decarbonizing California's buildings by promoting the adoption of electric appliances, reducing greenhouse gas emissions, and making buildings more efficient, comfortable, and resilient against the impacts of climate change. In total, the CEC plans to launch nearly \$900 million in building decarbonization programs over the next two years, with each program tailored to address the specific upfront challenges faced by different market segments.

Participants in GoGreen Home can obtain financing for upgrades in a variety of residential types, including single-family homes, townhomes, condos, duplexes, triplexes, fourplexes, and manufactured homes. Currently, nine credit unions and financial institutions are offering loans to GoGreen Home customers, with more lenders expected to join in 2025.

Salton Sea Restoration Project

On October 15, 2024, Governor Newsom announced the start of a significant expansion of restoration efforts at the Salton Sea. This new 750-acre project enhances the state's continuous initiatives aimed at improving wildlife habitat, safeguarding public health, and enhancing water quality, while the overall project encompasses nearly 5,000 acres.

This summer, California received \$175 million from the Biden-Harris Administration, along with \$70 million allocated in December 2023, as part of a \$250 million commitment from the Inflation Reduction Act to expedite the restoration of the Salton Sea. This federal support supplements over \$500 million in state funding secured so far.

The Salton Sea, the largest inland body of water in California, has contracted in recent years due to decreased inflows, leading to an exposed lakebed that generates dust particles detrimental to air quality in the Imperial Valley. The federal funding will support the expansion of the ongoing Species Conservation Habitat Project at the southern edge of the sea. Located near Westmorland, this expanded initiative will develop a network of ponds and wetlands to provide essential habitats for fish and birds while also reducing dust emissions that compromise air quality.

2024 Legislative Deadlines

November 5 General Election

December 2 Ceremonial Organizational Session



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
November 8, 2024

Special Session Update

The Governor called the Legislature into a second extraordinary session on August 31st to address the high cost of gasoline and mitigate price spikes in California. Nine bills were introduced by Assemblymembers in the second extraordinary session. Of these, ABX2-1, 2, 8 and 9 were introduced by Democrats and ABX2-3 through 7 were proposed by Republicans. On October 1, the Assembly convened for a floor session and voted ABX2-1 and 9 to the Senate. The Senate made minor amendments to ABX2-1 but refused to hear ABX2-9. The Senate passed ABX2-1 on October 11th and returned it to the Assembly for concurrence. The second extraordinary session concluded on October 14th, when the State Assembly convened for a floor session and concurred with Senate amendments to ABX2-1. The Governor signed ABX2-1 on October 14th. ABX2-1 empowers the California Energy Commission to mandate oil refineries to have minimum gasoline inventory in storage before going offline for maintenance.

Governor's Office Updates

On August 31st the second year of the 2023-2024 regular legislative session concluded. The Governor received 1,206 bills over the course of 2024. The Governor signed a total of 1,017 bills and vetoed 189 during the second year of the legislative session for an overall passage rate of 84%. In 2023 the Governor signed 890 bills and vetoed 156 for an overall passage rate of 85%.

Budget Update

The State Department of Finance's monthly finance bulletin shows that general fund tax receipts for the fiscal year to date are \$4.1B above 2024-2025 budget act estimates. This is a 10.9% increase over Department of Finance revenue projections. Finance analysts expect that the overage is a result of greater than expected corporate tax receipts. The extent that this overage will help resolve the State's structural budget problems is unclear. Much of the revenue increase must be diverted to fund schools in accordance with Proposition 98. Any remaining funds will likely be insufficient to fully resolve projected budget deficits.

Election Update

County election officials mailed ballots to all registered voters in the state on October 7th for the November 5th General Election. Ballots returned by mail will be counted as long as they are postmarked on or before election day. Notably, in this election there are 35 members of the Legislature who are either termed out or not running for reelection, 11 in the Senate and 24 in the Assembly. Additionally, there are ten statewide ballot measures that voters will decide on. Among these, Proposition 4 would authorize the state to borrow \$10B for climate resilience programs. The bond sets aside \$1.5B for wildfire resilience programs and \$850M for clean air programs, among other programs.

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 21

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a hybrid meeting on Friday, November 15, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Larry McCallon,
Committee Chair
Stationary Source Committee

JA:cr

Committee Members

Present: Mayor Pro Tem Larry McCallon, Committee Chair
Chair Vanessa Delgado
Board Member Veronica Padilla-Campos
Mayor José Luis Solache

Absent: Supervisor Holly J. Mitchell, Committee Vice Chair
Vice Chair Michael A. Cacciotti

Call to Order

Committee Chair McCallon called the meeting to order at 10:30 a.m.

For additional information of the Stationary Source Committee Meeting, please refer to the [Webcast](#).

Roll Call

INFORMATIONAL ITEMS:

1. Update on Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks

Kalam Cheung, Planning and Rules Manager/Planning/Rule Development and Implementation, provided a summary of Proposed Rule 1159.1 which establishes BARCT NOx emission limits, source testing, and recordkeeping requirements for facilities with nitric acid tanks. For additional details please refer to the [Webcast](#) beginning at 4:06.

Board Member Padilla-Campos inquired about the one-time source test requirement. Staff explained the source testing process and that tests are performed by independent third-party contractors. For additional details please refer to the [Webcast](#) beginning at 10:03.

Board Member Padilla-Campos asked whether the seven facilities expected to install controls were concentrated in a single community. Dr. Cheung explained that these facilities are located in different counties and not concentrated in any specific neighborhood. For additional details please refer to the [Webcast](#) beginning at 12:18.

2. Update on Proposed Amended Regulation XXX – Title V Permits

Michael Morris, Planning and Rules Manager/Planning/Rule Development and Implementation, provided a summary on Proposed Amended Regulation XXX. For additional details please refer to the [Webcast](#) beginning at 13:34.

Committee Chair McCallon asked if the proposed amendments are administrative, which Mr. Morris confirmed. For additional details please refer to the [Webcast](#) beginning at 17:21 mins.

There were no comments received from the public.

3. Annual Permitting Update for Implementation of Rule 1109.1 - Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations

Bhaskar Chandan, Senior Engineering Manager/Engineering and Permitting, provided the annual permitting update for Rule 1109.1. For additional details please refer to the [Webcast](#) beginning at 17:44.

Board Member Padilla-Campos inquired about the different statuses of permit processing. Mr. Chandan explained the permitting steps from staff evaluation to final permit issuance, which includes review by U.S. EPA. For additional details please refer to the [Webcast](#) beginning at 28:34.

Board Member Padilla-Campos also inquired about a refinery shutting down, and staff clarified that Phillips 66 reported they would be stopping operations. For additional details please refer to the [Webcast](#) beginning at 29:36.

Harvey Eder, Public Solar Power Coalition, provided public comment. For additional details please refer to the [Webcast](#) beginning at 31:10.

Staff recommended that moving forward this item should be an annual presentation rather than quarterly written reports. Committee Chair McCallon concurred and the Committee approved the request. For additional details please refer to the [Webcast](#) beginning at 33:12.

WRITTEN REPORTS:

4. Monthly Permitting Enhancement Program (PEP) Update

The report was acknowledged by the committee.

5. Monthly Update of Staff’s Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program

The report was acknowledged by the committee.

6. Notice of Violation Penalty Summary

The report was acknowledged by the committee.

OTHER MATTERS:

7. Other Business

Staff made a clarification to item nine on the agenda. The next Stationary Source Committee meeting, originally set for January 24, 2025 has been rescheduled to December 20, 2024, at 10:30 a.m. For additional details please refer to the [Webcast](#) beginning at 33:54.

8. Public Comment Period

Fernando Gaytan, Earthjustice, spoke in support of PAR 1111 and PAR 1121. He urged the committee to adopt and implement the rule without further delay. For additional details please refer to the [Webcast](#) beginning at 36:12.

9. Next Meeting Date

The next Stationary Source Committee meeting is scheduled for Friday, December 20, 2024.

Adjournment

The meeting was adjourned at 11:07 a.m.

Attachments

1. Attendance Record
2. Monthly Permitting Enhancement Program (PEP) Update
3. Monthly Update of Staff’s Work with U.S. EPA and CARB on New Source Review Issues for the Transition of RECLAIM Facilities to a Command-and-Control Regulatory Program
4. Notice of Violation Penalty Summary

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance –November 15, 2024

Senator Vanessa Delgado (Ret) South Coast AQMD Board Member
Mayor Pro Tem Larry McCallon South Coast AQMD Board Member
Board Member Veronica Padilla-Campos South Coast AQMD Board Member
Mayor José Luis Solache South Coast AQMD Board Member

Debra Mendelsohn Board Consultant (McCallon)
Mark Taylor Board Consultant (Rodriguez)

Harvey Eder Public Solar Power Coalition
Fernando Gaytan Earthjustice

Jason Aspell South Coast AQMD staff
Cesar Ayala South Coast AQMD staff
Barbara Baird South Coast AQMD staff
Cindy Bustillos South Coast AQMD staff
Bhaskar Chandan South Coast AQMD staff
Kalam Cheung South Coast AQMD staff
Scott Gallegos South Coast AQMD staff
Bayron Gilchrist South Coast AQMD staff
De Groeneveld South Coast AQMD staff
Sheri Hanizavareh South Coast AQMD staff
Anissa Heard-Johnson South Coast AQMD staff
Aaron Katzenstein South Coast AQMD staff
Michael Krause South Coast AQMD staff
Howard Lee South Coast AQMD staff
Jason Low South Coast AQMD staff
Terrence Mann South Coast AQMD staff
Michael Morris South Coast AQMD staff
Ron Moskowitz South Coast AQMD staff
Ghislain Muberwa South Coast AQMD staff
Susan Nakamura South Coast AQMD staff
Wayne Nastri South Coast AQMD staff
Sarah Rees South Coast AQMD staff
Catherine Rodriguez South Coast AQMD staff
Alberto Silva South Coast AQMD staff
Lisa Tanaka O’Malley South Coast AQMD staff
Mei Wang South Coast AQMD staff
Jillian Wong South Coast AQMD staff
Victor Yip South Coast AQMD staff

Monthly Permitting Enhancement Program (PEP) Update
South Coast AQMD
Stationary Source Committee – November 15, 2024

Background

At the February 2, 2024 Board meeting, the Board directed staff to provide monthly updates to the Stationary Source Committee to report progress made under the Permitting Enhancement Program (PEP). The Chair's PEP initiative was developed to enhance the permitting program and improve permitting inventory and timelines. This report provides a summary of the pending permit application inventory, monthly production, and other PEP related activities.

Summary

Pending Permit Application Inventory

The permitting process consists of a constant stream of incoming applications and outgoing application issuances, rejections, and denials. The remainder of the applications are considered the pending application inventory. The inventory consists of applications that are being prescreened prior to being accepted, workable applications, and non-workable applications. Non-workable means that staff are unable to proceed with processing an application because it is awaiting actions to address various regulatory requirements or deficiencies. As an example, after staff issues a Permit to Construct to a facility, staff must wait for the facility to construct and test the equipment prior to issuing a final Permit to Operate. Once a final Permit to Operate is issued, the permit application is removed from the pending application inventory. Other examples include facilities that may be in violation of rules and cannot be permitted until a facility achieves compliance, staff awaiting additional information from facilities, or facilities that have not completed the CEQA process for their project. During the life of an application, it may switch several times between being workable and non-workable as actions are taken by facilities and staff. Attachment 1 contains more detailed descriptions of the categories of non-workable permit applications. Figure 1 below provides a monthly snapshot of the pending application inventory.

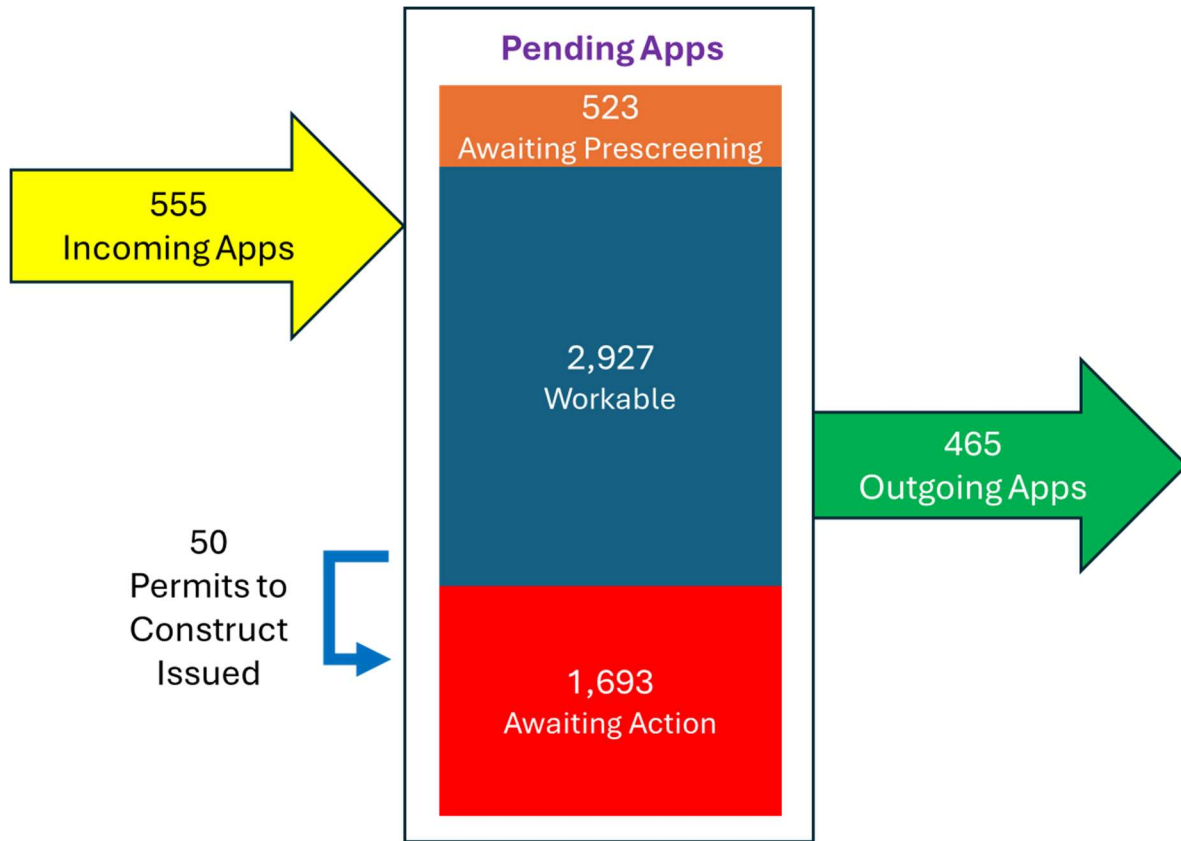


Figure 1: Application Processing Workflow – October 2024

Table 1 below lists the categories included in Awaiting Action (Non-Workable) for the last month. Please note that Table 1 provides a snapshot of data and applications may change status several times before final action. Multiple categories may apply to a single application.

Table 1: Awaiting Action (Non-Workable) Applications Summary

Awaiting Action (Non-Workable) Categories	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024
Additional Information from Facility	249	220	219	265	286	294
CEQA Completion	34	35	31	32	34	34
Completion of Construction	866	904	935	983	1,015	1,034
Facility Compliance Resolution	22	22	36	36	37	36
Facility Draft Permit Review	86	63	59	74	43	56
Fee Payment Resolution	9	3	4	4	6	5
Other Agency Review	45	15	36	45	37	36
Other Facility Action	7	4	10	10	21	21
Other South Coast AQMD Review	0	0	0	0	0	0
Public Notice Completion	32	35	29	23	24	25
Source Test Completion	120	138	142	137	169	169

Please see Attachment 1 for more information on these categories.

In October, staff continued to complete applications at a rate higher than the targeted month to month average, raising the overall annual average. Since outgoing applications (green

arrow) were less than incoming applications (yellow arrow) this month, the pending application inventory increased. A larger than average number of incoming applications was received in October but were within typical fluctuations, however completions stayed within the typical range. In addition, since May, the inventory of Workable applications has decreased from 3,088 to 2,927.

The inventory of Awaiting Action applications has recently increased. Most of the Awaiting Action applications have a Completion of Construction status. From March to October, staff issued many Permits to Construct, thereby increasing the Completion of Construction status from 770 to 1,034, including 50 Permits to Construct issued in October. Staff must wait for construction of the equipment to be completed prior to moving forward on these applications.

The rate of incoming applications is unpredictable and is dependent on business demands and the economic climate, as well as South Coast AQMD rule requirements. Maintaining the average production rate of outgoing applications greater than average rate of incoming applications is key to reducing the pending application inventory until a manageable working inventory is established. As stated above, the spike in incoming applications occurred in June as expected, and this typically results in a swell in the inventory as time is needed to address the surge of permit applications.

Maintaining a low vacancy rate with trained and experienced permitting staff is the biggest factor in maintaining high production and reducing the pending application inventory. In addition, data and analysis showed that addressing vacancies at the Senior and Supervising AQ Engineers was vital since these positions are the review and approval stages of the permitting process.

Production

Prior to staff retirements, permit production levels in 2020 were typically above 500 completions per month. Prior to PEP implementation, high vacancy rates resulted in decreased permit completions. Lower production rates nearing 400 completions per month occurred as the vacancy rate peaked. As the vacancy rate has been reduced and staff have been trained, production has increased. Figure 2 below shows a rolling 12-month average of application completions and the monthly production for the last three months. Recently, increased monthly production levels (orange circles) are raising the rolling 12-month production averages (black line) in the chart below as compared to the period before PEP. The rolling 12-month average includes the monthly totals from the last year to visualize the trend over time, as production in individual months often fluctuates (in addition to fluctuations in incoming application submittals). The current rolling 12-month average production rate is 488 completions per month. A higher rolling 12-month average will indicate sustained higher production levels. These higher production levels will begin to reduce the pending application inventory and improve permit processing times. A new fiscal year (FY) goal was set to increase production by 500 completions as compared to 2023. This equates to a soft target of 489 completions per month. The red line in Figure 2 shows this new fiscal year goal.

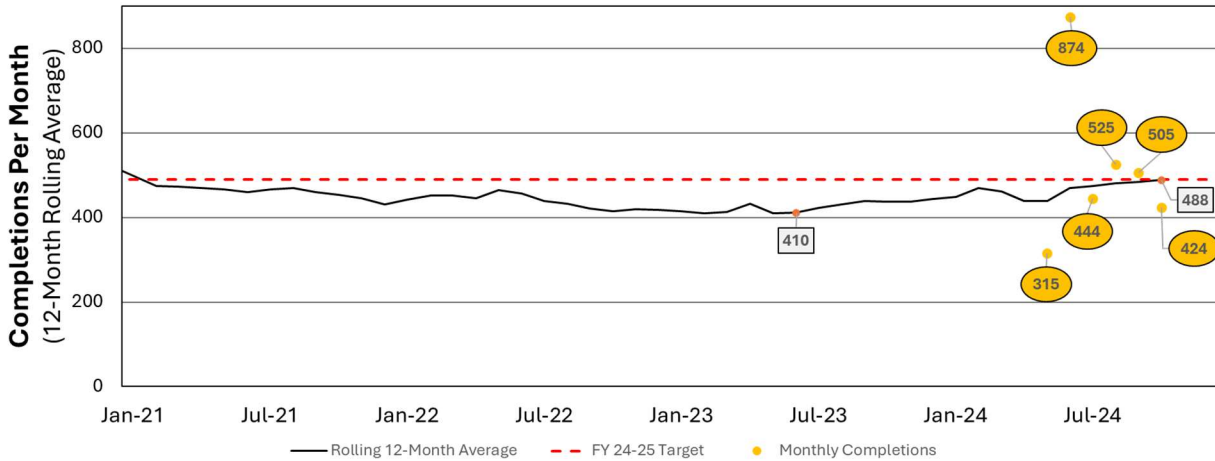


Figure 2: Application Completions - Rolling 12-Month Average and Recent Six Months

Production began to increase in the second half of 2023 as substantial promotions and hiring occurred. New engineering staff are currently being trained and production is expected to increase over the coming months and years as they become more experienced in their duties and can process more complex projects.

Engineering & Permitting (E&P) Vacancy Rate

The current E&P vacancy rate increased from 9.7% to 10.2% due to a separation. The minimum target vacancy rate for PEP is 10%. When PEP was first announced, the E&P vacancy rate was greater than 20%. There is currently an open recruitment for AQ Engineers, and hiring is targeted for the first quarter of 2025 which will reduce the vacancy rate.

Key Activities in October

- Permitting Working Group held October 25, covering the updated Health Risk Assessment (HRA) Tool and Rule 317.1 Exclusion Plan Process
- Staff released the HRA Tool which is one of the modernization tools developed under PEP. The new HRA is posted on the South Coast AQMD website.

Upcoming Meetings:

- Permit Streamlining Task Force – December 2025.
- Staff is targeting to conduct at least six public meetings regarding permitting in Fiscal Year 2024-2025. Staff has reached 33% of this target.

Attachment 1

Explanation of Non-Workable Application Statuses

Workable applications are those applications where staff have the required information to process the permit application.

Non-workable applications are those applications where the application process has been paused while staff are awaiting the resolution of one or more related tasks or where the permit cannot be issued.

Description of Non-Workable/Awaiting Action Terms

Additional Information from Facility

During permit processing staff may need additional information from a facility that was not included in the original permit application package or a change of scope of the proposed project. Additional information may include items regarding materials used in the equipment (such as toxics), equipment information, or other items to perform emission calculations or determine compliance for the proposal in the application.

CEQA Completion

Prior to issuing permits, CEQA requirements are required to be evaluated and completed. South Coast AQMD can either be the Lead Agency that certifies or approves the CEQA document or the Responsible Agency that consults with the Lead Agency (typically a land use agency) on the CEQA document.

Completion of Construction

After a Permit to Construct is issued, the permit application file remains in the pending application inventory. Staff must wait for the facility to complete construction prior to completing other compliance determination steps before the permitting process can continue. Typically, a Permit to Construct is valid for one year, but it may be extended for various reasons if the facility demonstrates they are making increments of progress. For some large projects, construction may take years while the permit application remains in the pending application inventory.

Facility Compliance Resolution

Prior to issuing permits the affected facility must demonstrate compliance with all rules and regulations [Rule 1303(b)(4)]. Prior to the issuance of a Permit to Construct, all major stationary sources that are owned or operated by, controlled by, or under common control in the State of California are subject to emission limitations must demonstrate that they are in compliance or on a schedule for compliance with all applicable emission limitations and standards under the Clean Air Act. [Rule 1303(b)(2)(5)].

Facility Draft Permit Review

If a facility requests to review their draft permit, staff provides the facility a review period prior to proceeding with issuance. During the review period, staff do not perform any additional evaluation until feedback from the facility is received. Some projects include several permits or large facility permit documents which may take a substantial time to review.

Fee Payment Resolution

Prior to issuing permits, all fees must be remitted, including any outstanding fees from associated facility activities including, but not limited to, annual operating and emission fees, modeling or source testing fees, and permit reinstatement fees.

Other Agency Review

The Title V permitting program requires a 45-day review of proposed permitting actions by U.S. EPA prior to many permitting actions. During the review period, staff are unable to proceed with permit issuance. If U.S. EPA has comments or requests additional information, the review stage may add weeks or months to the process before staff can proceed with the project.

For Electricity Generating Facilities (Power Plants), CEC may provide a review of proposed permits prior to issuance.

Other Facility Action

Prior to issuing a permit, a facility may need to take action to address deficiencies or take steps to meet regulatory requirements. This may include acquiring Emission Reduction Credits after staff notifies a facility the project requires emissions to be offset, performing an analysis for Best Available Control Technology requirements, or conducting air dispersion modeling.

Other South Coast AQMD Review

Prior to proceeding with a permit evaluation, permit engineering staff may require assistance and support from other South Coast AQMD departments. For example, IM support for electronic processing due to unique or long-term project considerations or to complete concurrent review of separate phases or integrated processes for multi-phase projects is routinely needed.

Public Notice Completion

There are several South Coast AQMD requirements that may require public noticing and a public participation process prior to permit issuance. Rule 212 and Regulation XXX both detail public noticing thresholds and requirements which include equipment located near schools, high-emitting equipment, equipment above certain health risk thresholds, or significant projects or permit renewals in the Title V program. The public notice period is typically 30 days, and staff are required to respond to all public comments in writing prior to proceeding with the permitting process. Other delays in the public notice process may include delays in distribution of the notice by the facility, incomplete distribution which may require restarting the 30-day period, or requests for extension from the public.

Source Test Completion

Many rules require source testing prior to permit issuance. Source testing is the measurement of actual emissions from a source that may be used to determine compliance with emission limits, or measurements of toxic emissions may be used to perform a health risk assessment. Lab analysis of an air sample is often required as part of the process. The testing is performed by third party contractors who prepare a source test protocol to detail the testing program, and a source test report with the results of the testing and equipment operation. Both the protocol and report need to be reviewed and approved by South Coast AQMD staff.

November 2024 Update on Work with U.S. EPA and California Air Resources Board on New Source Review Issues for the RECLAIM Transition

At the October 5, 2018, Board meeting, the Board directed staff to provide the Stationary Source Committee with a monthly update of staff's work with U.S. EPA regarding resolving NSR issues for the transition of facilities from RECLAIM to a command-and-control regulatory structure. Key activities with U.S. EPA and CARB since the last report are summarized below.

- RECLAIM/NSR Working Group meeting is not planned for November
- The RECLAIM/NSR Working Group will be reconvened when there is information to report

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

Settlement Penalty Report (10/01/2024 - 10/31/2024)

Total Penalties

Civil Settlement: \$351,681.00
Hearing Board Settlement: \$2,600.00
MSPAP Settlement: \$227,205.41

Total Cash Settlements: \$581,486.41
Total SEP Value: \$0.00

Fiscal Year through 10/31/2024 Cash Total: \$2,962,061.10

Fiscal Year through 10/31/2024 SEP Value Only Total: \$0.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
Civil						
6842	ANGELUS PLATING WKS	1469	10/15/2024	EC	P77554, P77569	\$1,200.00
176788	BIMBO BAKERIES USA INC	203, 430	10/15/2024	KCM	P75628	\$2,425.00
169553	CIRCLE K STORES INC (#2709479)	461	10/15/2024	EC	P69890, P70189	\$2,100.00
201721	CRANE WORLDWIDE LOGISTICS	2305	10/15/2024	JL	O15025	\$5,000.00
197983	CRICKET TRANSPORTATION	13 CCR 2485	10/22/2024	CL	P76256	\$1,533.00
197841	DISTRIBUTION ALTERNATIVES INC	2305	10/02/2024	JL	O15036, O15037, O15038	\$33,000.00
109659	EXCEL PAVING CO INC	403	10/29/2024	CM	P73712	\$2,800.00
201740	HOME DEPOT	2305	10/23/2024	ND	O15094	\$28,600.00
122690	HUNTER	203, 463	10/04/2024	SH	P74374	\$3,500.00
157611	ICP CONSTRUCTION INC	1168	10/16/2024	ND	P74927	\$4,836.00
201417	KOMAR DISTRIBUTION SERVICES	2305	10/04/2024	RM	O15074	\$5,000.00
186044	LEONARD 1&2 LLC	203, 222, 463, 1148.1, 1173	10/04/2024	RM	P73307, P79652	\$61,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
201065	LX PANTOS	2305	10/15/2024	ND	O15063, O15066, SRV2022-00048, SRV2024-00049	\$58,700.00
198627	METROPOLITAN MANAGEMENT COMPANY	1403, 40 CFR 61.145	10/08/2024	KCM	P76126	\$1,800.00
800408	NORTHROP GRUMMAN SYSTEMS	1146.1, 2004, 2012, 3002	10/15/2024	JL	P68310, P68322, P68670, P68671, P68676, P79454	\$6,500.00
195925	OLYMPUS TERMINALS LLC	462, 1178, 3002	10/11/2024	DH	P74541, P80717	\$16,560.00
195241	PACIFICA SENIOR LIVING MENIFEE	203, 222	10/15/2024	ND	P74193, P75401	\$3,627.00
200483	PHILADELPHIA	2305	10/02/2024	ND	O15057	\$2,500.00
201760	REYES COLA	2305	10/02/2024	ND	O15055	\$2,500.00
800128	SO CAL GAS CO	17 CCR 95669	10/02/2024	JL	P73284, P73347, P74531, P74544, P80656	\$50,400.00
191698	SYNERGY OIL & GAS LLC	203, 1173	10/23/2024	JL	P80724	\$16,300.00
195728	THE HOME DEPOT IRWINDALE CA FDC	2305	10/22/2024	DH	O15024	\$41,800.00
Total Civil Settlements: \$351,681.00						
Hearing Board						
140373	AMERESCO CHIQUITA ENERGY LLC	203, 431.1, 3002	10/23/2024	KER	6143-4	\$2,600.00
Total Hearing Board Settlements: \$2,600.00						
MSPAP						
178160	MANSHADI INVESTMENT LLC (DBA "LOS FELIZ C")	461, H&S 41960.2	10/25/2024	VB	P79069	\$4,517.00
177401	19TH STREET AFFORDABLE LP	203	10/11/2024	CR	P77823	\$4,036.00
194554	301 LAKE OFFICE LLC	1146.1, 1415	10/04/2024	VB	P78019	\$2,913.00
197675	7 ELEVEN INC (#43066)	461, H&S 41960.2	10/25/2024	CR	P80917	\$1,437.00
186582	700 SOUTH VERMONT CORP	203, 461, H&S 41960.2	10/11/2024	CL	P80910	\$3,228.00
202108	8234 BLACKBURN LLC	1403	10/04/2024	CL	P75877	\$3,027.00
167441	A & E FUELS INC	461	10/11/2024	CR	P70188	\$1,513.00
147056	A AND B CENTRAL INC (DBA "ANDY'S SHELL")	461	10/25/2024	VB	P80936	\$1,349.00
183967	AAA OIL INC (DBA "CALIFORNIA FUELS & LUBR")	203, 461, 461.1	10/17/2024	CL	P77612	\$4,098.00
111492	AARN INC (DBA "H. TOROSIAN # 2")	461, H&S 41960.2	10/11/2024	VB	P70075	\$6,000.00
83039	AIRPORT ARCO	203, 461	10/17/2024	CR	P74815	\$2,115.00
195637	ALABBASI	403	10/11/2024	CM	P73917	\$4,792.00
183079	AMJ OIL INC	461	10/04/2024	CM	P80558, P80570	\$6,982.00
176756	AMK INVESTMENT PROPERTY LLC	461	10/11/2024	CM	P80949	\$2,018.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
138068	ANGELES NATIONAL GOLF CLUB	203, 461	10/04/2024	CM	P75962	\$529.00
135273	ARCHER DANIELS MIDLAND COMPANY	1146.1	10/11/2024	VB	P74666	\$1,513.00
32847	ARROYO CAR WASH CORP	461	10/25/2024	VB	P80927	\$2,514.00
145743	AZUSA MOBIL MART & CAR WASH	203, 461	10/25/2024	VB	P66027	\$1,209.00
188335	BANDINI TRUCK STOP CENTER INC	461	10/04/2024	CM	P80903	\$3,027.00
203334	BIG D CONSTRUCTION	403	10/04/2024	VB	P79330	\$2,018.00
22568	BRENTWOOD ORIGINALS INC	203	10/17/2024	CM	P69921	\$10,090.00
1824	BUDDY BAR CASTING	203	10/11/2024	CL	P80409	\$1,209.00
171285	C T PROPANE 2	461	10/04/2024	CR	P75452	\$1,813.00
29724	CP CONSTRUCTION CO INC	461	10/11/2024	VB	P78459	\$2,218.00
199702	CA COLLISION	201	10/11/2024	VB	P76549	\$937.00
86101	CAMINO REAL FOODS INC	203, 1146.1	10/04/2024	VB	P74904	\$7,026.00
104307	CHANDLER AGGREGATES INC	203	10/17/2024	CR	P75402	\$807.00
169551	CIRCLE K STORES INC (#2709468)	461	10/04/2024	CM	P80955	\$1,513.00
180137	CLENET CLEANERS	203, 1102	10/04/2024	CL	P78556	\$4,800.00
139763	COMILLA CORP	461	10/04/2024	CL	P70230, P70804, P74825	\$1,663.00
177249	CSDS LIMITED	203, 461	10/04/2024	SW	P79359	\$3,027.00
200827	DANNY NAVARRO REAL ESTATE GROUP	1403	10/17/2024	CM	P78610	\$3,023.00
127393	DECRA ROOFING SYSTEMS INC	1147	10/04/2024	CL	P75404	\$2,277.00
171476	DUARTE UNIVERSAL INC	461	10/25/2024	SW	P80948	\$2,297.00
105761	DUKE SERVICE CENTER	461, H&S 41960	10/04/2024	CM	P74813	\$1,500.00
189454	EL SEGUNDO CHEVRON	461	10/25/2024	SW	P80620	\$4,049.91
136202	EPSILON PLASTICS INC	3002	10/11/2024	CL	P75303	\$2,305.00
197223	FONTANA ARCO	201	10/04/2024	CL	P76172	\$971.00
110173	G & M OIL CO LLC (#52)	203, 461	10/17/2024	CM	P80202	\$1,059.00
192082	G&M OIL CO (#177)	461, H&S 41960.2	10/17/2024	CM	P74671	\$1,588.00
154515	GALAXY FIRESTONE 76, GALAXY OIL CO.	461	10/17/2024	VB	P79377	\$1,556.00
178714	GALLERY BUILDERS INC	403	10/04/2024	CM	P79329	\$5,242.00
3153	GOLDEN STATE FOODS CORP	1146	10/25/2024	VB	P73233	\$2,647.00
198942	GRIFFITH COMPANY	403	10/11/2024	VB	P74470	\$1,942.00
194405	GTP TOWERS V LLC	203	10/11/2024	SW	P79214	\$1,009.00
110560	HIDDEN VALLEY GOLF CLUB LLC	203, 461	10/04/2024	VB	P74190	\$7,413.00
134018	INDUSTRIAL CONTAINER SERVICES CA LLC	3002	10/04/2024	CL	P62775, P62780, P63945, P74874, P75982	\$8,463.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
189555	J&P OIL COMPANY INC	461	10/11/2024	VB	P79608	\$1,631.00
151835	JADE RANGE LLC	203	10/11/2024	SW	P80264	\$2,218.00
196071	JB CONTRACTORS INC	403	10/04/2024	CM	P75958	\$1,715.00
193598	JET CENTER	203	10/17/2024	CM	P74140	\$958.00
46581	JUAN'S BODY SHOP	1151	10/04/2024	CL	P74483	\$1,662.00
175454	KALEIDOSCOPE MISSION VIEJO	203	10/25/2024	CR	P80154	\$1,009.00
20197	LAC/USC MEDICAL CENTER	461	10/11/2024	VB	P75981	\$526.00
182655	LHSW, INC DBA ARROYO SHELL	461	10/04/2024	CM	P80921	\$2,418.00
169220	LONG BEACH WILLOW INC	461	10/04/2024	CM	P79363	\$5,984.00
195581	MAGIC WITH 786	461, H&S 41960.2	10/04/2024	CR	P80914	\$1,210.00
175268	MALTY CHEVRON (MALTY INT'L GROUP INC)	203	10/04/2024	CM	P79368	\$1,800.00
195687	MERITAGE HOMES	403	10/17/2024	CM	P73919	\$4,036.00
104004	MICROMETALS INC	3002	10/04/2024	CL	P79212	\$1,209.00
146300	MJM VALLEJO MINI MKT INC (DBA "ARCO #82442")	203	10/25/2024	VB	P74809	\$1,027.00
180105	MY GOODS MARKET (#5706)	461	10/04/2024	CM	P80946	\$2,012.00
177227	NEWPORT BEACH CARWASH	461, H&S 41960.2	10/17/2024	CL	P79354	\$2,561.00
156737	PARAMOUNT OIL INC	461, H&S 41960.2	10/11/2024	VB	P79375	\$1,588.00
162473	PARAMOUNT PICTURES	1403, 40 CFR 61.145	10/17/2024	SW	P78615	\$1,663.50
140552	PERFORMANCE COMPOSITES INC	3002	10/04/2024	VB	P75330	\$4,594.00
8916	PLACENTIA CITY CORPORATE YARD	461	10/04/2024	VB	P69796	\$953.00
199885	QUEVEDO ALEJANDRO	1403	10/25/2024	SW	P79156	\$8,735.00
11301	SAN BERNARDINO CITY MUN WATER DEPT	201, 203	10/11/2024	CR	P72949	\$2,018.00
158341	SHAATH & OUDEH GROUP INC	201	10/04/2024	VB	P73139	\$995.00
182985	SIGNAL HILL PETROLEUM INC	203, 463, 1148.1	10/17/2024	CL	P75685	\$5,598.00
1334	SOC CO PLASTIC COATING CO	1147	10/25/2024	VB	P78910	\$2,772.00
147779	SONDH INVESTMENT INC	461	10/11/2024	CM	P80204	\$1,588.00
194885	SPEEDWAY (# 4514 (USA))	461, H&S 41960.2	10/04/2024	CM	P80908	\$1,513.00
153338	STEWART FAMILY INC (DBA "SAN JUAN SHELL")	461	10/04/2024	CL	P69884	\$1,023.00
187136	STUDIO MANAGEMENT SERVICES INC	222	10/04/2024	CM	P76283	\$4,836.00
180588	SUNSTATE EQUIPMENT CO LLC	203	10/17/2024	VB	P74662	\$1,109.00
204623	TRAN'S GROUP INC	203	10/25/2024	SW	P74877	\$1,009.00
197716	TRIPOINTE HOMES	403	10/04/2024	VB	P79215	\$2,418.00
194122	UP2 (#0257)	461, H&S 41960	10/11/2024	VB	P74814	\$1,513.00
126383	VALLEY BETH SHALOM	1403	10/04/2024	VB	P75264	\$1,816.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbrs	Total Settlement
194664	VEER SERVICE PARTNERS INC	461, H&S 41960.2	10/11/2024	CM	P80941	\$4,050.00
139543	WOODSIDE VILLAGE CLEANERS	203, 1102	10/04/2024	CM	P73226	\$1,715.00
86119	YMCA OF METROPOLITAN LA	203	10/04/2024	VB	P75996	\$1,593.00
52142	YOLANDAS PLATING	1426	10/04/2024	CL	P76130	\$850.00
Total MSPAP Settlements: \$227,205.41						

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 2024 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 201 Permit to Construct
- Rule 203 Permit to Operate
- Rule 222 Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

REGULATION IV - PROHIBITIONS

- Rule 403 Fugitive Dust
- Rule 430 Breakdown Provisions
- Rule 431.1 Sulfur Content of Gaseous Fuels
- Rule 461 Gasoline Transfer and Dispensing
- Rule 461.1 Gasoline Transfer and Dispensing for Mobile Fueling Operations
- Rule 462 Organic Liquid Loading
- Rule 463 Storage of Organic Liquids

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1102 Petroleum Solvent Dry Cleaners
- Rule 1146 Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1146.1 Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters
- Rule 1147 NOx Reductions from Miscellaneous Sources
- Rule 1148.1 Oil and Gas Production Wells
- Rule 1151 Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations
- Rule 1168 Adhesive and Sealant Applications
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds
- Rule 1178 Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities
- Rule 1415 Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems
- Rule 1426 Emissions from Metal Finishing Operations
- Rule 1469 Hexavalent Chromium Emissions from Chrome Plating and Chromic Acid Anodizing Operations

**SOUTH COAST AQMD'S RULES AND REGULATIONS INDEX
FOR OCTOBER 2024 PENALTY REPORT**

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXIII - FACILITY BASED MOBILE SOURCE MEASURES

- Rule 2305 Warehouse Indirect Source Rule – Warehouse Actions and Investments to Reduce Emissions (Waive) Program

REGULATION XXX - TITLE V PERMITS

- Rule 3002 Requirements

CODE OF FEDERAL REGULATIONS

- 40 CFR 61.145 Standards for Demolition and Renovation

CALIFORNIA HEALTH AND SAFETY CODE

- 41960 Certification of Gasoline Vapor Recovery System
- 41960.2 Gasoline Vapor Recovery
- 42402 Violation of Emission Limitations – Civil Penalty

CALIFORNIA CODE OF REGULATIONS

- 13 CCR 2485 Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling
- 17 CCR 95669 Leak Detection and Repair

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 22

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a hybrid meeting on Friday, November 15, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Carlos Rodriguez, Chair
Technology Committee

AK:psc

Committee Members

Present: Supervisor Curt Hagman
Mayor Patricia Lock Dawson
Mayor Pro Tem Larry McCallon
Board Member Veronica Padilla-Campos
Supervisor Donald Wagner
Councilmember Carlos Rodriguez, Committee Chair

Call to Order

Committee Chair Carlos Rodriguez called the meeting to order at 12:00 p.m.

For additional details of the Technology Committee Meeting, please refer to the [Webcast](#).

ACTION ITEMS:

1. Execute Contracts to Develop and Demonstrate Class 2B/3 and Class 4/5 Medium-Duty Battery Electric Trucks

Sam Cao, Program Supervisor/Technology Advancement Office, presented on CARB's Advanced Clean Trucks and Advanced Clean Fleets regulations explaining the regulations require the transition of medium- and heavy-duty vehicles to zero-emission (ZE) technologies starting 2024. The development, demonstration, and deployment of faster charging and increased availability of ZE medium-duty trucks are needed. These actions are to execute contracts with: 1) Voltu Motor, Inc. to

develop, demonstrate and deploy 10 Ford F350 Class 2B and 3 battery electric trucks in an amount not to exceed \$600,000 which consists of \$300,000 from the Clean Fuels Program Fund (31) and \$300,000 from the Mobile Source Air Pollution Reduction Fund (23); 2) Enevate Corporation to develop and test a fast-charging battery pack for medium-duty Class 4 and 5 battery electric vehicles in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23); and 3) Evoelectric, Inc. to integrate the battery pack and demonstrate the fast-charging system developed by Enevate Corporation within a Class 4 and 5 medium-duty battery electric truck in an amount not to exceed \$500,000, which consists of \$250,000 from Fund (31) and \$250,000 from Fund (23). For additional details, please refer to the [Webcast](#) beginning at 3:20.

Mayor McCallon and Supervisor Hagman commented that they do not have a financial interest but are required to identify for the record that Mayor McCallon is the Chair and Supervisor Hagman is a member of the Mobile Source Air Pollution Reduction Committee, which is involved in this item.

Mayor McCallon thanked staff for listing MSRC as pending approval. For additional details, please refer to the [Webcast](#) beginning at 10:20.

Board Member Padilla-Campos asked about aspects of the Enevate battery. Dr. Cao responded that the current project focuses on safety and performance aspects of the fast-charging battery. For additional details, please refer to the [Webcast](#) beginning at 10:33.

Harvey Eder, Public Solar Power Coalition, expressed that there should be more focus on solar/thermal technologies. For additional details, please refer to the [Webcast](#) beginning at 11:41.

Mayor McCallon asked if these companies have a track record of projects. Aaron Katzenstein, Deputy Executive Officer/Technology Advancement Office responded that these are new local companies with whom the South Coast AQMD is working with. For additional details, please refer to the [Webcast](#) beginning at 14:53.

Committee Chair Rodriguez asked about timing for an update and costs. Dr. Cao responded that based on the deployment schedule, the report is expected to be completed by the end of fourth quarter of 2025. Dr. Katzenstein replied that it's too early to estimate the costs, but the retrofit should bring the price down. For additional details, please refer to the [Webcast](#) beginning at 15:30.

Moved by Hagman; seconded by McCallon; unanimously approved.

Ayes: Hagman, McCallon, Padilla-Campos, Rodriguez, Wagner
Noes: None
Abstain: None
Absent: Lock Dawson

2. Execute Contracts to Implement Zero-Emission Infrastructure Projects Under Carl Moyer and Community Air Protection Programs

Tom Lee, Planning & Rules Manager/Technology Advancement Office presented on the release of the Carl Moyer Program Announcement #PA2024-24 which was to solicit zero-emission infrastructure project applications. The solicitation was oversubscribed and received close to \$400 million dollars in applications. These actions are: 1) Execute contracts for zero-emission infrastructure projects under the Carl Moyer and Community Air Protection Programs for a total of \$109,125,778, and back up projects if funds become available; and 2) Authorize the Executive Officer to redistribute the source of funds for the various incentive program grants to ensure program liquidation targets are met. For additional details, please refer to the [Webcast](#) beginning at 17:49.

Supervisor Wagner commented that he does not have a financial interest but is required to identify for the record that he is the Supervisor for the County of Orange, which is involved in this item.

Supervisor Wagner requested clarification on the reason County of Orange's infrastructure projects are on the backup list. Dr. Katzenstein explained that the program focuses on supporting heavy-duty infrastructure such as Class 8 trucks and explained the difference between Class 8 and Class 7 trucks that are located in overburdened communities. The County of Orange projects are light-/medium-duty and are not within an AB 617 community, hence limiting the type of funding that can be applied. For additional details, please refer to the [Webcast](#) beginning at 23:04.

Committee Chair Rodriguez inquired about the timeline of the projects on the award list. Dr. Katzenstein responded that the projects will be commissioned in 2025 to 2028, and CARB grants now have a longer timeframe to provide more flexibility. Dr. Katzenstein also commented that projects that have utility power or a fuel supply plan were scored higher during the project evaluation, and that some shovel-ready projects were fast-tracked and have been contracted. For additional details, please refer to the [Webcast](#) beginning at 30:48.

Moved by; McCallon seconded by Hagman; unanimously approved.

Ayes: Hagman, McCallon, Padilla-Campos, Rodriguez, Wagner

Noes: None

Abstain: None

Absent: Lock Dawson

3. Execute Sponsorship Agreement to Support Workforce Training and Professional Development of Electric Vehicle and Battery Engineers

Vasileios Papapostolou, Planning and Rules Manager/Technology Advancement Office presented on the Sponsorship Agreement with California State University, Los Angeles to Support Workforce Training, explaining that this engineering competition will challenge universities and their partners to design, build, test and integrate advanced EV battery packs into a Stellantis vehicle and will help prepare and train the next generation of engineers and technicians to handle the increased demand for EVs. This action is to execute a sponsorship agreement with the California State University, Los Angeles, in an amount not to exceed \$150,000 from the Clean Fuels Program Fund (31). For additional details, please refer to the [Webcast](#) beginning at 37:15.

Supervisor Hagman expressed support for the proposal and expressed some concern with funding overlapping for Workforce Training and Development under State and Federal funding opportunities. Dr. Katzenstein responded with examples of previously sponsored events, such as Solar Decathlon and EcoCAR Challenge. Dr. Katzenstein also clarified that workforce development is within the Technology Advancement Office's plan, which supports the workforce that could contribute to EV vehicle development and provided an example of the Volvo LIGHTS Program which worked with Rio Hondo College and San Bernardino Valley College and mentioned the workforce training component under the Climate Pollution Reduction Grant South Coast AQMD will be implementing to support EV infrastructure. Supervisor Hagman suggested streamlining funds to provide support to existing entities that focus on supporting workforce training activities. For additional details, please refer to the [Webcast](#) beginning at 42:00.

Board Member Padilla-Campos expressed her support of the proposal and commented that there is a need for technicians for electric bikes and requested a progress report. For additional details, please refer to the [Webcast](#) beginning at 46:02.

Committee Chair Rodriguez asked about the duration of the competition and when results would be available. Dr. Papapostolou responded that the competition is over three academic years and is expected to end in the summer of 2026. He explained that the team reports quarterly. Committee Chair Rodriguez asked about project

milestones and other aspects of the program. For additional details, please refer to the [Webcast](#) beginning at 46:50.

Moved by; Hagman seconded by McCallon; unanimously approved.

Ayes: Hagman, McCallon, Padilla-Campos, Rodriguez, Wagner

Noes: None

Abstain: None

Absent: Lock Dawson

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

There was no public comment to report.

6. Next Meeting Date

The next regular Technology Committee meeting is scheduled for Friday, December 20, 2024, at 9:00 a.m.

Adjournment

The meeting adjourned at 12:50 p.m.

Attachment

Attendance Record

ATTACHMENT

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TECHNOLOGY COMMITTEE MEETING
Attendance Record – November 15, 2024**

Supervisor Curt Hagman South Coast AQMD Board Member
Mayor Pro Tem Larry McCallonSouth Coast AQMD Board Member
Board Member Veronica Padilla-CamposSouth Coast AQMD Board Member
Councilmember Carlos Rodriguez South Coast AQMD Board Member
Supervisor Donald Wagner South Coast AQMD Board Member

Fred Minassian Board Consultant (Padilla-Campos)
Michael Miller Board Consultant (Hagman)
Andy Silva Board Consultant (Lock Dawson)
Mark Taylor Board Consultant (Rodriguez)

Harvey Eder Public Solar Power Coalition
Gillian Kass Public Member
Lisa Mirisola Public Member
Matt Miyasato First Element
Ivet Taneva Penske
Todd Tatar Public Member
Paul Vu Public Member

Debra Ashby South Coast AQMD Staff
Isabel Builes South Coast AQMD Staff
Cindy Bustillos South Coast AQMD Staff
Sam Cao South Coast AQMD Staff
Matthew Ceja South Coast AQMD Staff
Penny Shaw Cedillo South Coast AQMD Staff
Berj Der Boghossian South Coast AQMD Staff
Marjorie Eaton South Coast AQMD Staff
Christian Fielding South Coast AQMD Staff
Bayron Gilchrist South Coast AQMD Staff
Scott Gallegos South Coast AQMD Staff
Sheri Hanizavareh South Coast AQMD Staff
Justin Joe South Coast AQMD Staff
Aaron Katzenstein South Coast AQMD Staff
Angela Kim South Coast AQMD Staff
Howard Lee South Coast AQMD Staff
Tom Lee South Coast AQMD Staff
Hay Lo South Coast AQMD Staff
Krystle Martinez South Coast AQMD Staff

Ron Moskowitz South Coast AQMD Staff
Ghislain Muberwa South Coast AQMD Staff
Susan Nakamura South Coast AQMD Staff
Wayne Nastri South Coast AQMD Staff
Lisa Tanaka O'Malley South Coast AQMD Staff
Vasileios Papapostolou South Coast AQMD Staff
Anish Pathak South Coast AQMD Staff
Robert Paud South Coast AQMD Staff
Kristin Remy South Coast AQMD Staff
Walter Shen South Coast AQMD Staff
Nicole Silva South Coast AQMD Staff
Mei Wang South Coast AQMD Staff
Michelle White South Coast AQMD Staff
Fan Xu South Coast AQMD Staff

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 23

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: The Mobile Source Air Pollution Reduction Review Committee held a hybrid meeting on Thursday, November 21, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Curt Hagman
South Coast AQMD Representative
to MSRC

AK:CR:me

Contract Modification Requests

The MSRC considered four contract modification requests and took the following actions:

1. City of Long Beach, Contract #MS24008 for micro transit expansion program, service expansion and approval of eleven-month term extension;
2. County of Riverside, Contract #ML18078 to purchase 15 near-zero heavy-duty vehicles, approval of two-year term extension with the condition that this be the final extension,
3. MHX, LLC, Agreement #MS21010 to deploy one overhead zero-emission crane, approval of eleven-month term extension with the condition that this be the final extension, and
4. Geographics, Contract #MS21006 for MSRC website maintenance, approval of \$1,269 contract value increase and three-month term extension.

MSRC Website Hosting and Maintenance

The MSRC's www.CleanTransportationFunding.org website is a critical tool for the operation of the MSRC's programs. The current contract for hosting and maintenance of the website will expire in June 2025. The MSRC considered and approved an RFP to identify and retain a contractor to host and maintain their existing website.

California Energy Commission (CEC)/California Department of Transportation (Caltrans) Partnership

In August 2024, the MSRC considered a partnership opportunity for two applications being submitted by CEC/Caltrans under the U.S. Department of Transportation (U.S. DOT) Charging and Fueling Infrastructure Grant Program. One application was a resubmittal from an earlier funding round, while the other application was a new submittal. The MSRC approved a total funding commitment of \$6 million for the two applications, contingent upon receipt of funding from U.S. DOT and with the exact funding split to be determined. The resubmitted application, for the West Coast Truck Charging and Fueling Corridor Project, has received a \$102 million award from U.S. DOT. CEC/Caltrans requested the MSRC to allocate the full \$6 million as co-funding to this project. CEC would act as project lead. The MSRC considered this request and approved a \$6 million award to CEC.

South Coast AQMD Technology Development Partnerships

There is a need to increase the zero emission options for Class 2B and 3 service body trucks. Additionally, many current medium-duty electric trucks require overnight charging. As also presented at the Technology Committee, South Coast AQMD and its project partners are developing projects to advance technology in these areas. Voltu Motors, Inc. proposes to develop, demonstrate and deploy 10 electric Ford F350 work trucks for the City of Riverside and Riverside Public Utilities fleets. Enevate Corporation (Enevate) has developed silicon-dominant anode advanced battery technology that allows fast charging. Enevate has proposed to partner with Evolectric, Inc., (Evolectric), for demonstration of this fast-charging battery technology on Evolectric's medium-duty vehicle platform. The MSRC considered this partnership opportunity and approved an allocation of up to \$800,000 to augment the partners' contributions as an element of the FYs 2024-27 Work Program, with specific allocations as follows:

- a. Allocate \$300,000 to the project with Voltu Motor, Inc. to develop, demonstrate and deploy up to 10 zero-emission medium-duty work trucks;
- b. Allocate \$250,000 to the project with Enevate Corporation to develop and test a fast charger battery pack for medium duty vehicle applications; and
- c. Allocate \$250,000 to the project with Evolectric, Inc. to integrate and demonstrate battery packs and faster charger developed by Enevate within two zero emission medium-duty vehicles.

Los Angeles County Metropolitan Transportation Authority Partnership

In January 2024, the MSRC approved a cooperative agreement with the Los Angeles County Metropolitan Transportation Authority (Metro) to pursue funding opportunities and programs to promote zero-emissions goods movement in Los Angeles County. Metro recently requested a \$3,000,000 MSRC co-funding commitment in pursuit of a grant award under the California Transportation Commission – Trade Corridor

Enhancement Program (TCEP). If awarded, the TCEP grant will support two projects, by MN8 and Forum Mobility, that will construct heavy-duty truck recharging infrastructure along the I-710 corridor. This will be matched with a \$3,000,000 contribution from Metro. The MSRC considered and approved the funding allocation.

FYs 24-27 Work Program Development Update

Staff provided an update on the MSRC-TAC’s progress in development of the FYs 24-27 Work Program, with reports on candidate Work Program categories under evaluation by the Partnership, Innovation, and Innovative Transportation Control Measure/Transportation Demand Management Subcommittees.

Contracts Administrator’s Report

The MSRC AB 2766 Contracts Administrator’s report provides a written status report on all open contracts from FY 2011-12 to the present. The Contracts Administrator’s Report for August 29, 2024 through October 30, 2024 is attached (*Attachment 1*).

Attachments

1. August 29 through October 30, 2024 Contracts Administrator’s Report
2. Minutes of June 20, 2024 MSRC Meeting

MSRC Agenda Item No. 4

DATE: November 21, 2024

FROM: Cynthia Ravenstein

SUBJECT: AB 2766 Contracts Administrator's Report

SYNOPSIS: This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from August 29 to October 30, 2024.

RECOMMENDATION: Receive and file report

WORK PROGRAM IMPACT: None

Contract Execution Status

2021-24 Work Program

On September 2, 2022, the SCAQMD Governing Board approved an award under the Major Event Center Transportation Program. This contract is executed.

On February 3, 2023, the SCAQMD Governing Board approved an award under the Transformative Transportation Strategies & Mobility Solutions Program. This contract is executed.

On June 2, 2023, the SCAQMD Governing Board approved six awards under the Microtransit Service RFP, for zero-emission shared mobility service. These contracts are executed.

On September 1, 2023, the SCAQMD Governing Board approved two awards under the Publicly Accessible Goods Movement Zero Emission Infrastructure Request for Information. One of these contracts will be administered by SCAQMD on behalf of the MSRC, and the other award is conditional upon successful selection of a site developer and operator and securing co-funding commitments.

On February 2, 2024, the SCAQMD Governing Board approved allocations for partnership in applications seeking funding under the Carl Moyer Program solicitation. If the applications are awarded funding, to the extent feasible these contracts will be administered by SCAQMD on behalf of the MSRC.

Work Program Status

Contract Status Reports for Work Program years with open and/or pending contracts are attached.

FY 2011-12 Work Program Contracts

One contract is in “Open/Complete” status, having completed all obligations except operations.

FY 2011-12 Invoices Paid

No invoices were paid during this period.

FYs 2012-14 Work Program Contracts

1 contract from this Work Program year is open, and 3 are in “Open/Complete” status. 1 contract closed during this period: County of Los Angeles, Contract #ML14027 – Construct New CNG Station in Canyon Country.

FYs 2012-14 Invoices Paid

No invoices were paid during this period.

FYs 2014-16 Work Program Contracts

4 contracts from this Work Program year are open, and 9 are in “Open/Complete” status. 2 contracts moved into “Open/Complete” status during this period: City of Torrance, Contract #ML16039 – Install EV Charging Infrastructure; and Long Beach Transit, Contract #MS16121 – Repower 39 and Purchase 1 New Transit Buses. 4 contracts closed during this period: City of Monterey Park, Contract #ML16013 – Purchase 3 Heavy-Duty Natural Gas Vehicles; City of Santa Clarita, Contract #ML16021 – Install EV Charging Infrastructure; Huntington Beach Union High School District, Contract #MS16105 – Expansion of Existing CNG Infrastructure; and Los Angeles County MTA, Contract #MS16113 – Repower up to 125 Transit Buses.

FYs 2014-16 Invoices Paid

1 invoice in the amount of \$130,000 was paid during this period.

FYs 2016-18 Work Program Contracts

26 contracts from this Work Program year are open, and 56 are in “Open/Complete” status. 3 contracts moved into “Open/Complete” status during this period: City of Diamond Bar, Contract #ML18031 – Install EV Charging Equipment and Procure Two Light-Duty Electric Vehicles; City of South El Monte, Contract #ML18084 – Install EV Charging Infrastructure; and Riverside County Transportation Commission, Contract #MS18024 – Vanpool Incentive Program. 5 contracts closed during this period: City of West Hollywood, Contract #ML18041 – Install EV Charging Infrastructure; City of Highland, Contract #ML18096 – Procure Light-Duty ZEV; City of Laguna Hills, Contract #ML18099 – Install EV Charging Infrastructure; City of Alhambra, Contract #ML18169 – Install EV Charging Infrastructure; and City of Wildomar, ML18185 – Install Bicycle Trail.

FYs 2016-18 Invoices Paid

6 invoices totaling \$1,582,184.50 were paid during this period (note that of this, \$1,100,000 was the completion of an invoice initiated earlier and included on a previous report but delayed to enable direct deposit).

FYs 2018-21 Work Program Contracts

10 contracts from this Work Program year are open, and 5 are in “Open/Complete” status.

FYs 2018-21 Invoices Paid

8 invoices totaling \$147,733.06 were paid during this period.

FYs 2021-24 Work Program Contracts

8 contracts from this Work Program year are open.

FYs 2021-24 Invoices Paid

No invoices were paid during this period.

Administrative Scope Changes

3 administrative scope changes were initiated during the period from August 29 to October 30, 2024:

- City of Irvine, Contract #ML18050 (Install EV Charging Infrastructure) – Clarify that installation requirement is for a number of charging ports rather than stations and remove obsolete references to requirements pertaining to previously removed vehicle element of project
- City of Torrance, Contract #ML16039 (Install Eight Level II EV Chargers) – Project complete under budget; reduce unused value by \$4,608
- San Bernardino County Transportation Authority, Agreement #MS18181 (Install Hydrogen Refueling Station) – One-year term extension

Attachments

- FY 2011-12 through FYs 2021-24 Contract Status Reports



AB2766 Discretionary Fund Program Invoices

8/29/2024 to 10/30/2024

Contract Admin.	MSRC Chair	MSRC Liaison	Finance	Contract #	Contractor	Invoice #	Amount
<i>2014-2016 Work Program</i>							
10/18/2024	10/25/2024	10/29/2025	10/20/2024	ML16025	City of South Pasadena	1	\$130,000.00
Total: \$130,000.00							
<i>2016-2018 Work Program</i>							
10/2/2024	10/2/2024	10/8/2024	10/9/2024	MS18024	Riverside County Transportation Commission	03869	\$49,600.00
10/2/2024	10/2/2024	10/8/2024	10/9/2024	MS18024	Riverside County Transportation Commission	03804	\$43,600.00
9/24/2024	10/2/2024	10/8/2024	10/25/2024	MS18027	City of Gardena	MSRC_01	\$332,500.00
9/18/2024	9/19/2024	9/19/2024	10/1/2024	ML18186	City of Paramount	SCAQMD01	\$36,484.50
9/10/2024	9/10/2024	9/10/2024	9/19/2024	ML18031	City of Diamond Bar	11212023	\$20,000.00
10/24/2024	10/25/2024	10/29/2024		ML18145	City of Los Angeles Dept of Transportation	BPF2023120	\$1,100,000.00
Total: \$1,582,184.50							
<i>2018-2021 Work Program</i>							
10/2/2024	10/2/2024	10/8/2024	10/9/2024	MS21006	Geographics	24-23869	\$135.00
10/2/2024	10/2/2024	10/8/2024	10/9/2024	MS21006	Geographics	24-23848	\$373.00
10/2/2024	10/2/2024	10/8/2024	10/9/2024	MS21002	Better World Group Advisors	WG-MSRC5	\$1,487.20
9/10/2024	9/10/2024	9/19/2024	9/20/2024	MS21006	Geographics	24-23831	\$33.00
9/10/2024	9/10/2024	9/19/2024	9/20/2024	MS21006	Geographics	24-23799	\$373.00
8/30/2024	9/5/2024	9/12/2024	9/19/2024	MS21002	Better World Group Advisors	WG-MSRC5	\$5,331.86
9/18/2024	9/19/2024	9/19/2024	10/1/2024	MS21005	Southern California Association of Governments	21005C-06R	\$70,000.00
9/18/2024	9/19/2024	9/19/2024	10/1/2024	MS21005	Southern California Association of Governments	21005C-05R	\$70,000.00
Total: \$147,733.06							
Total This Period: \$1,859,917.56							



FYs 2011-12 Through 2021-24 AB2766 Contract Status Report

11/12/2024

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
FY 2011-2012 Contracts									
Declined/Cancelled Contracts									
ML12016	City of Cathedral City	1/4/2013	10/3/2019		\$60,000.00	\$0.00	CNG Vehicle & Electric Vehicle Infrastructur	\$60,000.00	No
ML12038	City of Long Beach Public Works				\$26,000.00	\$0.00	Electric Vehicle Charging Infrastructure	\$26,000.00	No
ML12040	City of Duarte				\$30,000.00	\$0.00	One Heavy-Duty Nat. Gas Vehicle	\$30,000.00	No
ML12044	County of San Bernardino Public Wo				\$250,000.00	\$0.00	Install New CNG Station	\$250,000.00	No
ML12048	City of La Palma	1/4/2013	11/3/2018		\$20,000.00	\$0.00	Two Medium-Duty LPG Vehicles	\$20,000.00	No
ML12052	City of Whittier	3/14/2013	7/13/2019		\$165,000.00	\$0.00	Expansion of Existing CNG Station	\$165,000.00	No
ML12053	City of Mission Viejo				\$60,000.00	\$0.00	EV Charging Infrastructure	\$60,000.00	No
ML12090	City of Palm Springs	10/9/2015	10/8/2021	9/8/2025	\$21,163.00	\$0.00	EV Charging Infrastructure	\$21,163.00	No
MS12007	WestAir Gases & Equipment				\$100,000.00	\$0.00	Construct New Limited-Access CNG Station	\$100,000.00	No
MS12027	C.V. Ice Company, Inc.	5/17/2013	11/16/2019		\$75,000.00	\$0.00	Purchase 3 Medium-Heavy Duty Vehicles	\$75,000.00	No
MS12030	Complete Landscape Care, Inc.				\$150,000.00	\$0.00	Purchase 6 Medium-Heavy Duty Vehicles	\$150,000.00	No
MS12067	Leatherwood Construction, Inc.	11/8/2013	3/7/2017		\$122,719.00	\$0.00	Retrofit Six Vehicles w/DECS - Showcase III	\$122,719.00	No
MS12070	Valley Music Travel/CID Entertainme				\$99,000.00	\$0.00	Implement Shuttle Service to Coachella Mus	\$99,000.00	No
Total: 13									
Closed Contracts									
ML12013	City of Pasadena	10/19/2012	3/18/2015	9/18/2015	\$200,000.00	\$65,065.00	Electric Vehicle Charging Infrastructure	\$134,935.00	Yes
ML12014	City of Santa Ana - Public Works Ag	11/8/2013	8/7/2020	2/7/2022	\$338,000.00	\$255,977.50	9 H.D. Nat. Gas & LPG Trucks, EV Charging	\$82,022.50	Yes
ML12015	City of Fullerton	4/25/2013	11/24/2020	11/24/2021	\$40,000.00	\$40,000.00	HD CNG Vehicle, Expand CNG Station	\$0.00	Yes
ML12017	City of Los Angeles, Bureau of Sanit	6/26/2013	5/25/2020	11/25/2021	\$950,000.00	\$950,000.00	32 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12018	City of West Covina	10/18/2013	10/17/2020	8/17/2023	\$300,000.00	\$300,000.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12019	City of Palm Springs	9/6/2013	7/5/2015		\$38,000.00	\$16,837.00	EV Charging Infrastructure	\$21,163.00	Yes
ML12020	City of Los Angeles Dept of General	9/27/2012	3/26/2019	3/26/2020	\$450,000.00	\$450,000.00	15 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML12021	City of Rancho Cucamonga	9/14/2012	1/13/2020		\$40,000.00	\$40,000.00	Four Medium-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12022	City of La Puente	12/6/2013	6/5/2020		\$110,000.00	\$110,000.00	2 Medium-Duty and Three Heavy-Duty CNG	\$0.00	Yes
ML12023	County of Los Angeles Internal Servi	8/1/2013	2/28/2015		\$250,000.00	\$192,333.00	EV Charging Infrastructure	\$57,667.00	Yes
ML12037	Coachella Valley Association of Gov	3/14/2013	3/13/2014		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML12039	City of Redlands	2/8/2013	10/7/2019		\$90,000.00	\$90,000.00	Three Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12041	City of Anaheim Public Utilities Depa	4/4/2014	11/3/2015	11/3/2017	\$68,977.00	\$38,742.16	EV Charging Infrastructure	\$30,234.84	Yes
ML12042	City of Chino Hills	1/18/2013	3/17/2017		\$87,500.00	\$87,500.00	Expansion of Existing CNG Station	\$0.00	Yes
ML12043	City of Hemet	6/24/2013	9/23/2019	11/23/2021	\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML12046	City of Irvine	8/11/2013	3/10/2021		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML12047	City of Orange	2/1/2013	1/31/2019		\$30,000.00	\$30,000.00	One Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12049	City of Rialto Public Works	7/14/2014	9/13/2015		\$30,432.00	\$3,265.29	EV Charging Infrastructure	\$27,166.71	Yes
ML12050	City of Baldwin Park	4/25/2013	4/24/2014	10/24/2014	\$402,400.00	\$385,363.00	EV Charging Infrastructure	\$17,037.00	Yes
ML12054	City of Palm Desert	9/30/2013	2/28/2015		\$77,385.00	\$77,385.00	EV Charging Infrastructure	\$0.00	Yes
ML12055	City of Manhattan Beach	3/1/2013	12/31/2018		\$10,000.00	\$10,000.00	One Medium-Duty Nat. Gas Vehicle	\$0.00	Yes
ML12056	City of Cathedral City	3/26/2013	5/25/2014		\$25,000.00	\$25,000.00	Regional Street Sweeping Program	\$0.00	Yes
ML12057	City of Coachella	8/28/2013	8/27/2019	1/27/2022	\$57,456.00	\$57,456.00	Purchase One Nat. Gas H.D. Vehicle/Street	\$0.00	Yes
ML12066	City of Manhattan Beach	1/7/2014	4/6/2015		\$5,900.00	\$5,900.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML12091	City of Bellflower	10/5/2018	10/4/2019	6/30/2022	\$100,000.00	\$49,230.44	EV Charging Infrastructure	\$50,769.56	Yes
MS12001	Los Angeles County MTA	7/1/2012	4/30/2013		\$300,000.00	\$211,170.00	Clean Fuel Transit Service to Dodger Stadium	\$88,830.00	Yes
MS12002	Orange County Transportation Authority	9/7/2012	4/30/2013		\$342,340.00	\$333,185.13	Express Bus Service to Orange County Fair	\$9,154.87	Yes
MS12003	Orange County Transportation Authority	7/20/2012	2/28/2013		\$234,669.00	\$167,665.12	Implement Metrolink Service to Angel Stadium	\$67,003.88	Yes
MS12004	USA Waste of California, Inc.	10/24/2013	11/23/2019		\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12005	USA Waste of California, Inc.	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12006	Waste Management Collection & Re	10/19/2012	8/18/2013		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12008	Bonita Unified School District	7/12/2013	12/11/2019	4/11/2021	\$175,000.00	\$175,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12009	Sysco Food Services of Los Angeles	1/7/2014	4/6/2020		\$150,000.00	\$150,000.00	Construct New Public-Access LNG Station	\$0.00	Yes
MS12010	Murrieta Valley Unified School District	4/5/2013	9/4/2019		\$242,786.00	\$242,786.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS12011	Southern California Gas Company	6/14/2013	6/13/2019	5/28/2021	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12012	Rim of the World Unified School District	12/20/2012	5/19/2014		\$75,000.00	\$75,000.00	Vehicle Maintenance Facility Modifications	\$0.00	Yes
MS12024	Southern California Gas Company	6/13/2013	12/12/2019	11/12/2020	\$150,000.00	\$150,000.00	Construct New Public-Access CNG Station -	\$0.00	Yes
MS12025	Silverado Stages, Inc.	11/2/2012	7/1/2018		\$150,000.00	\$150,000.00	Purchase Six Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12026	U-Haul Company of California	3/14/2013	3/13/2019		\$500,000.00	\$353,048.26	Purchase 23 Medium-Heavy Duty Vehicles	\$146,951.74	Yes
MS12028	Dy-Dee Service of Pasadena, Inc.	12/22/2012	1/21/2019		\$45,000.00	\$40,000.00	Purchase 2 Medium-Duty and 1 Medium-He	\$5,000.00	Yes
MS12029	Community Action Partnership of Or	11/2/2012	11/1/2018		\$25,000.00	\$14,850.00	Purchase 1 Medium-Heavy Duty Vehicle	\$10,150.00	Yes
MS12031	Final Assembly, Inc.	11/2/2012	11/1/2018		\$50,000.00	\$32,446.00	Purchase 2 Medium-Heavy Duty Vehicles	\$17,554.00	Yes
MS12032	Fox Transportation	12/14/2012	12/13/2018		\$500,000.00	\$500,000.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12033	Mike Diamond/Phace Management	12/22/2012	12/21/2018	6/21/2021	\$148,900.00	\$148,900.00	Purchase 20 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12034	Ware Disposal Company, Inc.	11/2/2012	11/1/2018	5/1/2022	\$133,070.00	\$133,070.00	Purchase 8 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12035	Disneyland Resort	1/4/2013	7/3/2019		\$25,000.00	\$18,900.00	Purchase 1 Medium-Heavy Duty Vehicle	\$6,100.00	Yes
MS12036	Jim & Doug Carter's Automotive/VS	1/4/2013	11/3/2018		\$50,000.00	\$50,000.00	Purchase 2 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12058	Krisda Inc	4/24/2013	1/23/2019		\$25,000.00	\$25,000.00	Repower One Heavy-Duty Off-Road Vehicle	\$0.00	Yes
MS12059	Orange County Transportation Authority	2/28/2013	12/27/2014		\$75,000.00	\$75,000.00	Maintenance Facilities Modifications	\$0.00	Yes
MS12060	City of Santa Monica	4/4/2014	8/3/2017	8/3/2019	\$500,000.00	\$434,202.57	Implement Westside Bikeshare Program	\$65,797.43	Yes
MS12061	Orange County Transportation Authority	3/14/2014	3/13/2017		\$224,000.00	\$114,240.00	Transit-Oriented Bicycle Sharing Program	\$109,760.00	Yes
MS12062	Fraser Communications	12/7/2012	5/31/2014		\$998,669.00	\$989,218.49	Develop & Implement "Rideshare Thursday"	\$9,450.51	Yes
MS12063	Custom Alloy Light Metals, Inc.	8/16/2013	2/15/2020		\$100,000.00	\$100,000.00	Install New Limited Access CNG Station	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS12064	Anaheim Transportation Network	3/26/2013	12/31/2014		\$127,296.00	\$56,443.92	Implement Anaheim Circulator Service	\$70,852.08	Yes
MS12065	Orange County Transportation Autho	7/27/2013	11/30/2013		\$43,933.00	\$14,832.93	Ducks Express Service to Honda Center	\$29,100.07	Yes
MS12068	Southern California Regional Rail Au	3/1/2013	9/30/2013		\$57,363.00	\$47,587.10	Implement Metrolink Service to Autoclub Sp	\$9,775.90	Yes
MS12069	City of Irvine	8/11/2013	2/28/2014		\$45,000.00	\$26,649.41	Implement Special Transit Service to Solar	\$18,350.59	Yes
MS12071	Transit Systems Unlimited, Inc.	5/17/2013	12/16/2018		\$21,250.00	\$21,250.00	Expansion of Existing CNG Station	\$0.00	Yes
MS12072	99 Cents Only Stores	4/5/2013	9/4/2019		\$100,000.00	\$100,000.00	Construct New CNG Station	\$0.00	Yes
MS12073	FirstCNG, LLC	7/27/2013	12/26/2019		\$150,000.00	\$150,000.00	Construct New CNG Station	\$0.00	Yes
MS12074	Arcadia Unified School District	7/5/2013	9/4/2019		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12075	CR&R Incorporated	7/27/2013	1/26/2021	1/26/2022	\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12076	City of Ontario, Housing & Municipal	3/8/2013	4/7/2015		\$75,000.00	\$75,000.00	Maintenance Facilities Modification	\$0.00	Yes
MS12078	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$73,107.00	Maintenance Facility Modifications - Vernon	\$1,893.00	Yes
MS12080	City of Pasadena	11/8/2013	8/7/2020	2/7/2022	\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS12081	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$75,000.00	Maintenance Facility Modifications - Santa A	\$0.00	Yes
MS12082	City of Los Angeles, Bureau of Sanit	11/20/2013	2/19/2021	2/19/2023	\$175,000.00	\$175,000.00	Install New CNG Infrastructure	\$0.00	Yes
MS12083	Brea Olinda Unified School District	7/30/2015	2/29/2024		\$59,454.00	\$59,454.00	Install New CNG Infrastructure	\$0.00	Yes
MS12085	Bear Valley Unified School District	4/25/2013	6/24/2014		\$75,000.00	\$75,000.00	Maintenance Facility Modifications	\$0.00	Yes
MS12086	SuperShuttle International, Inc.	3/26/2013	3/25/2019		\$225,000.00	\$225,000.00	Purchase 23 Medium-Heavy Duty Vehicles	\$0.00	Yes
MS12087	Los Angeles County MTA	8/29/2013	11/28/2015		\$125,000.00	\$125,000.00	Implement Rideshare Incentives Program	\$0.00	Yes
MS12088	Orange County Transportation Autho	12/6/2013	3/5/2016		\$125,000.00	\$18,496.50	Implement Rideshare Incentives Program	\$106,503.50	Yes
MS12089	Riverside County Transportation Co	10/18/2013	9/17/2015		\$249,136.00	\$105,747.48	Implement Rideshare Incentives Program	\$143,388.52	Yes
MS12Hom	Mansfield Gas Equipment Systems				\$296,000.00	\$0.00	Home Refueling Apparatus Incentive Progra	\$296,000.00	Yes

Total: 74

Closed/Incomplete Contracts

ML12051	City of Bellflower	2/7/2014	2/6/2016	5/6/2018	\$100,000.00	\$0.00	EV Charging Infrastructure	\$100,000.00	No
MS12077	City of Coachella	6/14/2013	6/13/2020		\$225,000.00	\$0.00	Construct New CNG Station	\$225,000.00	No
MS12079	Penske Truck Leasing Co., L.P.	1/7/2014	1/6/2016		\$75,000.00	\$0.00	Maintenance Facility Modifications - Boyle H	\$75,000.00	No
MS12084	Airport Mobil Inc.	12/6/2013	5/5/2020		\$150,000.00	\$0.00	Install New CNG Infrastructure	\$150,000.00	No

Total: 4

Open/Complete Contracts

ML12045	City of Baldwin Park DPW	2/14/2014	12/13/2020	12/13/2026	\$400,000.00	\$400,000.00	Install New CNG Station	\$0.00	Yes
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Total: 1

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2012-2014 Contracts

Open Contracts

MS14057	Los Angeles County MTA	11/7/2014	10/6/2019	10/31/2026	\$1,250,000.00	\$0.00	Implement Various Signal Synchronization P	\$1,250,000.00	No
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Total: 1

Declined/Cancelled Contracts

ML14063	City of Hawthorne				\$32,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$32,000.00	No
ML14068	City of South Pasadena	9/12/2014	10/11/2015	1/11/2020	\$10,183.00	\$0.00	Electric Vehicle Charging Infrastructure	\$10,183.00	No
ML14069	City of Beaumont	3/3/2017	3/2/2025		\$200,000.00	\$0.00	Construct New CNG Infrastructure	\$200,000.00	No
MS14035	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Sun Valle	\$75,000.00	No
MS14036	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - La Mirad	\$75,000.00	No
MS14038	Penske Truck Leasing Co., L.P.				\$75,000.00	\$0.00	Vehicle Maint. Fac. Modifications - Fontana	\$75,000.00	No
MS14043	City of Anaheim				\$175,000.00	\$0.00	Expansion of Existing CNG Station	\$175,000.00	No
MS14078	American Honda Motor Co., Inc.	9/4/2015	8/3/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14085	Prologis, L.P.				\$100,000.00	\$0.00	New Limited Access CNG Station	\$100,000.00	No
MS14086	San Gabriel Valley Towing I				\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS14091	Serv-Wel Disposal				\$100,000.00	\$0.00	New Limited-Access CNG Infrastructure	\$100,000.00	No

Total: 11

Closed Contracts

ML14010	City of Cathedral City	8/13/2014	10/12/2015		\$25,000.00	\$25,000.00	Street Sweeping Operations	\$0.00	Yes
ML14011	City of Palm Springs	6/13/2014	1/12/2016		\$79,000.00	\$78,627.00	Bicycle Racks, Bicycle Outreach & Educatio	\$373.00	Yes
ML14012	City of Santa Ana - Public Works Ag	2/13/2015	10/12/2021	10/12/2022	\$41,220.00	\$41,220.00	EV Charging and 1 H.D. CNG Vehicle	\$0.00	Yes
ML14014	City of Torrance	9/5/2014	12/4/2019		\$56,000.00	\$56,000.00	EV Charging Infrastructure	\$0.00	Yes
ML14015	Coachella Valley Association of Gov	6/6/2014	9/5/2015		\$250,000.00	\$250,000.00	Street Sweeping Operations	\$0.00	Yes
ML14016	City of Anaheim	4/3/2015	9/2/2021		\$380,000.00	\$380,000.00	Purchase 2 H.D. Vehicles, Expansion of Exi	\$0.00	Yes
ML14019	City of Corona Public Works	12/5/2014	6/4/2020	3/6/2023	\$111,518.00	\$111,517.18	EV Charging, Bicycle Racks, Bicycle Locker	\$0.82	Yes
ML14022	County of Los Angeles Department o	10/2/2015	5/1/2022		\$270,000.00	\$270,000.00	Purchase 9 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14023	County of Los Angeles Department o	10/2/2015	9/1/2017	3/1/2021	\$230,000.00	\$230,000.00	Maintenance Fac. Modifications-Westcheste	\$0.00	Yes
ML14024	County of Los Angeles Department o	10/2/2015	9/1/2017	9/1/2021	\$230,000.00	\$230,000.00	Maintenance Fac. Modifications-Baldwin Par	\$0.00	Yes
ML14025	County of Los Angeles Dept of Publi	10/2/2015	7/1/2018	7/1/2024	\$300,000.00	\$300,000.00	Construct New CNG Station in Malibu	\$0.00	Yes
ML14026	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	5/1/2024	\$300,000.00	\$300,000.00	Construct New CNG Station in Castaic	\$0.00	Yes
ML14028	City of Fullerton	9/5/2014	1/4/2022		\$126,950.00	\$126,950.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
ML14029	City of Irvine	7/11/2014	6/10/2017		\$90,500.00	\$71,056.78	Bicycle Trail Improvements	\$19,443.22	Yes
ML14030	County of Los Angeles Internal Servi	1/9/2015	3/8/2018	7/30/2021	\$425,000.00	\$216,898.02	Bicycle Racks, Outreach & Education	\$208,101.98	Yes
ML14031	Riverside County Waste Manageme	6/13/2014	12/12/2020		\$90,000.00	\$90,000.00	Purchase 3 H.D. CNG Vehicles	\$0.00	Yes
ML14032	City of Rancho Cucamonga	1/9/2015	1/8/2022		\$113,990.00	\$104,350.63	Expansion of Existing CNG Infras., Bicycle L	\$9,639.37	Yes
ML14033	City of Irvine	7/11/2014	2/10/2021	2/10/2022	\$60,000.00	\$60,000.00	Purchase 2 H.D. CNG Vehicles	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML14034	City of Lake Elsinore	9/5/2014	5/4/2021		\$56,700.00	\$56,700.00	EV Charging Stations	\$0.00	Yes
ML14049	City of Moreno Valley	7/11/2014	3/10/2021		\$105,000.00	\$101,976.09	One HD Nat Gas Vehicle, EV Charging, Bicy	\$3,023.91	Yes
ML14051	City of Brea	9/5/2014	1/4/2017	7/4/2018	\$450,000.00	\$450,000.00	Installation of Bicycle Trail	\$0.00	Yes
ML14054	City of Torrance	11/14/2014	4/13/2017	7/13/2017	\$350,000.00	\$319,908.80	Upgrade Maintenance Facility	\$30,091.20	Yes
ML14055	City of Highland	10/10/2014	3/9/2018	3/9/2019	\$500,000.00	\$489,385.24	Bicycle Lanes and Outreach	\$10,614.76	Yes
ML14056	City of Redlands	9/5/2014	5/4/2016	5/4/2018	\$125,000.00	\$125,000.00	Bicycle Lanes	\$0.00	Yes
ML14061	City of La Habra	3/11/2016	3/10/2022		\$41,600.00	\$41,270.49	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$329.51	Yes
ML14062	City of San Fernando	3/27/2015	5/26/2021	10/31/2023	\$325,679.00	\$325,679.00	Expand Existing CNG Fueling Station	\$0.00	Yes
ML14064	City of Claremont	7/11/2014	7/10/2020	1/10/2021	\$60,000.00	\$60,000.00	Purchase Two Heavy-Duty Nat. Gas Vehicle	\$0.00	Yes
ML14065	City of Orange	9/5/2014	8/4/2015		\$10,000.00	\$10,000.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14067	City of Duarte	12/4/2015	1/3/2023	6/3/2024	\$60,000.00	\$60,000.00	Purchase Two Electric Buses	\$0.00	Yes
ML14070	City of Rancho Cucamonga	9/3/2016	12/2/2018		\$365,245.00	\$326,922.25	Bicycle Trail Improvements	\$38,322.75	Yes
ML14071	City of Manhattan Beach	1/9/2015	11/8/2018		\$22,485.00	\$22,485.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
ML14072	City of Cathedral City	8/13/2014	1/12/2021	7/12/2022	\$41,000.00	\$41,000.00	Install Bicycle Racks & Implement Bicycle E	\$0.00	Yes
ML14094	City of Yucaipa	6/9/2017	6/8/2018		\$84,795.00	\$84,795.00	Installation of Bicycle Lanes	\$0.00	Yes
ML14095	City of South Pasadena	1/10/2019	7/9/2019		\$142,096.00	\$134,182.09	Bicycle Trail Improvements	\$7,913.91	Yes
ML14096	County of Los Angeles Dept of Pub	5/3/2019	12/2/2019	3/2/2020	\$74,186.00	\$74,186.00	San Gabriel BikeTrail Underpass Improveme	\$0.00	Yes
ML14097	County of Los Angeles Internal Servi	9/6/2019	9/5/2020	9/5/2021	\$104,400.00	\$104,400.00	Electric Vehicle Charging Infrastructure	\$0.00	Yes
MS14001	Los Angeles County MTA	3/6/2015	4/30/2015		\$1,216,637.00	\$1,199,512.68	Clean Fuel Transit Service to Dodger Stadiu	\$17,124.32	Yes
MS14002	Orange County Transportation Autho	9/6/2013	4/30/2014		\$576,833.00	\$576,833.00	Clean Fuel Transit Service to Orange Count	\$0.00	Yes
MS14003	Orange County Transportation Autho	8/1/2013	4/30/2014	10/30/2014	\$194,235.00	\$184,523.00	Implement Metrolink Service to Angel Stadiu	\$9,712.00	Yes
MS14004	Orange County Transportation Autho	9/24/2013	4/30/2014		\$36,800.00	\$35,485.23	Implement Express Bus Service to Solar De	\$1,314.77	Yes
MS14005	Transit Systems Unlimited, Inc.	4/11/2014	2/28/2016		\$515,200.00	\$511,520.00	Provide Expanded Shuttle Service to Hollyw	\$3,680.00	Yes
MS14007	Orange County Transportation Autho	6/6/2014	4/30/2015		\$208,520.00	\$189,622.94	Implement Special Metrolink Service to Ang	\$18,897.06	Yes
MS14008	Orange County Transportation Autho	8/13/2014	5/31/2015		\$601,187.00	\$601,187.00	Implement Clean Fuel Bus Service to Orang	\$0.00	Yes
MS14009	A-Z Bus Sales, Inc.	1/17/2014	12/31/2014	3/31/2015	\$388,000.00	\$388,000.00	Alternative Fuel School Bus Incentive Progra	\$0.00	Yes
MS14037	Penske Truck Leasing Co., L.P.	4/7/2017	6/6/2020		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Carson	\$0.00	Yes
MS14039	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Irvine	\$0.00	Yes
MS14040	Waste Management Collection and	7/10/2015	4/9/2016		\$75,000.00	\$75,000.00	Vehicle Maint. Fac. Modifications - Santa An	\$0.00	Yes
MS14041	USA Waste of California, Inc.	9/4/2015	10/3/2021		\$175,000.00	\$175,000.00	Limited-Access CNG Station, Vehicle Maint.	\$0.00	Yes
MS14042	Grand Central Recycling & Transfer	6/6/2014	9/5/2021		\$150,000.00	\$150,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS14044	TIMCO CNG Fund I, LLC	5/2/2014	11/1/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Santa A	\$0.00	Yes
MS14045	TIMCO CNG Fund I, LLC	6/6/2014	12/5/2020		\$150,000.00	\$150,000.00	New Public-Access CNG Station in Inglewoo	\$0.00	Yes
MS14046	Ontario CNG Station Inc.	5/15/2014	5/14/2020	11/14/2021	\$150,000.00	\$150,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14047	Southern California Regional Rail Au	3/7/2014	9/30/2014		\$49,203.00	\$32,067.04	Special Metrolink Service to Autoclub Speed	\$17,135.96	Yes
MS14048	BusWest	3/14/2014	12/31/2014	5/31/2015	\$940,850.00	\$847,850.00	Alternative Fuel School Bus Incentive Progra	\$93,000.00	Yes
MS14052	Arcadia Unified School District	6/13/2014	10/12/2020		\$78,000.00	\$78,000.00	Expansion of an Existing CNG Fueling Statio	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS14053	Upland Unified School District	1/9/2015	7/8/2021		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14058	Orange County Transportation Autho	11/7/2014	4/6/2016	4/6/2017	\$1,250,000.00	\$1,250,000.00	Implement Various Signal Synchronization P	\$0.00	Yes
MS14059	Riverside County Transportation Co	9/5/2014	3/4/2018	7/4/2023	\$1,250,000.00	\$1,209,969.08	Implement Various Signal Synchronization P	\$40,030.92	No
MS14072	San Bernardino County Transportatio	3/27/2015	3/26/2018	3/26/2024	\$1,237,500.00	\$1,148,376.17	Implement Various Signal Synchronization P	\$89,123.83	Yes
MS14073	Anaheim Transportation Network	1/9/2015	4/30/2017		\$221,312.00	\$221,312.00	Anaheim Resort Circulator Service	\$0.00	Yes
MS14074	Midway City Sanitary District	1/9/2015	3/8/2021		\$250,000.00	\$250,000.00	Limited-Access CNG Station & Facility Modif	\$0.00	Yes
MS14075	Fullerton Joint Union High School Di	7/22/2016	11/21/2023		\$293,442.00	\$293,442.00	Expansion of Existing CNG Infrastructure/Ma	\$0.00	Yes
MS14076	Rialto Unified School District	6/17/2015	2/16/2022	6/25/2023	\$225,000.00	\$225,000.00	New Public Access CNG Station	\$0.00	Yes
MS14077	County Sanitation Districts of L.A. Co	3/6/2015	5/5/2021		\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14080	CR&R Incorporated	6/1/2015	8/31/2021	8/31/2022	\$200,000.00	\$200,000.00	Expansion of Existing CNG Infrastructure/Ma	\$0.00	Yes
MS14081	CR&R Incorporated	6/1/2015	5/30/2021		\$175,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure/Ma	\$75,000.00	Yes
MS14082	Grand Central Recycling & Transfer	12/4/2015	3/3/2023	3/3/2024	\$150,000.00	\$150,000.00	Construct New Public Access CNG Station	\$0.00	Yes
MS14083	Hacienda La Puente Unified School	7/10/2015	3/9/2022	6/9/2023	\$175,000.00	\$175,000.00	New Limited Access CNG Station	\$0.00	Yes
MS14084	US Air Conditioning Distributors	5/7/2015	9/6/2021		\$100,000.00	\$100,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS14087	Orange County Transportation Autho	8/14/2015	4/30/2016		\$239,645.00	\$195,377.88	Implement Special Metrolink Service to Ang	\$44,267.12	Yes
MS14088	Southern California Regional Rail Au	5/7/2015	9/30/2015		\$79,660.00	\$66,351.44	Special Metrolink Service to Autoclub Speed	\$13,308.56	Yes
MS14089	Top Shelf Consulting, LLC	1/18/2017	8/4/2016	3/31/2017	\$200,000.00	\$200,000.00	Enhanced Fleet Modernization Program	\$0.00	Yes
MS14090	City of Monterey Park	5/7/2015	5/6/2021		\$225,000.00	\$225,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes

Total: 73

Closed/Incomplete Contracts

ML14020	County of Los Angeles Dept of Pub	8/13/2014	1/12/2018		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
ML14021	Riverside County Regional Park and	7/24/2014	12/23/2016	9/30/2024	\$250,000.00	\$0.00	Bicycle Trail Improvements	\$250,000.00	No
ML14027	County of Los Angeles Dept of Publi	10/2/2015	5/1/2023	8/1/2028	\$492,000.00	\$0.00	Construct New CNG Station in Canyon Coun	\$492,000.00	No
ML14050	City of Yucaipa	7/11/2014	9/10/2015	7/1/2016	\$84,795.00	\$0.00	Installation of Bicycle Lanes	\$84,795.00	No
ML14060	County of Los Angeles Internal Servi	10/6/2017	1/5/2019		\$104,400.00	\$0.00	Electric Vehicle Charging Infrastructure	\$104,400.00	No
ML14066	City of South Pasadena	9/12/2014	7/11/2016	2/11/2018	\$142,096.00	\$0.00	Bicycle Trail Improvements	\$142,096.00	No
ML14093	County of Los Angeles Dept of Pub	8/14/2015	1/13/2019		\$150,000.00	\$0.00	San Gabriel BikeTrail Underpass Improveme	\$150,000.00	No
MS14092	West Covina Unified School District	9/3/2016	12/2/2022		\$124,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$124,000.00	No

Total: 8

Open/Complete Contracts

ML14013	City of Los Angeles, Bureau of Sanit	10/7/2016	2/6/2025		\$400,000.00	\$400,000.00	Purchase 14 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML14018	City of Los Angeles Dept of General	3/6/2015	9/5/2021	2/5/2026	\$810,000.00	\$810,000.00	Purchase 27 H.D. Nat. Gas Vehicles	\$0.00	Yes
MS14079	Waste Resources, Inc.	9/14/2016	8/13/2022	10/13/2024	\$100,000.00	\$100,000.00	New Limited Access CNG Station	\$0.00	Yes

Total: 3

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2014-2016 Contracts

Open Contracts

ML16047	City of Fontana	1/6/2017	8/5/2019	8/5/2025	\$500,000.00	\$0.00	Enhance an Existing Class 1 Bikeway	\$500,000.00	No
ML16075	City of San Fernando	10/27/2016	2/26/2019	12/26/2024	\$354,000.00	\$0.00	Install a Class 1 Bikeway	\$354,000.00	No
ML16077	City of Rialto	5/3/2018	10/2/2021	2/2/2026	\$463,216.00	\$218,708.00	Pedestrian Access Improvements, Bicycle L	\$244,508.00	No

Total: 3

Pending Execution Contracts

ML16127	City of Yucaipa				\$174,420.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$174,420.00	No
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Total: 1

Declined/Cancelled Contracts

ML16014	City of Dana Point				\$153,818.00	\$0.00	Extend an Existing Class 1 Bikeway	\$153,818.00	No
ML16065	City of Temple City				\$500,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$500,000.00	No
ML16067	City of South El Monte				\$73,329.00	\$0.00	Implement an "Open Streets" Event	\$73,329.00	No
ML16074	City of La Verne	7/22/2016	1/21/2023		\$365,000.00	\$0.00	Install CNG Fueling Station	\$365,000.00	No
MS16043	LBA Realty Company LLC				\$100,000.00	\$0.00	Install Limited-Access CNG Station	\$100,000.00	No
MS16080	Riverside County Transportation Co				\$1,200,000.00	\$0.00	Passenger Rail Service for Coachella and St	\$1,200,000.00	No
MS16098	Long Beach Transit				\$198,957.00	\$0.00	Provide Special Bus Service to Stub Hub Ce	\$198,957.00	No
MS16104	City of Perris				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16106	City of Lawndale	3/1/2019	11/30/2025		\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS16107	Athens Services				\$100,000.00	\$0.00	Construct a Limited-Access CNG Station	\$100,000.00	No
MS16108	VNG 5703 Gage Avenue, LLC				\$150,000.00	\$0.00	Construct Public-Access CNG Station in Bell	\$150,000.00	No
MS16109	Sanitation Districts of Los Angeles C				\$275,000.00	\$0.00	Expansion of an Existing L/CNG Station	\$275,000.00	No
MS16111	VNG 925 Lakeview Avenue, LLC				\$150,000.00	\$0.00	Construct Public Access CNG Station in Pla	\$150,000.00	No

Total: 13

Closed Contracts

ML16006	City of Cathedral City	4/27/2016	4/26/2022	4/26/2023	\$25,000.00	\$25,000.00	Bicycle Outreach	\$0.00	Yes
ML16007	City of Culver City Transportation De	10/6/2015	4/5/2023		\$246,000.00	\$246,000.00	Purchase 7 H.D. Nat. Gas Vehicles, EV Cha	\$0.00	Yes
ML16009	City of Fountain Valley	10/6/2015	2/5/2018	5/5/2019	\$46,100.00	\$46,100.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16011	City of Claremont	10/6/2015	6/5/2022		\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16012	City of Carson	1/15/2016	10/14/2022		\$60,000.00	\$60,000.00	Purchase 2 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16013	City of Monterey Park	12/4/2015	7/3/2022	7/3/2024	\$90,000.00	\$90,000.00	Purchase 3 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16015	City of Yorba Linda	3/4/2016	11/3/2017		\$85,000.00	\$85,000.00	Install Bicycle Lanes	\$0.00	Yes
ML16016	City of Los Angeles Dept of General	2/5/2016	12/4/2022		\$630,000.00	\$630,000.00	Purchase 21 Heavy-Duty Nat. Gas Vehicles	\$0.00	Yes
ML16018	City of Hermosa Beach	10/7/2016	1/6/2023		\$29,520.00	\$23,768.44	Purchase 2 M.D. Nat. Gas Vehicles, Bicycle	\$5,751.56	Yes
ML16019	City of Los Angeles, Dept of General	1/25/2017	3/24/2023		\$102,955.00	\$102,955.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16020	City of Pomona	4/1/2016	2/1/2018	8/1/2018	\$440,000.00	\$440,000.00	Install Road Surface Bicycle Detection Syste	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16021	City of Santa Clarita	10/7/2016	6/6/2024		\$49,400.00	\$49,399.00	Install EV Charging Infrastructure	\$1.00	Yes
ML16023	City of Banning	12/11/2015	12/10/2021		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16024	City of Azusa	4/27/2016	2/26/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16026	City of Downey	5/6/2016	9/5/2017		\$40,000.00	\$40,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16027	City of Whittier	1/8/2016	11/7/2022		\$30,000.00	\$30,000.00	Purchase 1 H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16028	City of Azusa	9/9/2016	4/8/2018		\$25,000.00	\$25,000.00	Enhance Existing Class 1 Bikeway	\$0.00	Yes
ML16031	City of Cathedral City	12/19/2015	2/18/2017		\$25,000.00	\$25,000.00	Street Sweeping in Coachella Valley	\$0.00	Yes
ML16032	City of Azusa	9/9/2016	4/8/2019	4/8/2021	\$474,925.00	\$474,925.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16033	Coachella Valley Association of Gov	4/27/2016	4/26/2018		\$250,000.00	\$250,000.00	Street Sweeping Operations in Coachella Va	\$0.00	Yes
ML16034	City of Riverside	3/11/2016	10/10/2018	7/10/2020	\$500,000.00	\$500,000.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16036	City of Brea	3/4/2016	12/3/2018		\$500,000.00	\$500,000.00	Install a Class 1 Bikeway	\$0.00	Yes
ML16037	City of Rancho Cucamonga	2/5/2016	11/4/2022		\$30,000.00	\$30,000.00	Purchase One Heavy-Duty Natural Gas Vehi	\$0.00	Yes
ML16038	City of Palm Springs	4/1/2016	7/31/2022	9/30/2022	\$170,000.00	\$60,000.00	Install Bicycle Lanes & Purchase 2 Heavy-D	\$110,000.00	Yes
ML16041	City of Moreno Valley	9/3/2016	1/2/2021	4/2/2024	\$20,000.00	\$20,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML16042	City of San Dimas	4/1/2016	12/31/2019	12/31/2021	\$55,000.00	\$55,000.00	Install EV Charging Infrastructure	\$0.00	No
ML16045	City of Anaheim	6/22/2016	8/21/2019		\$275,000.00	\$255,595.08	Maintenance Facility Modifications	\$19,404.92	Yes
ML16046	City of El Monte	4/1/2016	5/31/2021	5/31/2023	\$20,160.00	\$14,637.50	Install EV Charging Infrastructure	\$5,522.50	Yes
ML16049	City of Buena Park	4/1/2016	11/30/2018		\$429,262.00	\$429,262.00	Installation of a Class 1 Bikeway	\$0.00	Yes
ML16050	City of Westminster	5/6/2016	7/5/2020	5/5/2022	\$115,000.00	\$93,925.19	Installation of EV Charging Infrastructure	\$21,074.81	Yes
ML16051	City of South Pasadena	2/12/2016	1/11/2017	12/11/2017	\$320,000.00	\$258,691.25	Implement "Open Streets" Event with Variou	\$61,308.75	Yes
ML16052	City of Rancho Cucamonga	9/3/2016	11/2/2019	3/31/2021	\$315,576.00	\$305,576.00	Install Two Class 1 Bikeways	\$10,000.00	Yes
ML16053	City of Claremont	3/11/2016	7/10/2018	12/10/2020	\$498,750.00	\$498,750.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16054	City of Yucaipa	3/26/2016	7/26/2018	10/25/2019	\$120,000.00	\$120,000.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes
ML16055	City of Ontario	5/6/2016	5/5/2022		\$270,000.00	\$270,000.00	Purchase Nine Heavy-Duty Natural-Gas Veh	\$0.00	Yes
ML16056	City of Ontario	3/23/2016	9/22/2020	9/22/2021	\$106,565.00	\$106,565.00	Expansion of an Existing CNG Station	\$0.00	Yes
ML16058	Los Angeles County Department of P	10/7/2016	4/6/2024		\$371,898.00	\$371,898.00	Purchase 11 H.D. Nat. Gas Vehicles and Ins	\$0.00	Yes
ML16059	City of Burbank	4/1/2016	2/28/2022		\$180,000.00	\$180,000.00	Purchase 6 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML16060	City of Cudahy	2/5/2016	10/4/2017		\$73,910.00	\$62,480.00	Implement an "Open Streets" Event	\$11,430.00	Yes
ML16061	City of Murrieta	4/27/2016	1/26/2020		\$11,642.00	\$9,398.36	Installation of EV Charging Infrastructure	\$2,243.64	Yes
ML16062	City of Colton	6/3/2016	7/2/2020		\$21,003.82	\$21,003.82	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16063	City of Glendora	3/4/2016	4/3/2022		\$30,000.00	\$30,000.00	Purchase One H.D. Nat. Gas Vehicle	\$0.00	Yes
ML16064	County of Orange, OC Parks	2/21/2017	10/20/2018		\$204,073.00	\$157,632.73	Implement "Open Streets" Events with Vario	\$46,440.27	Yes
ML16066	City of Long Beach Public Works	1/13/2017	9/12/2018		\$75,050.00	\$63,763.62	Implement an "Open Streets" Event	\$11,286.38	Yes
ML16068	Riverside County Dept of Public Heal	12/2/2016	8/1/2018		\$171,648.00	\$171,648.00	Implement "Open Streets" Events with Vario	\$0.00	Yes
ML16069	City of West Covina	3/10/2017	6/9/2021		\$54,199.00	\$54,199.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16070	City of Beverly Hills	2/21/2017	6/20/2023		\$90,000.00	\$90,000.00	Purchase 3 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML16071	City of Highland	5/5/2017	1/4/2020	1/4/2023	\$264,500.00	\$264,500.00	Implement a "Complete Streets" Pedestrian	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML16072	City of Palm Desert	3/4/2016	1/4/2020	1/3/2022	\$56,000.00	\$56,000.00	Installation of EV Charging Infrastructure	\$0.00	Yes
ML16073	City of Long Beach Public Works	1/13/2017	7/12/2017		\$50,000.00	\$50,000.00	Implement an "Open Streets" Event	\$0.00	Yes
ML16076	City of San Fernando	2/21/2017	8/20/2021		\$43,993.88	\$43,993.88	Install EV Charging Infrastructure	\$0.00	Yes
ML16078	City of Moreno Valley	5/6/2016	11/5/2017	5/5/2018	\$32,800.00	\$31,604.72	Install Bicycle Infrastructure & Implement Bi	\$1,195.28	Yes
ML16079	City of Yucaipa	4/1/2016	3/31/2020		\$5,000.00	\$5,000.00	Purchase Electric Lawnmower	\$0.00	Yes
ML16083	City of El Monte	4/1/2016	4/30/2021	4/30/2023	\$57,210.00	\$25,375.60	Install EV Charging Infrastructure	\$31,834.40	Yes
ML16122	City of Wildomar	6/8/2018	6/7/2019		\$500,000.00	\$500,000.00	Install Bicycle Lanes	\$0.00	Yes
ML16126	City of Palm Springs	7/31/2019	7/30/2020	10/30/2020	\$22,000.00	\$19,279.82	Install Bicycle Racks, and Implement Bicycle	\$2,720.18	Yes
MS16001	Los Angeles County MTA	4/1/2016	4/30/2017		\$1,350,000.00	\$1,332,039.84	Clean Fuel Transit Service to Dodger Stadiu	\$17,960.16	Yes
MS16002	Orange County Transportation Autho	10/6/2015	5/31/2016		\$722,266.00	\$703,860.99	Clean Fuel Transit Service to Orange Count	\$18,405.01	Yes
MS16003	Special Olympics World Games Los	10/9/2015	12/30/2015		\$380,304.00	\$380,304.00	Low-Emission Transportation Service for Sp	\$0.00	Yes
MS16004	Mineral LLC	9/4/2015	7/3/2017	1/3/2018	\$27,690.00	\$9,300.00	Design, Develop, Host and Maintain MSRC	\$18,390.00	Yes
MS16029	Orange County Transportation Autho	1/12/2018	6/11/2020		\$836,413.00	\$567,501.06	TCM Partnership Program - OC Bikeways	\$268,911.94	Yes
MS16030	Better World Group Advisors	12/19/2015	12/31/2017	12/31/2019	\$271,619.00	\$245,355.43	Programmic Outreach Services to the MSR	\$26,263.57	Yes
MS16081	EDCO Disposal Corporation	3/4/2016	10/3/2022		\$150,000.00	\$150,000.00	Expansion of Existing Public Access CNG St	\$0.00	Yes
MS16084	Transit Systems Unlimited, Inc.	5/6/2016	2/28/2018		\$565,600.00	\$396,930.00	Implement Special Shuttle Service from Uni	\$168,670.00	Yes
MS16085	Southern California Regional Rail Au	3/11/2016	9/30/2016		\$78,033.00	\$64,285.44	Special MetroLink Service to Autoclub Spee	\$13,747.56	Yes
MS16086	San Bernardino County Transportatio	9/3/2016	10/2/2021		\$800,625.00	\$769,021.95	Freeway Service Patrols	\$31,603.05	Yes
MS16087	Burrtec Waste & Recycling Services,	7/8/2016	3/7/2023		\$100,000.00	\$100,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS16088	Transit Systems Unlimited, Inc.	5/12/2017	1/11/2023		\$17,000.00	\$17,000.00	Expansion of Existing CNG Station	\$0.00	Yes
MS16089	Orange County Transportation Autho	7/8/2016	4/30/2017		\$128,500.00	\$128,500.00	Implement Special Bus Service to Angel Sta	\$0.00	Yes
MS16092	San Bernardino County Transportatio	2/3/2017	1/2/2019		\$242,937.00	\$242,016.53	Implement a Series of "Open Streets" Event	\$920.47	Yes
MS16093	Orange County Transportation Autho	9/3/2016	3/2/2018	9/2/2018	\$1,553,657.00	\$1,499,575.85	Implement a Mobile Ticketing System	\$54,081.15	Yes
MS16094	Riverside County Transportation Co	1/25/2017	1/24/2022	2/24/2024	\$1,909,241.00	\$1,635,864.00	MetroLink First Mile/Last Mile Mobility Strate	\$273,377.00	No
MS16095	Orange County Transportation Autho	7/22/2016	5/31/2017		\$694,645.00	\$672,864.35	Implement Special Bus Service to Orange C	\$21,780.65	Yes
MS16096	San Bernardino County Transportatio	10/27/2016	12/26/2019	6/30/2021	\$450,000.00	\$450,000.00	EV Charging Infrastructure	\$0.00	Yes
MS16097	Walnut Valley Unified School District	10/7/2016	11/6/2022		\$250,000.00	\$250,000.00	Expand CNG Station & Modify Maintenance	\$0.00	Yes
MS16099	Foothill Transit	3/3/2017	3/31/2017		\$50,000.00	\$50,000.00	Provide Special Bus Service to the Los Ange	\$0.00	Yes
MS16100	Southern California Regional Rail Au	5/5/2017	9/30/2017		\$80,455.00	\$66,169.43	Provide Metrolink Service to Autoclub Speed	\$14,285.57	Yes
MS16102	Nasa Services, Inc.	2/21/2017	4/20/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16103	Arrow Services, Inc.	2/3/2017	4/2/2023		\$100,000.00	\$100,000.00	Construct a Limited-Access CNG Station	\$0.00	Yes
MS16105	Huntington Beach Union High School	3/3/2017	7/2/2024		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16112	Orange County Transportation Autho	4/14/2017	3/13/2024		\$1,470,000.00	\$1,470,000.00	Repower Up to 98 Transit Buses	\$0.00	Yes
MS16113	Los Angeles County MTA	5/12/2017	4/11/2024		\$1,875,000.00	\$1,875,000.00	Repower Up to 125 Transit Buses	\$0.00	Yes
MS16114	City of Norwalk	3/3/2017	6/2/2024		\$32,170.00	\$32,170.00	Purchase 3 Transit Buses	\$0.00	Yes
MS16116	Riverside Transit Agency	3/3/2017	1/2/2023		\$10,000.00	\$9,793.00	Purchase One Transit Bus	\$207.00	Yes
MS16117	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS16118	Omnitrans	4/21/2017	6/20/2023		\$175,000.00	\$175,000.00	Expansion of Existing CNG Infrastructure	\$0.00	Yes
MS16119	Omnitrans	4/21/2017	8/20/2022		\$150,000.00	\$0.00	New Public Access CNG Station	\$150,000.00	No
MS16124	Riverside County Transportation Co	12/14/2018	12/14/2019	5/14/2020	\$253,239.00	\$246,856.41	Extended Freeway Service Patrols	\$6,382.59	Yes
MS16125	San Bernardino County Transportatio	9/20/2019	11/19/2020		\$1,000,000.00	\$1,000,000.00	Traffic Signal Synchronization Projects	\$0.00	Yes
MS16127	Los Angeles County MTA	6/29/2021		6/28/2022	\$2,500,000.00	\$2,500,000.00	Expansion of the Willowbrook/Rosa Parks Tr	\$0.00	Yes

Total: 90

Closed/Incomplete Contracts

ML16005	City of Palm Springs	3/4/2016	10/3/2017		\$40,000.00	\$0.00	Install Bicycle Racks, and Implement Bicycle	\$40,000.00	No
ML16035	City of Wildomar	4/1/2016	11/1/2017		\$500,000.00	\$0.00	Install Bicycle Lanes	\$500,000.00	No
ML16057	City of Yucaipa	4/27/2016	1/26/2019	1/26/2024	\$380,000.00	\$0.00	Implement a "Complete Streets" Pedestrian	\$380,000.00	No
MS16082	Riverside County Transportation Co	9/3/2016	8/2/2018		\$590,759.00	\$337,519.71	Extended Freeway Service Patrols	\$253,239.29	No
MS16090	Los Angeles County MTA	10/27/2016	4/26/2020	10/26/2020	\$2,500,000.00	\$0.00	Expansion of the Willowbrook/Rosa Parks Tr	\$2,500,000.00	No
MS16091	San Bernardino County Transportatio	10/7/2016	11/6/2018		\$1,000,000.00	\$0.00	Traffic Signal Synchronization Projects	\$1,000,000.00	No
MS16123	Orange County Transportation Autho	12/7/2018	11/6/2023		\$91,760.00	\$0.00	Install La Habra Union Pacific Bikeway	\$91,760.00	No

Total: 7

Open/Complete Contracts

ML16008	City of Pomona	9/20/2016	11/19/2022	5/19/2025	\$60,000.00	\$60,000.00	Purchase 3 Medium-Duty and 1 Heavy-Duty	\$0.00	Yes
ML16017	City of Long Beach	2/5/2016	8/4/2023	5/4/2029	\$1,415,400.00	\$1,415,400.00	Purchase 50 Medium-Duty, 17 H.D. Nat. Ga	\$0.00	No
ML16022	Los Angeles Department of Water an	5/5/2017	3/4/2024	6/4/2028	\$240,000.00	\$240,000.00	Purchase 8 H.D. Nat. Gas Vehicles	\$0.00	Yes
ML16025	City of South Pasadena	6/22/2016	4/21/2023	2/21/2025	\$130,000.00	\$130,000.00	Expand Existing CNG Infrastructure	\$0.00	No
ML16039	City of Torrance Transit Department	1/6/2017	9/5/2022	3/27/2026	\$32,000.00	\$27,391.57	Install Eight Level II EV Chargers	\$4,608.43	Yes
ML16040	City of Eastvale	1/6/2017	7/5/2022	11/5/2026	\$66,409.00	\$66,040.41	Install EV Charging Infrastructure	\$368.59	Yes
MS16110	City of Riverside	10/6/2017	2/5/2025	10/5/2026	\$270,000.00	\$270,000.00	Expansion of Existing CNG Station and Main	\$0.00	Yes
MS16115	City of Santa Monica	4/14/2017	7/13/2025		\$450,000.00	\$450,000.00	Repower 30 Transit Buses	\$0.00	Yes
MS16120	Omnitrans	4/7/2017	5/6/2025		\$945,000.00	\$870,000.00	Repower 63 Existing Buses	\$75,000.00	Yes
MS16121	Long Beach Transit	11/3/2017	4/2/2024	11/30/2028	\$600,000.00	\$600,000.00	Repower 39 and Purchase 1 New Transit Bu	\$0.00	Yes

Total: 10

Terminated Contracts

ML16010	City of Fullerton	10/7/2016	4/6/2023	4/6/2024	\$78,222.00	\$27,896.71	Install EV Charging Stations	\$50,325.29	Yes
ML16048	City of Placentia	3/26/2016	5/25/2021	12/25/2026	\$80,000.00	\$18,655.00	Install EV Charging Infrastructure	\$61,345.00	Yes

Total: 2

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2016-2018 Contracts

Open Contracts

ML18050	City of Irvine	9/7/2018	8/6/2028		\$302,035.00	\$0.00	Install EVSE	\$302,035.00	No
ML18051	City of Rancho Cucamonga	3/1/2019	10/31/2025	4/30/2030	\$91,500.00	\$82,500.00	Purchase 6 Light-Duty ZEVs, Install 3 Limite	\$9,000.00	No
ML18055	City of Long Beach	11/29/2018	11/28/2026	11/28/2028	\$622,220.00	\$302,401.53	Install EV Charging Stations	\$319,818.47	No
ML18057	City of Carson	10/5/2018	7/4/2023	9/15/2027	\$106,250.00	\$50,000.00	Purchase 5 Zero-Emission Vehicles and Infr	\$56,250.00	No
ML18060	County of Los Angeles Internal Servi	10/5/2018	8/4/2026	8/4/2028	\$1,273,938.00	\$724,868.96	Purchase 29 Light-Duty Zero Emission Vehi	\$549,069.04	No
ML18063	City of Riverside	6/7/2019	1/6/2027	9/30/2029	\$50,000.00	\$0.00	Expand Existing CNG Station	\$50,000.00	No
ML18067	City of Pico Rivera	9/7/2018	11/6/2022	12/6/2027	\$83,500.00	\$0.00	Install EVSE	\$83,500.00	No
ML18068	City of Mission Viejo	7/31/2019	6/30/2027	6/29/2029	\$86,940.00	\$20,000.00	Purchase 2 Light-Duty ZEVs & Install EVSE	\$66,940.00	No
ML18069	City of Torrance	3/1/2019	7/31/2027	12/31/2028	\$187,400.00	\$100,000.00	Purchase 4 Heavy-Duty Near-Zero Emission	\$87,400.00	No
ML18078	County of Riverside	10/5/2018	10/4/2028		\$375,000.00	\$300,000.00	Purchase 15 Heavy-Duty Vehicles	\$75,000.00	No
ML18082	City of Los Angeles Bureau of Sanita	8/30/2019	8/29/2028	8/29/2030	\$900,000.00	\$0.00	Purchase 8 Medium-Duty Vehicles and 8 Li	\$900,000.00	No
ML18092	City of South Pasadena	2/1/2019	1/31/2025	4/30/2027	\$50,000.00	\$20,000.00	Procure Two Light-Duty ZEVs and Install EV	\$30,000.00	No
ML18134	City of Los Angeles Dept of General	5/3/2019	5/2/2028	5/2/2029	\$116,000.00	\$0.00	Purchase Two Medium-Duty ZEVs	\$116,000.00	No
ML18135	City of Azusa	12/6/2019	12/5/2029		\$30,000.00	\$0.00	Purchase Three Light-Duty ZEVs	\$30,000.00	No
ML18145	City of Los Angeles Dept of Transpor	1/10/2020	4/9/2027	12/31/2028	\$1,400,000.00	\$1,100,000.00	Provide One Hundred Rebates to Purchaser	\$300,000.00	No
ML18147	City of Palm Springs	1/10/2019	1/9/2024	7/9/2026	\$60,000.00	\$0.00	Install Eighteen EV Charging Stations	\$60,000.00	No
ML18148	City of San Dimas	1/21/2022	5/20/2023	11/20/2024	\$50,000.00	\$0.00	Implement Bicycle Detection Measures	\$50,000.00	No
ML18151	County of San Bernardino Departme	8/25/2020	10/24/2029		\$200,000.00	\$150,000.00	Purchase Eight Heavy-Duty Near Zero Emis	\$50,000.00	No
ML18152	County of San Bernardino Flood Con	8/11/2020	10/10/2029		\$108,990.00	\$75,000.00	Purchase Five Heavy-Duty Near Zero Emissi	\$33,990.00	No
ML18166	City of Placentia	2/18/2021	5/17/2027		\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emis	\$25,000.00	No
ML18178	City of La Puente	11/1/2019	11/30/2025	11/30/2028	\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emis	\$25,000.00	No
ML18186	City of Paramount	8/1/2024	1/31/2025		\$42,686.00	\$36,484.50	Install EV Charging Infrastructure	\$6,201.50	No
MS18027	City of Gardena	11/2/2018	9/1/2026	10/1/2029	\$365,000.00	\$332,500.00	Install New Limited Access CNG, Modify Mai	\$32,500.00	Yes
MS18106	R.F. Dickson Co., Inc.	7/19/2019	1/18/2026		\$265,000.00	\$250,000.00	Expansion of Existing Infrastructure/Mechani	\$15,000.00	No
MS18181	San Bernardino County Transportatio	4/10/2023	9/9/2030		\$1,662,000.00	\$0.00	Construct Hydrogen Fueling Station	\$1,662,000.00	No
MS18182	Air Products and Chemicals Inc.	3/8/2023	2/7/2031	8/7/2032	\$1,000,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,000,000.00	No

Total: 26

Declined/Cancelled Contracts

ML18044	City of Malibu	8/8/2018	10/7/2022	10/7/2023	\$50,000.00	\$0.00	Install EV Charging Infrastructure	\$50,000.00	No
ML18053	City of Paramount	9/7/2018	3/6/2023		\$64,675.00	\$0.00	Install EV Charging Infrastructure	\$64,675.00	No
ML18075	City of Orange				\$25,000.00	\$0.00	One Heavy-Duty Vehicle	\$25,000.00	No
ML18140	City of Bell Gardens	12/14/2018	12/13/2028		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-ZEVs	\$50,000.00	No
ML18149	City of Sierra Madre				\$50,000.00	\$0.00	Implement Bike Share Program	\$50,000.00	No
ML18150	City of South El Monte				\$20,000.00	\$0.00	Implement Bike Share Program	\$20,000.00	No

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18153	City of Cathedral City	5/3/2019	4/2/2025		\$52,215.00	\$0.00	Install EV Charging Infrastructure	\$52,215.00	No
ML18158	City of Inglewood				\$146,000.00	\$0.00	Purchase 4 Light-Duty Zero Emission, 4 Hea	\$146,000.00	No
ML18164	City of Pomona				\$200,140.00	\$0.00	Purchase Three Heavy-Duty ZEVs	\$200,140.00	No
ML18165	City of Baldwin Park	2/1/2019	1/30/2024		\$49,030.00	\$0.00	Expand CNG Station	\$49,030.00	No
ML18172	City of Huntington Park	3/1/2019	2/28/2025		\$65,450.00	\$0.00	Purchase One Heavy-Duty ZEV	\$65,450.00	No
ML18174	City of Bell	11/22/2019	7/21/2026		\$25,000.00	\$0.00	Purchase One Heavy-Duty Near-Zero Emiss	\$25,000.00	No
ML18177	City of San Bernardino	6/7/2019	12/6/2026	12/6/2028	\$279,088.00	\$0.00	Purchase Medium- and Heavy-Duty Evs and	\$279,088.00	No
MS18009	Penske Truck Leasing Co., L.P.	8/8/2018	12/7/2020		\$82,500.00	\$0.00	Modify Maintenance Facility & Train Technici	\$82,500.00	No
MS18013	California Energy Commission				\$3,000,000.00	\$0.00	Advise MSRC and Administer Hydrogen Infr	\$3,000,000.00	No
MS18017	City of Banning				\$225,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$225,000.00	No
MS18018	City of Norwalk	6/8/2018	9/7/2019		\$75,000.00	\$0.00	Vehicle Maintenance Facility Modifications	\$75,000.00	No
MS18107	Huntington Beach Union High School				\$225,000.00	\$0.00	Expansion of Existing Infrastructure	\$225,000.00	No
MS18109	City of South Gate				\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18111	Newport-Mesa Unified School Distric				\$175,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$175,000.00	No
MS18112	Banning Unified School District	11/29/2018	11/28/2024	11/28/2025	\$275,000.00	\$0.00	Install New CNG Infrastructure	\$275,000.00	No
MS18113	City of Torrance				\$100,000.00	\$0.00	Expansion of Existing CNG Infrastructure	\$100,000.00	No
MS18114	Los Angeles County Department of P	11/15/2019	11/14/2026		\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18116	Los Angeles County Department of P	11/15/2019	11/14/2026		\$175,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$175,000.00	No
MS18119	LBA Realty Company XI LP				\$100,000.00	\$0.00	Install New Limited-Access CNG Infrastructu	\$100,000.00	No
MS18121	City of Montebello				\$70,408.00	\$0.00	Expansion of Existing CNG Infrastructure	\$70,408.00	No
MS18175	Regents of the University of Californi	6/7/2019	8/6/2025	8/6/2026	\$1,000,000.00	\$0.00	Expansion of Existing Hydrogen Station	\$1,000,000.00	No
MS18183	Nikola-TA HRS 1, LLC	9/28/2022	1/27/2030		\$1,660,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,660,000.00	No
MS18184	Clean Energy				\$1,000,000.00	\$0.00	Install Publicly Accessible Hydrogen Fueling	\$1,000,000.00	No

Total: 29

Closed Contracts									
ML18019	City of Hidden Hills	5/3/2018	5/2/2022	5/2/2023	\$49,999.00	\$49,999.00	Purchase Two Light-Duty ZEVs and EVSE	\$0.00	Yes
ML18021	City of Signal Hill	4/6/2018	1/5/2022		\$49,661.00	\$46,079.31	Install EV Charging Stations	\$3,581.69	Yes
ML18022	City of Desert Hot Springs	5/3/2018	1/2/2020	1/2/2021	\$50,000.00	\$50,000.00	Traffic Signal and Synchronization Project	\$0.00	Yes
ML18034	City of Calabasas	6/8/2018	3/7/2022	3/7/2023	\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18035	City of Westlake Village	8/8/2018	11/7/2022		\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18040	City of Agoura Hills	7/13/2018	6/12/2022		\$17,914.00	\$17,914.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18041	City of West Hollywood	8/8/2018	12/7/2023	6/7/2024	\$50,000.00	\$50,000.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18042	City of San Fernando	6/28/2018	2/27/2024		\$10,000.00	\$10,000.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
ML18049	City of Downey	7/6/2018	5/5/2023		\$148,260.00	\$148,116.32	Install EV Charging Stations	\$143.68	Yes
ML18052	City of Garden Grove	8/8/2018	10/7/2022		\$53,593.00	\$46,164.28	Purchase 4 L.D. ZEVs and Infrastructure	\$7,428.72	Yes
ML18054	City of La Habra Heights	8/8/2018	4/7/2022		\$9,200.00	\$9,200.00	Purchase 1 L.D. ZEV	\$0.00	Yes
ML18056	City of Chino	3/29/2019	9/28/2023		\$103,868.00	\$103,868.00	Install EV Charging Infrastructure	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18062	City of Beaumont	8/8/2018	9/7/2024		\$25,000.00	\$25,000.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18070	City of Lomita	11/29/2018	6/28/2022		\$6,250.00	\$6,250.00	Purchase 1 Light-Duty ZEV	\$0.00	Yes
ML18071	City of Chino Hills	9/7/2018	10/6/2022		\$20,000.00	\$20,000.00	Purchase 2 Light-Duty ZEVs	\$0.00	Yes
ML18076	City of Culver City Transportation De	10/5/2018	10/4/2023		\$1,130.00	\$1,130.00	Purchase Light-Duty ZEV	\$0.00	Yes
ML18077	City of Orange	11/2/2018	10/1/2022		\$59,776.00	\$59,776.00	Four Light-Duty ZEV and EV Charging Infr	\$0.00	Yes
ML18079	City of Pasadena	12/7/2018	11/6/2023		\$183,670.00	\$183,670.00	EV Charging Infrastructure	\$0.00	Yes
ML18086	City of Los Angeles Bureau of Street	2/8/2019	4/7/2023		\$300,000.00	\$300,000.00	Install Sixty EV Charging Stations	\$0.00	Yes
ML18088	City of Big Bear Lake	11/29/2018	8/28/2020	8/28/2021	\$50,000.00	\$50,000.00	Install Bicycle Trail	\$0.00	Yes
ML18090	City of Santa Clarita	5/9/2019	2/8/2023	2/8/2024	\$122,000.00	\$118,978.52	Install Nine EV Charging Stations	\$3,021.48	Yes
ML18096	City of Highland	12/13/2019	8/12/2024		\$10,000.00	\$9,918.84	Purchase Light-Duty Zero Emission Vehicle	\$81.16	Yes
ML18097	City of Temple City	11/29/2018	7/28/2022		\$16,000.00	\$12,000.00	Purchase Two Light-Duty ZEVs	\$4,000.00	Yes
ML18099	City of Laguna Hills	3/1/2019	5/31/2023	9/30/2024	\$32,250.00	\$32,250.00	Install EV Charging Stations	\$0.00	Yes
ML18126	City of Lomita	12/7/2018	1/6/2020		\$26,500.00	\$13,279.56	Install bicycle racks and lanes	\$13,220.44	Yes
ML18127	City of La Puente	2/1/2019	2/28/2023		\$10,000.00	\$7,113.70	Purchase Light-Duty Zero Emission Vehicle	\$2,886.30	Yes
ML18128	City of Aliso Viejo	8/30/2019	11/29/2023		\$65,460.00	\$65,389.56	Purchase Two Light-Duty ZEVs and Install S	\$70.44	Yes
ML18130	City of Lake Forest	3/1/2019	9/30/2022		\$106,480.00	\$106,480.00	Install Twenty-One EVSEs	\$0.00	Yes
ML18131	City of Los Angeles, Police Departm	5/3/2019	12/2/2022		\$19,294.00	\$19,294.00	Purchase Three Light-Duty ZEVs	\$0.00	Yes
ML18136	City of Orange	4/12/2019	8/11/2024		\$40,000.00	\$40,000.00	Purchase Four Light-Duty Zero Emission Ve	\$0.00	Yes
ML18138	City of La Canada Flintridge	2/8/2019	5/7/2023		\$32,589.00	\$32,588.07	Install Four EVSEs and Install Bicycle Racks	\$0.93	Yes
ML18139	City of Calimesa	8/30/2019	7/29/2020	11/29/2021	\$50,000.00	\$50,000.00	Install Bicycle Lane	\$0.00	Yes
ML18142	City of La Quinta	4/24/2019	2/23/2023	8/23/2023	\$51,780.00	\$51,780.00	Install Two EV Charging Stations	\$0.00	Yes
ML18154	City of Hemet	11/22/2019	9/21/2023	3/21/2024	\$30,000.00	\$30,000.00	Purchase Two Light-Duty ZEVs and EV Cha	\$0.00	Yes
ML18155	City of Claremont	7/31/2019	9/30/2023		\$35,609.00	\$35,608.86	Install EV Charging Infrastructure	\$0.14	Yes
ML18156	City of Covina	2/1/2019	3/31/2023	12/31/2023	\$63,800.00	\$62,713.00	Purchase Four Light-Duty ZEVs and EV Cha	\$1,087.00	Yes
ML18160	City of Irwindale	3/29/2019	12/28/2022		\$14,263.00	\$14,263.00	Purchase Two Light-Duty ZEVs	\$0.00	Yes
ML18169	City of Alhambra	6/14/2019	8/13/2024		\$111,980.00	\$111,980.00	Install EV Charging Infrastructure	\$0.00	Yes
ML18173	City of Manhattan Beach	3/29/2019	2/28/2023		\$49,000.00	\$49,000.00	Purchase Two Light-Duty ZEVs and EV Cha	\$0.00	Yes
ML18179	City of Rancho Mirage	8/20/2021	2/19/2022		\$50,000.00	\$50,000.00	Traffic Signal Synchronization	\$0.00	Yes
MS18001	Los Angeles County MTA	6/29/2017	4/30/2018		\$807,945.00	\$652,737.07	Provide Clean Fuel Transit Service to Dodge	\$155,207.93	Yes
MS18002	Southern California Association of G	6/9/2017	11/30/2018	12/30/2021	\$2,500,000.00	\$2,276,272.46	Regional Active Transportation Partnership	\$223,727.54	Yes
MS18003	Geographics	2/21/2017	2/20/2021	6/20/2021	\$72,453.00	\$65,521.32	Design, Host and Maintain MSRC Website	\$6,931.68	Yes
MS18004	Orange County Transportation Autho	8/3/2017	4/30/2019		\$503,272.00	\$456,145.29	Provide Special Rail Service to Angel Stadiu	\$47,126.71	Yes
MS18005	Orange County Transportation Autho	1/5/2018	4/30/2019		\$834,222.00	\$834,222.00	Clean Fuel Bus Service to OC Fair	\$0.00	Yes
MS18006	Anaheim Transportation Network	10/6/2017	2/28/2020		\$219,564.00	\$9,488.22	Implement Anaheim Circulator Service	\$210,075.78	Yes
MS18008	Foothill Transit	1/12/2018	3/31/2019		\$100,000.00	\$99,406.61	Special Transit Service to LA County Fair	\$593.39	Yes
MS18010	Southern California Regional Rail Au	12/28/2017	7/31/2019		\$351,186.00	\$275,490.61	Implement Special Metrolink Service to Unio	\$75,695.39	Yes
MS18011	Southern California Regional Rail Au	2/9/2018	6/30/2018		\$239,565.00	\$221,725.12	Special Train Service to Festival of Lights	\$17,839.88	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS18012	City of Hermosa Beach	2/2/2018	2/1/2024		\$36,000.00	\$36,000.00	Construct New Limited-Access CNG Station	\$0.00	Yes
MS18014	Regents of the University of Californi	10/5/2018	12/4/2019	3/4/2020	\$254,795.00	\$251,455.59	Planning for EV Charging Infrastructure Inve	\$3,339.41	Yes
MS18015	Southern California Association of G	7/13/2018	2/28/2021	11/30/2023	\$2,000,000.00	\$1,585,466.77	Southern California Future Communities Par	\$414,533.23	Yes
MS18016	Southern California Regional Rail Au	1/10/2019	3/31/2019		\$87,764.00	\$73,140.89	Special Train Service to Auto Club Speedwa	\$14,623.11	Yes
MS18023	Riverside County Transportation Co	6/28/2018	6/27/2021	3/31/2023	\$500,000.00	\$500,000.00	Weekend Freeway Service Patrols	\$0.00	Yes
MS18025	Los Angeles County MTA	11/29/2018	5/31/2019		\$1,324,560.00	\$961,246.86	Special Bus and Train Service to Dodger Sta	\$363,313.14	Yes
MS18065	San Bernardino County Transportatio	3/29/2019	8/28/2023	3/28/2024	\$2,000,000.00	\$2,000,000.00	Implement Metrolink Line Fare Discount Pro	\$0.00	Yes
MS18102	Orange County Transportation Autho	10/4/2019	5/31/2020		\$1,146,000.00	\$1,146,000.00	Implement OC Flex Micro-Transit Pilot Proje	\$0.00	Yes
MS18103	Orange County Transportation Autho	2/8/2019	9/7/2020		\$642,000.00	\$613,303.83	Install Hydrogen Detection System	\$28,696.17	Yes
MS18104	Orange County Transportation Autho	2/21/2020	3/31/2021	3/31/2022	\$212,000.00	\$165,235.92	Implement College Pass Transit Fare Subsi	\$46,764.08	Yes
MS18105	Southern California Regional Rail Au	1/10/2019	6/30/2019		\$252,696.00	\$186,830.04	Special Train Service to the Festival of Light	\$65,865.96	Yes
MS18180	Omnitrans	8/4/2022	8/3/2023		\$83,000.00	\$75,000.00	Modify Vehicle Maintenance Facility and Trai	\$8,000.00	Yes

Total: 61

Closed/Incomplete Contracts

ML18083	City of San Fernando	11/2/2018	11/1/2022		\$20,000.00	\$0.00	Implement Traffic Signal Synchronization	\$20,000.00	No
ML18093	City of Monterey Park	2/1/2019	2/28/2026	10/31/2028	\$25,000.00	\$0.00	Purchase Heavy-Duty Near-ZEV	\$25,000.00	No
ML18129	City of Yucaipa	12/14/2018	3/13/2023	9/13/2027	\$63,097.00	\$0.00	Install Six EV Charging Stations	\$63,097.00	No
ML18133	City of Rancho Mirage	12/7/2018	11/6/2020		\$50,000.00	\$0.00	Traffic Signal Synchronization	\$50,000.00	No
ML18137	City of Wildomar	3/1/2019	5/31/2021	12/1/2022	\$50,000.00	\$0.00	Install Bicycle Trail	\$50,000.00	No
ML18167	City of Beverly Hills	3/29/2019	6/28/2025		\$50,000.00	\$0.00	Purchase Two Heavy-Duty Near-Zero Emiss	\$50,000.00	No
ML18168	City of Maywood	3/29/2019	11/28/2022		\$7,059.00	\$0.00	Purchase EV Charging Infrastructure	\$7,059.00	No
ML18185	City of Wildomar	10/19/2023	10/18/2024		\$25,000.00	\$0.00	Install Bicycle Trail	\$25,000.00	No
MS18026	Omnitrans	10/5/2018	1/4/2020		\$83,000.00	\$0.00	Modify Vehicle Maintenance Facility and Trai	\$83,000.00	No
MS18118	City of Beverly Hills	3/29/2019	7/28/2025		\$85,272.00	\$0.00	Expansion of Existing CNG Infrastructure	\$85,272.00	No

Total: 10

Open/Complete Contracts

ML18020	City of Colton	5/3/2018	4/2/2024	4/2/2027	\$67,881.00	\$67,881.00	Purchase One Medium-Duty and One Heavy	\$0.00	Yes
ML18028	City of Artesia	6/28/2018	3/27/2025		\$50,000.00	\$50,000.00	Install EVSE	\$0.00	Yes
ML18030	City of Grand Terrace	6/28/2018	3/27/2022	3/27/2025	\$45,000.00	\$45,000.00	Install EVSE	\$0.00	Yes
ML18031	City of Diamond Bar	9/7/2018	11/6/2025	11/6/2027	\$58,930.00	\$58,930.00	Install EVSE, Purchase up to 2-LD Vehicles	\$0.00	Yes
ML18032	City of Arcadia	2/1/2019	4/30/2025		\$24,650.00	\$24,650.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18033	City of Duarte	8/8/2018	2/7/2025		\$50,000.00	\$50,000.00	Purchase 1-HD ZEV	\$0.00	Yes
ML18036	City of Indian Wells	8/8/2018	5/7/2023	5/7/2026	\$50,000.00	\$50,000.00	Install EV Charging Stations	\$0.00	No
ML18037	City of Westminster	6/28/2018	6/27/2024	12/27/2026	\$120,900.00	\$120,900.00	Install EVSE, Purchase up to 3-LD ZEV & 1-	\$0.00	Yes
ML18038	City of Anaheim	10/5/2018	5/4/2025	5/4/2026	\$151,630.00	\$147,883.27	Purchase 5 Light-Duty ZEVs and Install EVS	\$3,746.73	Yes
ML18039	City of Redlands	6/28/2018	7/27/2024	1/27/2025	\$63,191.00	\$63,190.33	Purchase 1 Medium/Heavy-Duty ZEV and In	\$0.67	Yes
ML18043	City of Yorba Linda	9/7/2018	12/6/2023	12/6/2024	\$87,990.00	\$87,990.00	Install EV Charging Infrastructure	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
ML18045	City of Culver City Transportation De	6/28/2018	6/27/2025		\$51,000.00	\$51,000.00	Purchase Eight Near-Zero Vehicles	\$0.00	Yes
ML18046	City of Santa Ana - Public Works Ag	11/9/2018	7/8/2026		\$359,591.00	\$359,590.75	Purchase 6 Light-Duty ZEVs, 9 Heavy-Duty	\$0.25	Yes
ML18047	City of Whittier	8/8/2018	4/7/2026	1/7/2029	\$113,910.00	\$113,910.00	Purchase 5 Heavy-Duty Near-Zero Emission	\$0.00	No
ML18048	City of Lynwood	6/28/2018	10/27/2024		\$93,500.00	\$44,505.53	Purchase Up to 3 Medium-Duty Zero-Emissi	\$48,994.47	Yes
ML18059	City of Glendale Water & Power	2/1/2019	7/31/2026	1/31/2028	\$260,500.00	\$232,315.70	Install Electric Vehicle Charging Infrastructur	\$28,184.30	No
ML18061	City of Moreno Valley	4/9/2019	2/8/2025		\$25,000.00	\$25,000.00	Purchase 1 Heavy-Duty Near-ZEV	\$0.00	Yes
ML18064	City of Eastvale	11/29/2018	4/28/2026	4/28/2029	\$80,400.00	\$61,462.40	Purchase 2 Light-Duty, One Medium-Duty. Z	\$18,937.60	No
ML18072	City of Anaheim	12/18/2018	11/17/2026		\$239,560.00	\$239,560.00	Purchase 9 Light-Duty ZEVs & 2 Med/Hvy-D	\$0.00	Yes
ML18074	City of Buena Park	12/14/2018	6/13/2026		\$107,960.00	\$107,960.00	EV Charging Infrastructure	\$0.00	Yes
ML18080	City of Santa Monica	1/10/2019	12/9/2023	9/9/2025	\$44,289.00	\$44,288.92	Install EV Charging Stations	\$0.08	Yes
ML18081	City of Beaumont	10/5/2018	10/4/2022	10/4/2025	\$31,870.00	\$31,870.00	EV Charging Infrastructure	\$0.00	Yes
ML18085	City of Orange	4/12/2019	10/11/2026		\$50,000.00	\$50,000.00	Purchase Two Heavy-Duty Near-Zero Emiss	\$0.00	Yes
ML18087	City of Murrieta	3/29/2019	3/28/2025		\$143,520.00	\$143,520.00	Install Four EV Charging Stations	\$0.00	Yes
ML18089	City of Glendora	7/19/2019	4/18/2025	10/18/2028	\$50,760.00	\$50,760.00	Purchase a Heavy-Duty ZEV	\$0.00	Yes
ML18091	City of Temecula	1/19/2019	7/18/2023	3/18/2026	\$111,575.00	\$111,574.46	Install EV Charging Stations	\$0.54	No
ML18094	City of Laguna Woods	7/12/2019	12/11/2024	10/11/2026	\$50,000.00	\$50,000.00	Install Two EV Charging Ports	\$0.00	Yes
ML18095	City of Gardena	11/9/2018	12/8/2024		\$25,000.00	\$25,000.00	Purchase Heavy-Duty Near-ZEV	\$0.00	Yes
ML18098	City of Redondo Beach	2/1/2019	3/31/2023	3/31/2025	\$89,400.00	\$89,400.00	Install Six EV Charging Stations	\$0.00	Yes
ML18100	City of Brea	10/29/2020	12/28/2024	12/31/2025	\$56,500.00	\$56,500.00	Install Twenty-Four Level II EV Charging Sta	\$0.00	Yes
ML18101	City of Burbank	2/1/2019	4/30/2024	10/30/2024	\$137,310.00	\$137,310.00	Install Twenty EV Charging Stations	\$0.00	No
ML18132	City of Montclair	4/5/2019	9/4/2023	9/4/2026	\$40,000.00	\$40,000.00	Install Eight EV Chargers	\$0.00	Yes
ML18141	City of Rolling Hills Estates	2/14/2020	1/13/2024	4/13/2026	\$40,000.00	\$40,000.00	Purchase One Light-Duty ZEV and Install Se	\$0.00	Yes
ML18143	City of La Habra	10/18/2019	9/17/2025	9/17/2027	\$80,700.00	\$80,700.00	Install Two EV Charging Stations	\$0.00	Yes
ML18144	City of Fontana Public Works	10/4/2019	12/3/2023	12/31/2025	\$269,090.00	\$269,090.00	Install Twelve EVSEs	\$0.00	No
ML18146	City of South Gate	3/1/2019	11/30/2023	11/30/2026	\$127,400.00	\$127,400.00	Purchase Five Light-Duty ZEVs and Install S	\$0.00	No
ML18157	City of Los Angeles Bureau of Street	6/21/2019	5/20/2027		\$85,000.00	\$85,000.00	Purchase One Medium-Duty ZEV	\$0.00	Yes
ML18159	City of Rialto	12/13/2019	5/12/2024	9/19/2025	\$135,980.00	\$106,597.86	Purchase Nine Light-Duty ZEVs and EV Cha	\$29,382.14	No
ML18161	City of Indio	5/3/2019	10/2/2025		\$25,000.00	\$25,000.00	Purchase 1 Light-Duty Zero Emission and E	\$0.00	Yes
ML18162	City of Costa Mesa	1/10/2020	7/9/2026		\$148,210.00	\$148,210.00	Purchase Three Light-Duty ZEVs and EV Ch	\$0.00	Yes
ML18163	City of San Clemente	3/8/2019	12/7/2024	12/7/2025	\$75,000.00	\$70,533.75	Purchase Three Light-Duty ZEVs and EV Ch	\$4,466.25	Yes
ML18170	City of Laguna Niguel	1/10/2020	8/9/2028		\$75,100.00	\$75,100.00	Purchase One Light-Duty ZEV and EV Char	\$0.00	No
ML18171	City of El Monte	3/1/2019	4/30/2025		\$68,079.00	\$68,077.81	Purchase One Heavy-Duty ZEVs and EV Ch	\$1.19	Yes
ML18176	City of Coachella	3/1/2019	11/30/2024		\$58,020.00	\$58,020.00	Install EV Charging Stations	\$0.00	Yes
MS18024	Riverside County Transportation Co	6/28/2018	8/27/2021	8/31/2024	\$1,500,000.00	\$1,147,960.00	Vanpool Incentive Program	\$352,040.00	No
MS18066	El Dorado National	12/6/2019	2/5/2026		\$100,000.00	\$100,000.00	Install New Limited-Access CNG Station	\$0.00	Yes
MS18073	Los Angeles County MTA	1/10/2019	2/9/2026		\$2,000,000.00	\$2,000,000.00	Purchase 40 Zero-Emission Transit Buses	\$0.00	Yes
MS18108	Capistrano Unified School District	2/1/2019	5/30/2025	9/30/2026	\$111,750.00	\$111,750.00	Expansion of Existing Infrastructure	\$0.00	Yes

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
MS18110	Mountain View Unified School Distric	2/1/2019	3/31/2025		\$61,748.00	\$61,747.29	Install New Limited-Access CNG Infrastructu	\$0.71	No
MS18115	City of Commerce	6/7/2019	12/6/2025	7/6/2026	\$275,000.00	\$275,000.00	Expansion of Existing L/CNG Infrastructure	\$0.00	No
MS18117	City of San Bernardino	6/7/2019	11/6/2025		\$240,000.00	\$240,000.00	Expansion of Existing CNG Infrastructure/Me	\$0.00	Yes
MS18120	City of Redondo Beach	2/1/2019	9/30/2025		\$275,000.00	\$275,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18122	Universal Waste Systems, Inc.	2/1/2019	3/31/2025	7/31/2027	\$195,000.00	\$195,000.00	Install New Limited Access CNG Infrastructu	\$0.00	Yes
MS18123	City Rent A Bin DBA Serv-Wel Dispo	12/14/2018	2/13/2025		\$200,000.00	\$200,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18124	County Sanitation Districts of Los An	7/31/2019	2/28/2027		\$275,000.00	\$275,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes
MS18125	U.S. Venture	5/9/2019	8/8/2025		\$200,000.00	\$200,000.00	Install New Limited-Access CNG Infrastructu	\$0.00	Yes

Total: 56

Terminated Contracts

ML18058	City of Perris	10/12/2018	11/11/2024	11/11/2028	\$94,624.00	\$0.00	Purchase 1 Medium-Duty ZEV and EV Char	\$94,624.00	No
ML18084	City of South El Monte	10/18/2019	9/17/2023	3/30/2028	\$30,000.00	\$0.00	EV Charging Infrastructure	\$30,000.00	No
MS18029	Irvine Ranch Water District	8/8/2018	10/7/2024	1/7/2029	\$185,000.00	\$0.00	Install New Limited Access CNG Station & T	\$185,000.00	No

Total: 3

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2018-2021 Contracts

Open Contracts

MS21002	Better World Group Advisors	11/1/2019	12/31/2022	12/31/2024	\$448,154.00	\$239,482.01	Programmatic Outreach Services	\$208,671.99	No
MS21005	Southern California Association of G	5/5/2021	1/31/2024	7/31/2025	\$16,751,000.00	\$342,085.88	Implement Last Mile Goods Movement Progr	\$16,408,914.12	No
MS21006	Geographics	4/1/2021	6/20/2023	6/20/2025	\$20,152.00	\$16,997.25	Hosting & Maintenance of the MSRC Websit	\$3,154.75	No
MS21009	ITS Technologies & Logistics, LLC	7/15/2022	7/14/2028	7/14/2029	\$1,686,900.00	\$168,690.00	Deploy 12 Zero-Emission Yard Tractors	\$1,518,210.00	No
MS21010	MHX, LLC	9/29/2021	1/28/2028	7/28/2029	\$569,275.00	\$0.00	Deploy One Zero-Emission Overhead Crane	\$569,275.00	No
MS21015	Premium Transportation Services, In	9/22/2021	5/21/2027	1/2/2028	\$1,500,000.00	\$1,334,758.50	Deploy up to 15 Near-Zero Emissions Truck	\$165,241.50	No
MS21016	Ryder Integrated Logistics, Inc.	12/7/2022	4/6/2029		\$3,169,746.00	\$0.00	Procure Two Integrated Power Centers and	\$3,169,746.00	No
MS21018	Pac Anchor Transportation, Inc.	8/17/2021	8/16/2027	8/16/2028	\$2,100,000.00	\$1,890,000.00	Deploy up to 21 Near Zero Emission Trucks	\$210,000.00	No
MS21019	Volvo Financial Services	3/31/2022	3/30/2030	12/30/2030	\$3,930,270.00	\$2,095,869.15	Lease up to 14 Zero-Emission Trucks and P	\$1,834,400.85	No
MS21023	BNSF Railway Company	4/22/2022	4/21/2028	4/21/2029	\$1,313,100.00	\$0.00	Install EV Charging Infrastructure	\$1,313,100.00	No

Total: 10

Declined/Cancelled Contracts

MS21008	CMA CGM (America) LLC				\$3,000,000.00	\$0.00	Deploy 2 Zero-Emission Rubber Tire Gantry	\$3,000,000.00	No
MS21011	RDS Logistics Group	1/21/2022	7/20/2028		\$808,500.00	\$0.00	Deploy 3 Zero-Emission Yard Tractors and	\$808,500.00	No
MS21012	Amazon Logistics, Inc.				\$4,157,710.00	\$0.00	Deploy up to 10 Zero-Emission and 100 Nea	\$4,157,710.00	No
MS21020	Sea-Logix, LLC				\$2,300,000.00	\$0.00	Deploy up to 23 Near-Zero Emissions Trucks	\$2,300,000.00	No
MS21021	CMA CGM (America) LLC				\$1,946,463.00	\$0.00	Deploy up to 13 Near Zero Emission Trucks	\$1,946,463.00	No
MS21022	Orange County Transportation Autho				\$289,054.00	\$0.00	Implement Special Transit Service to the Or	\$289,054.00	No

Total: 6

Closed Contracts

MS21001	Los Angeles County MTA	8/30/2019	7/29/2020		\$613,752.87	\$613,752.87	Implement Special Transit Service to Dodge	\$0.00	Yes
MS21003	Orange County Transportation Autho	7/8/2020	5/31/2021		\$468,298.00	\$241,150.48	Provide Express Bus Service to the Orange	\$227,147.52	Yes
MS21004	Los Angeles County MTA	1/7/2021	5/31/2023		\$814,822.00	\$326,899.00	Clean Fuel Bus Service to Dodger Stadium	\$487,923.00	Yes

Total: 3

Open/Complete Contracts

MS21007	Penske Truck Leasing Co., L.P.	4/1/2022	3/31/2028		\$957,813.00	\$957,812.40	Deploy 5 Zero-Emission Yard Tractors	\$0.60	Yes
MS21013	4 Gen Logistics	3/27/2022	5/26/2028		\$7,000,000.00	\$7,000,000.00	Deploy 40 Zero Emission Trucks	\$0.00	Yes
MS21014	Green Fleet Systems, LLC	8/31/2021	8/30/2027	8/30/2028	\$300,000.00	\$300,000.00	Deploy up to 3 Near Zero Emission Trucks	\$0.00	Yes
MS21017	MHX, LLC	9/29/2021	9/28/2030		\$1,900,000.00	\$1,900,000.00	Deploy up to 10 Zero-Emission Trucks & Infr	\$0.00	No
MS21025	Costco Wholesale Corporation	12/9/2022	12/8/2028		\$160,000.00	\$160,000.00	Install Five EV Charging Units	\$0.00	Yes

Total: 5

Cont.#	Contractor	Start Date	Original End Date	Amended End Date	Contract Value	Remitted	Project Description	Award Balance	Billing Complete?
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FY 2021-2024 Contracts

Open Contracts

MS24001	Los Angeles County MTA	1/26/2023	5/31/2028		\$1,200,248.00	\$0.00	Provide Clean Fuel Bus Service to Dodger S	\$1,200,248.00	No
MS24002	South Pasadena Police Department	1/16/2024	5/15/2030		\$499,789.00	\$0.00	Procure Zero-Emission Vehicles and Infrastr	\$499,789.00	No
MS24003	Omnitrans	4/15/2024	10/30/2025		\$315,278.00	\$0.00	Bloomington Microtransit Service Expansion	\$315,278.00	No
MS24004	City of Seal Beach	12/21/2023	9/30/2025		\$162,891.00	\$0.00	Circuit Transit Shared Mobility	\$162,891.00	No
MS24005	City of Huntington Beach	7/1/2024	9/1/2026		\$279,186.00	\$0.00	Circuit Transit Rideshare Program	\$279,186.00	No
MS24006	Anaheim Transportation Network	10/12/2023	5/31/2025		\$322,000.00	\$0.00	Old Towne Orange Microtransit Service	\$322,000.00	No
MS24007	City of Gardena	6/12/2024	8/31/2026		\$424,134.00	\$0.00	Gtrans Microtransit Service	\$424,134.00	No
MS24008	City of Long Beach	3/19/2024	1/31/2026		\$410,734.00	\$0.00	Circuit Transit Mobility Transit Expansion Pr	\$410,734.00	No

Total: 8

Pending Execution Contracts

MS24010	Penske Truck Leasing Co., L.P.				\$17,980,000.00	\$0.00	Partner on Application to Install EV Charging	\$17,980,000.00	No
MS24011	Southern California Gas Company				\$6,000,000.00	\$0.00	Partner on Application to Install Hydrogen F	\$6,000,000.00	No
MS24012	Pilot Travel Center, LLC				\$3,000,000.00	\$0.00	Partner on Application to Install Hydrogen F	\$3,000,000.00	No
MS24013	Los Angeles Cleantech Incubator				\$3,000,000.00	\$0.00	Implement Drayage Truck Recharging Facilit	\$3,000,000.00	No
MS24999	Prologis Mobility				\$11,679,171.00	\$0.00	Implement EV Charging and Hydrogen Refu	\$11,679,171.00	No

Total: 5



**MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, JUNE 20, 2024 MEETING MINUTES
21865 Copley Drive, Diamond, Bar, CA 91765**

MEMBERS PRESENT:

(Chair) Larry McCallon, representing San Bernardino County Transportation Authority (SBCTA)
(Vice-Chair) Brian Berkson, representing Riverside County Transportation Commission (RCTC)
Curt Hagman, representing South Coast Air Quality Management District (AQMD)
William Robertson, representing California Air Resources Board (CARB)
Linda Krupa, representing Regional Rideshare Agency
Patrick Harper, representing Orange County Transportation Authority (OCTA)
Rena Lum (Alt.), representing Los Angeles County Metropolitan Transportation Authority (Metro)
Mark Henderson, representing Southern California Association of Governments (SCAG)

MEMBERS ABSENT:

Cindy Allen (Alt.), representing SCAG
Steve Veres, representing Metro
John Dutrey (Alt.), representing SBCTA
Peter Christensen (Alt.), representing CARB

MSRC-TAC MEMBERS PRESENT:

Adriann Cardoso, representing OCTA
Rongsheng Luo, representing SCAG
Scott Strelecki (Alt.), representing SCAG

OTHERS PRESENT:

Lijin Sun, SCAG	Philip Law, SCAG
Ruben Aronin, Better World Group	Ryan Laws, SCAG
Suzanne Cafilish, Better World Group	Clair Garcia
Daneil Schweizer, Zeem Solutions	

SOUTH COAST AQMD STAFF & CONTRACTORS PRESENT:

Aaron Katzenstein, Deputy Executive Officer
Cynthia Ravenstein, MSRC Contracts Administrator
Daphne Hsu, Principal Deputy District Counsel
De Groeneveld, Information Technology Supervisor
Debra Ashby, Sr. Public Affairs Specialist
Ghislain Muberwa, Information Technology Specialist
John Kampa, Financial Services Manager
Maria Allen, Administrative Assistant
Marjorie Eaton, Administrative Assistant
Nydia Ibarra, Public Affairs Specialist
Ray Gorski, MSRC Technical Advisor-Contractor
Sindy Enriquez, MSRC Contracts Assistant

CALL TO ORDER

- Chair McCallon called the meeting to order at 2:01 p.m.
- Roll call was taken at the start of the meeting.
- Chair McCallon asked for disclosures.

Items Nos. 2 and 8 – MSRC Member Curt Hagman said he does not have a financial interest in Item No. 2, but is required to identify for the record that he is a member of the Board of Directors for SBCTA, which is involved in the item. In addition, he does not have a financial interest in Item No. 8 but is required to identify for the record that he is a Regional Council member for SCAG, which is involved in the item.

Items Nos. 2 and 8 – MSRC Vice-Chair Brian Berkson said he does not have a financial interest in Item No. 2 but is required to identify for the record that he is a member of the Board of Directors for the Southern California Regional Rail Authority (SCRRA), which is involved in the item. In addition, he does not have a financial interest in Item No. 8 but is required to identify for the record that he is a Transportation Committee Member for SCAG, which is involved in the item.

Item No. 8 – MSRC Member Linda Krupa said she does not have a financial interest, but is required to identify for the record that she is a Regional Council member for SCAG, which is involved in Item No. 8. In addition, for Item No. 8 she is required to identify for the record that she is recusing herself from Item No. 8. because of a financial interest in PepsiCo, which is affected by the item.

Item No. 2 – MSRC Alternate Member Rena Lum said she does not have a financial interest in Item No. 2 but is required to identify for the record that she is an employee for the Los Angeles County Metropolitan Transportation Authority, which is involved in the item.

Item No. 8 – MSRC Member Mark Henderson said he does not have a financial interest in Item No. 8 but is required to identify for the record that he is a Regional Council member for SCAG, which is involved in the item.

Items Nos. 2 and 8 – MSRC Chair Larry McCallon said he does not have a financial interest in Item No. 2 but is required to identify for the record that he is a Director for SBCTA, which is involved in the item. In addition, he does not have a financial interest in Item No. 2 but is required to identify for the record that he is the Chair of the Board of Directors for SCRRA, which is involved in the item. Lastly, he said he does not have a financial interest in Item No. 8 but is required to identify for the record that he is a Regional Council member for SCAG, which is involved in the item.

Item Number 3 of the Consent Calendar was pulled for discussion.

MSRC member William Robertson stated that at a previous meeting we discussed the potential modification of a contract related to vehicle deliverables and infrastructure funding. Staff were tasked with further discussions, and an update on their progress was requested, along with any other relevant information.

Cynthia Ravenstein, MSRC Contracts Administrator, answered that a recent discussion revealed that Ryder will be seeking an extension for vehicle deliveries and infrastructure. Tesla has delivered some vehicles from a pilot production facility but is not ready for mass production until 2026. Also, infrastructure development is expected to take over 18 months. A revised request from Ryder is anticipated.

MSRC member Curt Hagman stated that he recently attended the Advanced Clean Transportation (ACT) Conference where he explored various prototype vehicles. A standout was a Japanese company showcasing eight vehicles, focusing on hydrogen and electric technology. Despite their innovations, there's a lack of U.S. manufacturing, which restricts market access. There are existing technologies available in other countries that have been tested extensively. Despite the comparable costs of these technologies to current diesel trucks, frustration arises because these technologies cannot access federal grants, hindering their implementation.

- Chair McCallon asked for public comment on the Consent Calendar.

No public comment.

CONSENT ITEMS (Items 1 through 7):

Receive and Approve

1. Minutes of January 18, 2024 MSRC Meeting

The January 18, 2024 MSRC meeting minutes were included in the agenda package.

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: Staff will include the MSRC minutes with the MSRC Committee Report for the August 2024 South Coast AQMD Board meeting.

2. Summary of Final Reports by MSRC Contractors

- San Bernardino County Transportation Authority, Contract #MS18065 – San Bernardino Line Discount Program

- 4Gen Logistics, Contract #MS21013 – Purchase of Forty (40) Volvo VNR Electric Trucks

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: No further action is necessary

Information Only – Receive and File

3. MSRC Contracts Administrator's Report

The MSRC AB 2766 Contracts Administrator's Report for April 25 through May 29, 2024 was included in the agenda package.

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: Staff will include the MSRC Contracts Administrator's Report in the MSRC Committee Report for the August 2024 South Coast AQMD Board meeting.

4. Financial Report on AB 2766 Discretionary Fund

A financial report on the AB2766 Discretionary Fund for May 2024 was included in the agenda package. Results of the 15th Biennial AB 2766 Audit covering FYs 2019-20 and 2020-21 were included in the agenda package.

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: No further action is required.

FYs 2014-16 Work Program

5. Consider 4-Month Term Extension by City of San Fernando, Contract #ML16075 (\$354,000- Install Class I Bikeway)

The City requests a four-month term extension because discrepancies in elevations necessitated plan revisions and heavy rains further delayed the project. The contract has previously been extended by five years and six months.

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: Staff will amend the above contract accordingly.

FYs 2016-18 Work Program

6. Consider 3-Month Term Extension by City of San Dimas, Contract #ML18148 (\$50,000 – Implement Bicycle Detection Measures)

The City requested a six-month contract term extension due to the need to install additional conduit. Because the request was not received in sufficient time prior to the termination date, a three-month contract term extension was processed administratively to allow sufficient time for the MSRC to consider the remainder of the request. Therefore, an additional three-month contract term extension would fulfill the City's request. This contract had previously been extended by one year.

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: Staff will amend the above contract accordingly.

7. Consider 2-Year Term Extension by City of Rancho Cucamonga, Contract #ML18051 (\$91,500 – Procure 6 Light-Duty ZEVs and Install EV Charging Infrastructure)

In April 2024, the MSRC approved modifications to the City’s contract including substituting the installation of some publicly accessible Level III stations for Level II stations. This project is part of the FYs 2016-18 Local Government Partnership Program, which has a five-year operational requirement for Level III stations. This item would extend the term of Contract #ML18051 by two years only to cover the longer requirement; there would be no change to the required in-service date.

Moved by Hagman; seconded by Harper; under approval of Consent Calendar Items #1-7, item unanimously approved.

Ayes: Hagman, Krupa, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Noes: None

Action: Staff will amend the above contract accordingly.

For Approval – As Recommended

8. Consider Modified Scope and Reallocation of Funding Between Projects by Southern California Association of Governments (SCAG), Contract #MS21005 (\$16,751,000 – Implement Last Mile and Freight Program)

Linda Krupa recused herself from the meeting due to a financial interest in PepsiCo and left the room.

Cynthia Ravenstein, MSRC Contracts Administrator, presented that this contract, valued at \$16,751,000, is part of the MSRC’s FYs 2018-21 Work Program focused on goods movement. It involves the Last Mile Freight Program with 22 projects currently in deployment. While only \$132,000 has been paid out, over \$1.4 million is reserved for reallocation. The reallocation request seeks to shift funds to New Bern Transport in Buena Park, increasing its project scope from 10 to 20 Tesla Class 8 zero emission tractors. This project meets geographic funding targets for

Orange County and offers additional matching funds.

MSRC Member Hagman expressed excitement about seeing the Tesla at a conference but was concerned about delays in the project. He mentioned the company's frequent issues with delivering new vehicles on time.

Ravenstein continued that Zeem Solutions is modifying its project to deploy 42 zero-emission vehicles across three sites (two in Inglewood, one in Long Beach) and install 42 dual-port fast chargers in Long Beach. This adjustment comes after challenges in securing a site in Santa Ana, where initially 72 vehicles and 13 fast chargers were planned. The reallocation of funds aims to meet program timelines effectively.

Zeem's business model for vehicle charging involves a blend of customer-owned vehicles and leased vehicles from Zeem. They estimate that 40% of the 42 vehicles in the project will be owned by Zeem, but there's no minimum commitment. Additionally, Zeem seeks approval for a wide range of vehicle models, including about 59 classes of trucks eligible under the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP) standards.

Ray Gorski, MSRC Technical Advisor, explained that HVIP is a program administered by Calstart on behalf of the California Air Resources Board, aimed at providing incentives for purchasing zero emission medium and heavy-duty vehicles. The transaction for these incentives occurs at the point of sale, making it a practical and lucrative ongoing program for buyers in California.

MSRC Vice-Chair Berkson expressed concerns about the potential approval of a modification expanding the types of vehicles under the program. He sought clarification on whether expanding the program would maintain the anticipated environmental benefits, such as reduced diesel particulates, or if it might diminish the expected return on investment.

Gorski continued that the chargers and vehicles deployed at Long Beach will be Class 8 tractors for container drayage, ensuring compliance with port requirements. Funding for charging infrastructure at Long Beach has been requested. Inglewood will cater to a broader range of vehicles, primarily supporting LAX operations, as there are currently no publicly accessible heavy-duty chargers at LAX. Zeem is seeking flexibility for various vehicle types at Inglewood.

The discussion revolves around whether certain vehicles, particularly delivery vans, fit the original vision for the last mile freight program. While the initial focus was on heavy-duty vehicles (Class 4 to 8), it did encompass a broader range of freight

movement, including neighborhood delivery vehicles, if they are zero-emission.

MSRC Member Henderson asked whether the project's scope remains unchanged aside from the venue change.

Ravenstein answered there is some flexibility regarding the types of vehicles and their ownership. The number of vehicles has been reduced from 72 to 42, but there will be an increase in the number of chargers available.

Ryan Laws of SCAG commented Zeem initially planned to partner with three vehicle types but sought flexibility in their procurement choices. At the time, there was uncertainty regarding specific makes and models, which were not defined in the contract until later discussions with Ravenstein.

Ravenstein continued she recommends reallocating resources to the New Bern project. She suggests two options regarding the Zeem project: allowing SCAG some discretion to implement the program if requirements are met, or rejecting the proposal, which would lead to a modified request from SCAG.

MSRC Member Henderson expressed support for the approval of requested changes, emphasizing the importance of continuing to deploy zero-emission vehicles and ensuring that the MSRC is kept informed of future requests. He advocated for transparency while acknowledging the need for SCAG to streamline its decision-making process.

Chair Larry McCallon asked for public comment on item number 8.

No public comment.

Moved by Hagman to consider modified scope and reallocation of funding between projects; seconded by Berkson; item approved.

Ayes: Hagman, Henderson, Harper, Lum, Robertson, Berkson, McCallon

Recuse: Krupa

Noes: None

Action: Authorization of the modifications will be placed on the South Coast AQMD Board agenda for approval

9. FYs 24-27 Work Program Development Update

Ray Gorski, MSRC Technical Advisor, presented to briefly update on the MSRC-TAC and staff's progress with the new Work Program. Since there's no meeting in July, we've moved some decision points to June to allow continued work. We seek input on investment ideas and will present initial recommendations for funding

categories. The MSRC-TAC proposes breaking the \$81 million work program into three categories, focusing on partnerships to leverage additional funding for projects.

Today's focus is on soliciting ideas from the MSRC regarding investment preferences and seeking approval for the recommendations of subcommittees and Work Program categories. The MSRC-TAC team has generated initial investment suggestions, and MSRC members are encouraged to provide feedback or propose adjustments.

The first category is a Partnership Subcommittee aimed at collaborating with other agencies to leverage funds and expand programmatic reach, ultimately funding more projects and fostering relationships. Discussions have already begun with entities like the South Coast AQMD. Three distinct projects are under investigation for potential joint pursuit with AQMD and their Technology Advancement Office. Collaborations with LA Metro are ongoing, including a memorandum of understanding for co-funding projects. The Port of Long Beach approved an MOU for a \$12.5 million investment to enhance ZEV infrastructure, with further support expected from the Port of Los Angeles. The San Pedro Bay ports are exploring additional operational work due to their commitment to a Clean Air Action plan, which includes aggressive deadlines for emissions reduction from both cargo handling equipment and on-road trucks. Also, recently MSRC and South Coast AQMD staff met with the California Energy Commission and Caltrans to discuss potential funding from the U.S. Department of Transportation. The Subcommittee will conduct further research and present specific project options for potential financial investment by MSRC.

Next the MSRC-TAC recommends a transportation demand management (TDM)/transportation control measures (TCM) Subcommittee. This Subcommittee would focus on measures to reduce vehicle miles traveled (VMT) in the four-county region. This involves promoting alternatives to regular car usage, such as transit and rideshare options, primarily to improve air quality and reduce greenhouse gas emissions. The emphasis is on innovative strategies for people movement rather than goods.

Finally, the MSRC-TAC recommends an Innovation Subcommittee. Historically, the MSRC avoided pre-commercial projects due to an agreement with the South Coast AQMD, but there's now a desire to collaborate more closely on innovative projects. The focus is on partnerships that can push the envelope to explore emerging technologies that could become mainstream in the next decade, addressing both goods and people movement.

The discussion emphasized the solicitation of recommendations from the MSRC for funding projects related to technology development. It highlighted the need for strategic planning to secure federal funds.

The discussion revolved around the need for a cohesive master plan for deploying various equipment in a sustainable manner. MSRC member Curt Hagman emphasized the importance of planning for future technologies, like hydrogen and electric vehicles, while also addressing the limitations of funding and infrastructure. By segmenting funds into categories and leveraging partnerships, a more effective strategy can be developed to meet the overall goals.

Chair Larry McCallon asked for public comment.

No public comment.

OTHER BUSINESS:

10. Other Business

Chair McCallon asked if anyone has other business.

Cynthia Ravenstein, MSRC Contracts Administrator, wanted to clarify that during the last meeting, she mistakenly stated that final reports were unavailable to the public. They can be found on the MSRC website.

PUBLIC COMMENT PERIOD

No public comments.

ADJOURNMENT

The meeting adjourned at 3:21 p.m.

NEXT MEETING

Thursday, August 21, 2024 at 2:00 p.m.

[Prepared by Marjorie Eaton]

[↑ Back to Agenda](#)

BOARD MEETING DATE: December 6, 2024

AGENDA NO. 24

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board held public Board meetings on November 8, 2024 and November 21, 2024. The following are summaries of the meetings.

RECOMMENDED ACTION:
Receive and file.

Gideon Kracov, Member
South Coast AQMD Governing Board

ft

The November 8, 2024 Board meeting of the California Air Resources Board (Board) was held in Riverside, California at the Mary D. Nichols Campus, Southern California Headquarters. The key item presented is summarized below.

DISCUSSION ITEM

24-6-2: Public Hearing to Consider Proposed Low Carbon Fuel Standard Amendments

The Board adopted amendments to the Low Carbon Fuel Standard (LCFS) and certified the Final Environmental Impact Analysis. The LCFS reduces air pollution and greenhouse gas emissions by setting a declining carbon intensity target for transportation fuels used in California. The amendments set new targets to reduce the carbon intensity of California's transportation fuel pool by 30% by 2030 and by 90% by 2045 and will increase deployment of low-carbon fuels in California. The amendments also increase support for zero-emissions infrastructure, including for medium- and heavy-duty vehicles, expand transit agencies ability to generate credit revenue, and include new guardrails to protect against land use changes resulting in potential loss of food production or deforestation. The amendments will reduce greenhouse gas emissions by 553 million metric tons, oxides of nitrogen by more than 34,000 tons and fine particulate matter by more than 9,100 tons between 2025 and 2045.

The November 21, 2024 Board meeting was held in Sacramento, California at the California Environmental Protection Agency Headquarters Building. The key item presented is summarized below.

DISCUSSION ITEM

24-7-1: Public Meeting to Consider Approval of the Proposed Fiscal Year 2024-25 Funding Plan for Clean Transportation Incentives

The Board approved staff's Proposed Fiscal Year 2024-25 Funding Plan for Clean Transportation Incentives (Funding Plan). The \$34.94 million proposed in this year's Funding Plan builds on the transportation incentive projects that have invested billions in transformative change in the mobile source sector, with over half of those funds going to priority populations. Specifically, the Funding Plan will provide support for medium- and heavy-duty on- and off-road vehicle and equipment incentives that provide vouchers or financing opportunities for advanced clean technologies. These clean vehicles and equipment will reduce criteria air pollutants in the logistics, goods movement, off-road, warehouse, and port sectors. In addition, the Funding Plan makes targeted changes to previously established projects. These changes will increase the loan cap for the Driving Clean Assistance Program to ensure vehicle affordability for participants, update the funding allocation in the Clean Cars 4 All program, explore a Used Truck Voucher Pilot within the Innovative Small e-Fleet Pilot Project to develop an affordable secondary vehicle market, and require a review of voucher amounts and eligible categories for heavy-duty vehicle incentives.

Attachments

CARB Meeting Agendas for November 8 and November 21, 2024



Gavin Newsom, Governor
Yana Garcia, CalEPA Secretary
Liane M. Randolph, Chair

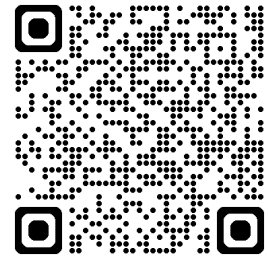
REVISED Public Meeting Agenda

~~Thursday, November 7, 2024 @ 2:00 p.m.~~

Friday, November 8, 2024 @ 9:00 a.m.

Zoom Webinar: [Register](#)
Phone Number: (669) 900-6833
Webinar ID: 872 5606 3279

Mary D. Nichols Campus, Southern California Headquarters
4001 Iowa Avenue, Riverside, California 92507
Haagen-Smit Auditorium



<https://ww2.arb.ca.gov/ma110824>

Webcast (Livestream/Watch Only)

The November 7-8, 2024, meeting of the California Air Resources Board (CARB or Board) will be held at 4001 Iowa Avenue, Riverside, with remote participation also available. This facility is accessible to persons with disabilities and by public transit. For transit information, call (951) 565-5194 or visit www.riversidetransit.com.

To only watch the Board Meeting and not provide verbal comments, please view the *webcast*. If you do not wish to provide oral comments, we strongly recommend watching the webcast as this will free up space on the webinar for those who are providing oral comments. Please do not view the webcast and then switch over to the webinar to comment as the webcast will have a time delay; instead, register to participate via the Zoom webinar.

Public Comment Guidelines and Information

- *In-Person Public Testimony*
- *Remote Public Participation*

The Board will set a two-minute time limit on oral comments; however, the amount of time could change at the Chair's discretion. In-person speakers signed up to comment will be called upon first, followed by public Zoom and phone participants wishing to comment. The Chair may close speaker sign-ups 30 minutes after the public comment portion of an item has begun.

Please note that under the California Public Records Act (Gov. Code, § 7920.000 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Spanish interpretation will be available for the November 7-8 Board Meeting

- *Agenda de la Reunión Pública*
- *Spanish Webcast*

~~Thursday, November 7, 2024 @ 2:00 p.m.~~

The following agenda item will be heard at the Board Meeting:

Hard copies of the Public Agenda and Proposed Resolutions (when applicable) will be provided at the meeting; copies of all other documents linked below will only be available upon request.

~~Discussion Items:~~

~~24-6-1: Public Hearing for Proposed Amendments to On-Road Motorcycle Emission Standards and Test Procedures and Adoption of New On-Board Diagnostics and Zero-Emission Motorcycle Requirements~~

****This Board Item has been postponed and removed from November 7-8, 2024, Agenda. More information can be found [here](#).****

~~Friday, November 8, 2024 @ 9:00 a.m.~~

~~24-6-2: Public Hearing to Consider Proposed Low Carbon Fuel Standard Amendments~~

The Board will consider the proposed amendments to the Low Carbon Fuel Standard. The Board will also consider certifying the Final Environmental Impact Analysis, including the written response to comments on the Draft Environmental Impact Analysis and Recirculated Draft Environmental Impact Analysis.

- *Formal Rulemaking Page*
 - *Public Hearing Notice*
 - *Staff Report*
- *Item Summary*
- *Hearing Presentation*
- *Proposed Resolution*
- *Submit Written Comments*
- *View Public Comments*

~~Closed Session~~

The Board may hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

American Free Enterprise Chamber of Commerce et al. v. Steven S. Cliff et al. (United States District Court for the Eastern District of California, Case No. 2:24-cv-00988-KJM-JDP)

Association of American Railroads et al. v. Randolph et al. (United States District Court, Eastern District of California, Sacramento Division, Case No. 2:23-cv-01154-JAM-JDP)

California Air Resources Board v. Noil Energy Group, Inc. and Speedy Fuel Inc. (Los Angeles County Superior Court, Case Nos. 2OSTCV30142 and 2OSTCV30292)

California Natural Gas Vehicle Coalition v. California Air Resources Board, et al. (Fresno County Superior Court, Case No. 20CECG02250; unsuccessful industry appeal California Court of Appeal, Fifth District, Case No. F084229)

California Trucking Association v. California Air Resources Board. (United States District Court, Eastern District of California, Case No. 2:23-cv-02333-TLN-CKD)

Chamber of Commerce of the United States et al. v. California Air Resources Board et al. (United States District Court, Central District of California, Case No. 2:24-cv-00801)

California v. United States Environmental Protection Agency. (United States Court of Appeals, District of Columbia Circuit, Case No. 21-1034, consolidated with *California Communities Against Toxics et al. v. EPA*, Case No. 21-1024)

City of Los Angeles, acting by and through its Department of Water and Power v. California Air Resources Board. (Los Angeles County Superior Court, Case No. 24STCP01428)

Commonwealth of Kentucky, et al. v. United States Environmental Protection Agency. (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1050)

Commonwealth of Kentucky, et al., v. Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1087)

East Yard Communities for Environmental Justice, et al. v. South Coast Air Quality Management District, et al. (United States District Court, Central District of California, Case No. 2:23-cv-06682)

Environmental Defense Fund, et al. v. Andrew Wheeler, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 20-1360)

Friends of Oceano Dunes, Inc. v. California Air Resources Board, et al. (San Luis Obispo County Superior Court, Case No. 17CV-0576) and *Friends of Oceano Dunes, Inc. v. California Air Resources Board, et al.* (United States District Court for the Central District of California, Case No. 2:17-cv-8733)

Government Accountability and Oversight v. California Air Resources Board. (Sacramento County Superior Court, Case No. 24CV012372)

GreenPower Motor Company, Inc. v. California Air Resources Board. (Sacramento County Superior Court, Case No. 23WM000083)

People v. Southern California Gas Company. (Los Angeles County Superior Court, Case No. BC602973)

Natural Resources Defense Council v. National Highway Traffic Safety Admin., et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 22-1080, consolidated with Nos. 22-1144 and 22-1145)

New York, et al. v. United States Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 21-1028)

Ohio, et al. v. EPA, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 22-1081, consolidated with Case Nos. 22-1083, 22-1084, and 22-1085)

Specialty Equipment Market Ass'n & Performance Racing, Inc., et al., v. California Air Resources Board, et al. (United States District Court, Eastern District of California, Case No. 2:24-cv-02771-TLN-AC)

State of California v. Wheeler et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 19-1239)

State of California v. Wheeler, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 20-1167)

State of California, et al. v. David Bernhardt, et al. (United States District Court, Northern District of California, 472 F. Supp. 3d 573 (N.D. Cal. 2020) Case No. 3:18-cv-5712-DMR; BLM, Wyoming, and industry appeal to United States Court of Appeals, Ninth Circuit, Case No. 20-16793)

State of California, et al. v. United States Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 21-1014)

State of Nebraska, et al., v. United States Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1129; consolidated with Case Nos. 24-1133, 24-1157, 24-1207, 24-1208, 24-1209, 24-1210, and 24-1214).

State of New York, et al. v. Andrew Wheeler and the United States Environmental Protection Agency. (United States District Court, District of Columbia, Case No. 1:18-cv-00773)

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State of Wyoming, et al. v. United States Department of the Interior, et al. (United States District Court, District of Wyoming, Case No. 16-CV-285-SWS; United States Court of Appeals, Tenth Circuit, Case No. 2:16-cv-00285-SWS)

State of West Virginia, et al. v. U.S. Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1009)

State of West Virginia et al. v. United States Environmental Protection Agency (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1120)

South Coast Air Quality Management District v. City of Los Angeles, et al. (Los Angeles County Superior Court, Case No. 20STCP02985; transferred to San Diego County Superior Court, Case No. 37-2021-00023385-CU-TT-CTL; appeal California Court of Appeal, Fourth Appellate District, Div. 1, Case. No. D080902; remanded to superior court)

The Two Hundred for Homeownership, Robert Apodaca, and Jose Antonio Ramirez v. California Air Resources Board, Steven S. Cliff et al. (United States District Court, Eastern District of California, Fresno, Case No. 1:22-at-904)

Western Propane Gas Association v. California Air Resources Board et al. (Fresno County Superior Court, Case No. 24CECG03715)

Western States Petroleum Association v. California Air Resources Board et al. (Fresno County Superior Court, Case No. 22CECG03603)

Western States Petroleum Association v. California Air Resources Board. (Los Angeles County Superior Court, Case No. 20STCP03138x, California Court of Appeal, Second District, Case No. B327663)

Western States Petroleum Association v. California Air Resources Board. (Fresno County Superior Court, Case No. 23CECG02976)

Western States Trucking Association v. California Air Resources Board. (Fresno County Superior Court, Case No. 23CECG02964)

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Open Session to Provide an Opportunity for Members of the Public to Address the Board on Subject Matters within the Jurisdiction of the Board

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cotb@arb.ca.gov or (916) 322-5594
CARB Homepage: www.arb.ca.gov

Special Accommodation Request

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- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alternativo u otro idioma;
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor contacte la oficina del Consejo al (916) 322-5594 o por correo electrónico al cotb@arb.ca.gov lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

Public Meeting Agenda

Thursday, November 21, 2024 @ 9:00 a.m.

Zoom Webinar: [Register](#)
Phone Number: (669) 900-6833
Webinar ID: 827 8269 9952



ww2.arb.ca.gov/ma112124

California Environmental Protection Agency

1001 I Street, Sacramento, California 95814
Byron Sher Auditorium, 2nd Floor
[Webcast](#) (Livestream/Watch Only)

The November 21, 2024, meeting of the California Air Resources Board (CARB or Board) will be held at 1001 I Street in Sacramento, with remote participation also available. This facility is accessible to persons with disabilities and by public transit. For transit information, call (916) 321-BUSS (2877) or visit <http://sacrt.com/>.

To only watch the Board Meeting and not provide verbal comments, please view the [webcast](#). If you do not wish to provide oral comments, we strongly recommend watching the webcast as this will free up space on the webinar for those who are providing oral comments. Please do not view the webcast and then switch over to the webinar to comment as the webcast will have a time delay; instead, register to participate via the Zoom webinar.

Public Comment Guidelines and Information

- [In-Person Public Testimony](#)
- [Remote Public Participation](#)

The Board will set a two-minute time limit on oral comments; however, the amount of time could change at the Chair's discretion. In-person speakers signed up to comment will be called upon first, followed by public Zoom and phone participants wishing to comment. The Chair may close speaker sign-ups 30 minutes after the public comment portion of an item has begun.

Please note that under the California Public Records Act (Gov. Code, § 7920.000 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Spanish interpretation will be available for the November 21, Board Meeting

- [Agenda de la Reunión Pública](#)
- [Spanish Webcast](#)

Thursday, November 21, 2024 @ 9:00 a.m.

Hard copies of the Public Agenda and Proposed Resolutions (when applicable) will be provided at the meeting; copies of all other documents linked below will only be available upon request.

Discussion Items:

24-7-1: Public Meeting to Consider Approval of the Proposed Fiscal Year 2024-25 Funding Plan for Clean Transportation Incentives

The Board will consider for approval staff's Proposed Fiscal Year (FY) 2024-25 Funding Plan for Clean Transportation Incentives.

- [More Information](#)
- [Public Meeting Notice](#)
- [Item Summary](#)
- [Proposed Resolution](#)
- [Meeting Presentation](#)
- [Submit Written Comments](#)
- [View Public Comments](#)

Closed Session

The Board may hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

American Free Enterprise Chamber of Commerce et al. v. Steven S. Cliff et al. (United States District Court for the Eastern District of California, Case No. 2:24-cv-00988-KJM-JDP)

Association of American Railroads et al. v. Randolph et al. (United States District Court, Eastern District of California, Sacramento Division, Case No. 2:23-cv-01154-JAM-JDP)

California Air Resources Board v. Noil Energy Group, Inc. and Speedy Fuel Inc. (Los Angeles County Superior Court, Case Nos. 2OSTCV30142 and 2OSTCV30292)

California Natural Gas Vehicle Coalition v. California Air Resources Board, et al. (Fresno County Superior Court, Case No. 20CECG02250; industry appeal California Court of Appeal, Fifth District, Case No. F084229).

California Trucking Association v. California Air Resources Board. (United States District Court, Eastern District of California, Case No. 2:23-cv-02333-TLN-CKD)

Chamber of Commerce of the United States et al. v. California Air Resources Board et al. (United States District Court, Central District of California, Case No. 2:24-cv-00801)

California v. United States Environmental Protection Agency. (United States Court of Appeals, District of Columbia Circuit, Case No. 21-1034, consolidated with *California Communities Against Toxics et al. v. EPA*, Case No. 21-1024)

City of Los Angeles, acting by and through its Department of Water and Power v. California Air Resources Board. (Superior Court of the State of California, County of Los Angeles, Case No. 24STCP01428)

Commonwealth of Kentucky, et al. v. United States Environmental Protection Agency. (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1050)

Commonwealth of Kentucky, et al., v. Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 24-1087)

East Yard Communities for Environmental Justice, et al. v. South Coast Air Quality Management District, et al. (United States District Court, Central District of California, Los Angeles, Case No. 2:23-cv-06682)

Environmental Defense Fund, et al. v. Andrew Wheeler, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 20-1360)

Friends of Oceano Dunes, Inc. v. California Air Resources Board, et al. (San Luis Obispo County Superior Court, Case No. 17CV-0576) and *Friends of Oceano Dunes, Inc. v. California Air Resources Board, et al.* (United States District Court for the Central District of California, Case No. 2:17-cv-8733)

Government Accountability and Oversight v. California Air Resources Board. (Sacramento County Superior Court, Case No. 24CV012372)

GreenPower Motor Company, Inc. v. California Air Resources Board. (Sacramento County Superior Court, Case No. 23WM000083)

People v. Southern California Gas Company. (Los Angeles Superior Court, Case No. BC602973)

Natural Resources Defense Council v. National Highway Traffic Safety Admin., et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 22-1080, consolidated with Nos. 22-1144 and 22-1145)

New York, et al. v. United States Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 21-1028)

Ohio, et al. v. EPA, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 22-1081, consolidated with Case Nos. 22-1083, 22-1084, and 22-1085)

Specialty Equipment Market Ass'n & Performance Racing, Inc., et al., v. California Air Resources Board, et al. (United States District Court, Eastern District of California, Case No. 2:24-cv-02771-TLN-AC)

State of California v. Wheeler et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 19-1239)

State of California v. Wheeler, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 20-1167)

State of California, et al. v. David Bernhardt, et al. (United States District Court, Northern District of California, 472 F. Supp. 3d 573 (N.D. Cal. 2020) Case No. 3:18-cv-5712-DMR; BLM, Wyoming, and industry appeal to United States Court of Appeals, Ninth Circuit, Case No. 20-16793)

State of California, et al. v. United States Environmental Protection Agency, et al. (United States Court of Appeals, District of Columbia Circuit, Case No. 21-1014)

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BOARD MEETING DATE: December 6, 2024

AGENDA NO. 26

PROPOSAL: Determine That Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks, Is Exempt from CEQA; and Adopt Rule 1159.1

SYNOPSIS: Proposed Rule 1159.1 will establish BARCT NO_x emission limits for nitric acid tanks at RECLAIM, former RECLAIM, and non-RECLAIM facilities. The proposed rule includes requirements to meet a NO_x emission limit, parametric monitoring, source testing, and recordkeeping.

COMMITTEE: Stationary Source, November 15, 2024, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks, is exempt from the requirements of the California Environmental Quality Act; and
2. Adopting Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks.

Wayne Natri
Executive Officer

SR:MK:KC:NF:MM:MS

Background

Proposed Rule 1159.1 (PR 1159.1) is a “landing” rule for facilities regulated by Regulation XX – REgional CLean Air Incentives Market (RECLAIM) to assist in the transition from RECLAIM to a command-and-control regulatory structure. PR 1159.1 will regulate NO_x emissions formed from the chemical reaction of nitric acid with metals or the decomposition of nitric acid at high temperatures. These types of operations are typically found in metal finishing, precious metal reclamation, or expanded graphite foil production facilities. PR 1159.1 establishes NO_x emission limits and other requirements based on BARCT for this source category. These requirements will apply to RECLAIM facilities, former RECLAIM facilities that have exited the RECLAIM program, and non-RECLAIM facilities.

Development of PR 1159.1 was initiated in 2021 with key requirements based on the then cost-effectiveness threshold of \$50,000 per ton of NO_x reduced. In December 2022, the 2022 AQMP was adopted with the cost-effectiveness threshold revised from \$50,000 to \$325,000 per ton of NO_x reduced. After adjusting the 2022 AQMP cost-effectiveness threshold by consumer price index (CPI), the 2023 cost-effectiveness threshold is \$362,600 per ton of NO_x reduced. As such, the BARCT analysis for PR 1159.1 was revised to incorporate the updated cost-effectiveness threshold.

Proposal

PR 1159.1 establishes NO_x emission limits for nitric acid units that were developed through a BARCT assessment process. PR 1159.1 requires facilities to control NO_x emissions through the BARCT emission limit of 0.30 pound per hour (lb/hr) or a control efficiency of 99%. Alternatively, facilities may elect to comply with the requirements with either a one-time source test or recordkeeping of nitric acid usage to demonstrate emissions or usage are less than certain thresholds established in the proposed rule. PR 1159.1 also establishes implementation schedules, as well as requirements for parametric monitoring, source testing, and recordkeeping.

Public Process

PR 1159.1 was developed through a public process. Five working group meetings were held on August 4, 2021, May 25, 2022, July 7, 2022, August 17, 2022, and August 31, 2022. The Working Group Meetings included a variety of stakeholders such as affected facilities, representatives from businesses, environmental groups, public agencies, consultants, and other interested parties. A Public Workshop was held on September 29, 2022. Following the adoption of the 2022 AQMP, two additional Working Group Meetings were held on April 25, 2024, and August 14, 2024, to discuss updates to the proposed rule language. A Public Workshop for PR 1159.1 was held on September 25, 2024. As part of this rule development process, staff met individually with stakeholders and conducted nine site visits.

Emission Reductions

PR 1159.1 is estimated to affect 928 nitric acid units across 255 facilities. Seven facilities are expected to meet the BARCT emission limit through installation of controls. The remaining 248 facilities are expected to comply through source testing and/or recordkeeping. PR 1159.1 is expected to reduce NO_x emissions by approximately 0.11 ton per day by January 1, 2029.

Key Issues

Staff has worked with stakeholders to address concerns and is not aware of any remaining key issues.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, PR 1159.1 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 and is included as Attachment I to this Board letter. If PR 1159.1 is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

Socioeconomic Impact Assessment

PR 1159.1 would affect approximately 255 facilities with 148 from the Fabricated Metal Product Manufacturing (NAICS 332) sector. Up to 224 facilities may qualify as small businesses based on various definitions of a small business. The key requirements of PR 1159.1 that would have cost impacts for the affected facilities include: 1) purchase and operation of control equipment; 2) permitting fees; 3) conducting source tests; 4) conducting parametric monitoring; 5) conducting maintenance and inspections; 6) recordkeeping; and 7) analyzing tank solutions. The total present value of the compliance costs of implementing PR 1159.1 during the 2025-2052 period is estimated to be \$59.2 million and \$38.5 million at 1% and 4% discount rate, respectively. The annual average compliance costs of PR 1159.1 are estimated to range from \$2.3 million to \$2.5 million at a 1% to 4% real interest rate, respectively. When the compliance costs are amortized using a 4% real interest rate, an annual average of 34 jobs foregone is forecasted in the four-county region during the 2025-2052 period, relative to the baseline scenario. The impacts of PR 1159.1 on relative production costs and delivered prices in the South Coast AQMD region are expected to be minimal. The details of the Final Socioeconomic Impact Assessment can be found in Attachment H to this Board Letter.

AQMP and Legal Mandates

PR 1159.1 will partially implement Control Measure CMB-05 – Further NO_x Reductions from RECLAIM Assessment in the 2016 AQMP by reducing NO_x emissions and facilitate the transition of facilities in the NO_x RECLAIM program to a command-and-control regulatory structure. PR 1159.1 also implements Assembly Bill 617 by establishing BARCT requirements and implements Sections 110, 172, 173, and 182(e) of the federal Clean Air Act. PR 1159.1 will be submitted to CARB and U.S. EPA for inclusion into the State Implementation Plan

Implementation and Resource Impact

Existing staff resources are adequate to implement PR 1159.1. A limited number of facilities would require installation of control equipment or modification to permit conditions to comply with PR 1159.1, which will have the effect of minimizing the number of permit applications and source tests for staff to evaluate. Most facilities will be expected to maintain records, which will not require a South Coast AQMD permit application.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Proposed Rule 1159.1
- G. Final Staff Report
- H. Final Socioeconomic Impact Assessment
- I. Notice of Exemption from CEQA
- J. Board Presentation

ATTACHMENT A
SUMMARY OF PROPOSAL

Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks

Applicability

- Applies to owners or operators of Nitric Acid Unit(s) where nitric acid either reacts with a metal or decomposes at high temperatures forming oxides of nitrogen (NO_x)

Emission Limits

- Establishes BARCT emission limits for NO_x for air pollution control device (APCD) venting Nitric Acid Unit(s)
 - 0.30 lb/hr per APCD and 0.90 lb/hr facility-wide; or
 - 99% control efficiency per APCD

Requirements

- By January 1, 2026, submit permit application for new or modified APCD; and within 12 months of issuance of permit to construct but no later than January 1, 2029, vent emissions to an APCD meeting 0.30 lb/hr or 99% control efficiency demonstrated by periodic source testing once every five years; or
- By January 1, 2026, demonstrate not exceeding the following thresholds
 - 0.60 lb/hr for uncontrolled emissions through one-time source test with operating conditions incorporated into permit(s); or
 - 550 gal/yr of nitric acid per unit and 1,650 gal/yr of nitric acid facility-wide through recording nitric acid usage; and
- Beginning January 1, 2025, for APCDs
 - Quarterly inspections
 - Weekly parameter monitoring

Exemption

- Tanks used exclusively for cleaning as described on permit(s)

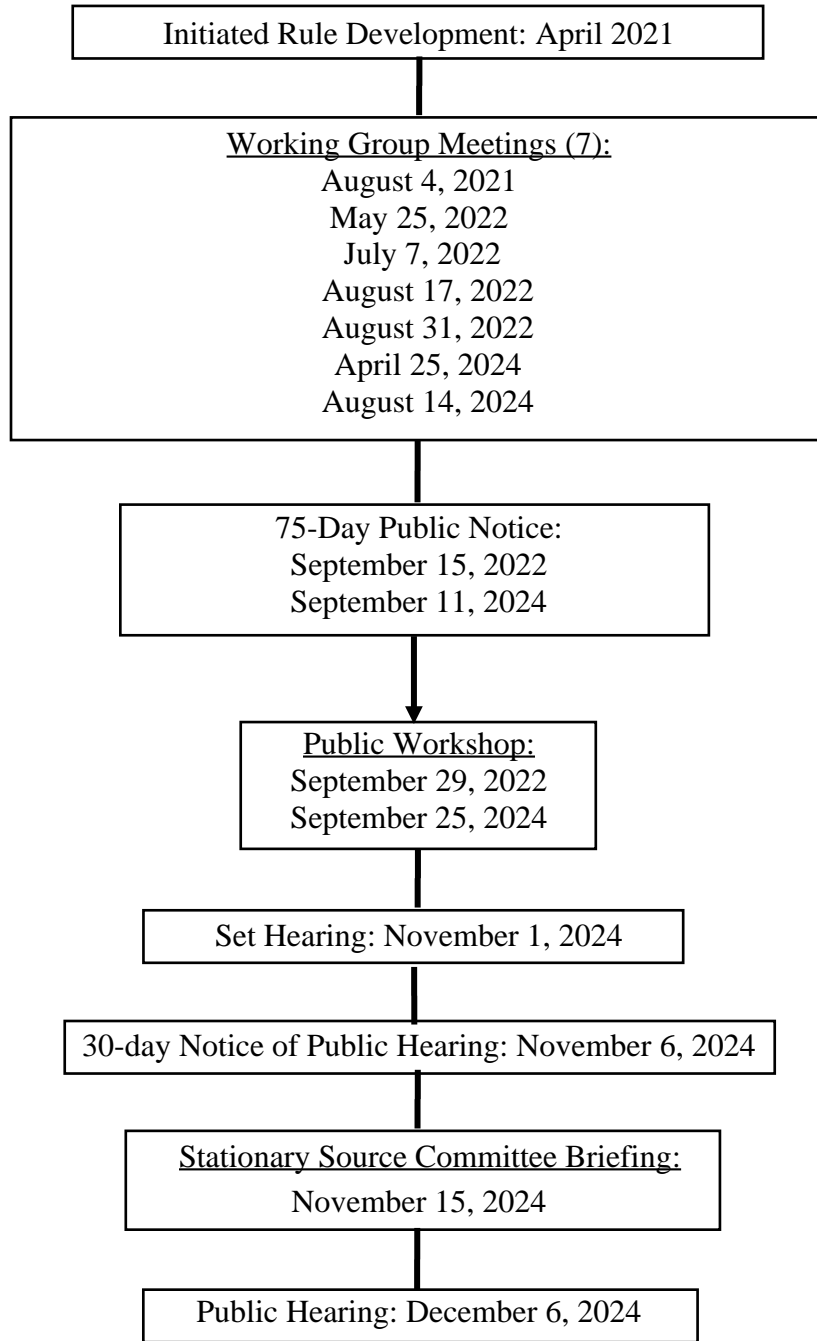
ATTACHMENT B
KEY ISSUES AND RESPONSES

Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks

Through the rulemaking process staff has worked with stakeholders to address a variety of issues. Staff is not aware of any remaining key issues.

**ATTACHMENT C
RULE DEVELOPMENT PROCESS**

Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks



Forty-three (43) months spent in rule development.

Two (2) Public Workshops.

Seven (7) Working Group Meetings.

ATTACHMENT D
KEY CONTACTS LIST

- AAA Plating & Inspection
- Aircraft X-Ray Laboratories
- Alert Plating Co
- Anachem Laboratories LLC
- Barry Avenue Plating
- CECO Environmental
- Cherry Aerospace
- Danco
- Desmond & Desmond LLC
- Dip Braze Inc
- Element Materials Technology
- Embee Processing
- Envitech Inc
- Heraeus Precious Metals
- K&L Anodizing
- Metal Finishing Association of Southern California
- Metal Surfaces International LLC
- Northrop Grumman
- Plateronics Processing Inc
- Platinum Surface Coating Inc
- Precision Aerospace Corporation
- Quaker City Plating
- Ramboll
- Southern California Air Quality Alliance
- SGL Technical
- Stabile Plating Co Inc
- The Boeing Company
- Tri-Mer Corp
- Trinity Consultants
- Vista Metals Corporation
- Yorke Engineering

ATTACHMENT E

RESOLUTION NO. 24-____

A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks, is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the South Coast AQMD Governing Board adopting Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks.

WHEREAS, the South Coast AQMD Governing Board finds and determines that Proposed Rule 1159.1 is considered a "project" as defined by CEQA; and

WHEREAS, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and has conducted a CEQA review and analysis of the proposed project pursuant to such program (South Coast AQMD Rule 110); and

WHEREAS, the South Coast AQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Rule 1159.1 is exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board finds and determines that since a relatively small number of facilities are expected to undergo minimal construction activities over an extended compliance timeline and conduct intermittent source tests, it can be seen with certainty that Proposed Rule 1159.1 would not cause a significant adverse effect on the environment; therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

WHEREAS, the South Coast AQMD staff has prepared a Notice of Exemption for the proposed project, that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, Proposed Rule 1159.1 and supporting documentation, including but not limited to, the Notice of Exemption, Final Staff Report, and Final Socioeconomic Impact Assessment, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

ATTACHMENT E

WHEREAS, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Rule 1159.1, since the notice of public hearing was published are not so substantial as to significantly affect the meaning of the proposed rule within the meaning of Health and Safety Code Section 40726 because: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the proposed rule, (c) the changes are consistent with the information contained in the Notice of Public Hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because the proposed project is exempt from CEQA; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment for Proposed Rule 1159.1, is consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule adoption; and

WHEREAS, the South Coast AQMD Governing Board has determined that the Final Socioeconomic Impact Assessment for Proposed Rule 1159.1 is consistent with the provisions of Health and Safety Code Sections 40440.8, 40728.5, and 40920.6; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Rule 1159.1 will result in net jobs foregone but with minimal impacts on production costs and delivered prices in the South Coast AQMD region, and increased costs to the affected industries, yet such costs are considered to be reasonable; and

WHEREAS, the South Coast AQMD Governing Board has actively considered the Final Socioeconomic Impact Assessment and has made a good faith effort to minimize such impacts; and

WHEREAS, the South Coast AQMD Governing Board has determined that a need exists to adopt Rule 1159.1 to continue with the transition of facilities in the Regional Clean Air Incentives Market (RECLAIM) program to a command-and-control regulatory structure to meet the commitments of Control Measure CMB-05 of the Final 2016 Air Quality Management Plan (AQMP) and to implement Best Available Retrofit Control Technology (BARCT); and

WHEREAS, Proposed Rule 1159.1 will be submitted to California Air Resources Board (CARB) and United States Environmental Protection Agency (U.S. EPA) for inclusion into the State Implementation Plan; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

ATTACHMENT E

WHEREAS, Proposed Rule 1159.1 is needed to establish BARCT requirements for facilities that will be transitioning from RECLAIM to a command-and-control regulatory structure and to provide NOx Emission limits for Nitric Acid Units used at RECLAIM and Non-RECLAIM facilities to reflect current BARCT emission limits; and

WHEREAS, the South Coast AQMD Governing Board obtains its authority to adopt, amend or repeal rules and regulations from Sections 39002, 40000, 40001, 40440, 40506, 40702, 40725 through 40728, 41508, and 42300 et seq. of the Health and Safety Code as well as the federal Clean Air Act; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Rule 1159.1 is written and displayed so that the meanings can be easily understood by the persons directly affected by it; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Rule 1159.1 is in harmony with and not in conflict with or contradictory to, existing statutes, court decisions or state or federal regulations; and

WHEREAS, the South Coast AQMD Governing Board has determined that Proposed Rule 1159.1 does not impose the same requirements as any existing state or federal regulations, and the proposed rule is necessary and proper to execute the powers and duties granted to, and imposed upon, South Coast AQMD; and

WHEREAS, the South Coast AQMD Governing Board, in adopting Proposed Rule 1159.1, references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific in Health and Safety Code Sections 39002, 40000, 40001, 40405, 40406, 40440(a), 40506, 40702, 40725 through 40728.5, 40920.6, and 42300 et seq.; and

WHEREAS, the Public Hearing has been properly noticed in accordance with the provisions of Health and Safety Code Sections 40725 and 40440.5; and

WHEREAS, the South Coast AQMD Governing Board has held a Public Hearing in accordance with all applicable provisions of state and federal law; and

WHEREAS, the South Coast AQMD Governing Board finds that there is an ozone problem that Proposed Rule 1159.1 will alleviate and that the proposed rule will promote the attainment or maintenance of state or federal ambient air quality standards; and

WHEREAS, the South Coast AQMD Governing Board specifies that the Planning, Rule Development, and Implementation Manager overseeing the development of Proposed Rule 1159.1 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of the Proposed Rule 1159.1

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is based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

WHEREAS, Health and Safety Code Section 40727.2 requires the South Coast AQMD to prepare a written analysis of existing federal air pollution control requirements applicable to the same source type being regulated whenever it adopts or amends a rule, and the South Coast AQMD’s comparative analysis of Proposed Rule 1159.1 is included in the Final Staff Report; and

WHEREAS, the South Coast AQMD Governing Board finds that the proposed control options for Proposed Rule 1159.1 are being adopted because they constitute BARCT, as required by Assembly Bill 617, and that the other control options did not meet BARCT; and

WHEREAS, the South Coast AQMD staff conducted two Public Workshops regarding Proposed Rule 1159.1 on September 29, 2022 and September 25, 2024; and

NOW, THEREFORE BE IT RESOLVED, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Rule 1159.1 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. This information has been presented to the South Coast AQMD Governing Board, whose members exercised their independent judgment and reviewed, considered, and approved the information therein prior to acting on the proposed project; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board does hereby adopt, pursuant to the authority granted by law, Proposed Rule 1159.1, as set forth in the attached, and incorporated herein by reference; and

BE IT FURTHER RESOLVED, that the South Coast AQMD Governing Board requests that Proposed Rule 1159.1 be submitted for inclusion in the State Implementation Plan; and

BE IT FURTHER RESOLVED, that the Executive Officer is hereby directed to forward a copy of this Resolution and Proposed Rule 1159.1 and supporting documentation to CARB for approval and subsequent submittal to U.S. EPA for inclusion into the State Implementation Plan.

DATE: _____

CLERK OF THE BOARDS

**PROPOSED CONTROL OF NOX EMISSIONS FROM NITRIC ACID TANKS
RULE 1159.1**

[Rule Index to be included after adoption]

(a) Purpose

The purpose of this rule is to reduce emissions of nitrogen oxides from Nitric Acid Units.

(b) Applicability

This rule applies to owners and/or operators of facilities with one or more Nitric Acid Unit(s).

(c) Definitions

For purposes of this rule the following definitions shall apply:

- (1) AIR POLLUTION CONTROL DEVICE (APCD) means an equipment or multiple pieces of equipment in series that control NOx Emissions from one or more Nitric Acid Units. An APCD begins at the point where emissions are collected from a Nitric Acid Unit to the point where emissions are discharged into the air from an exhaust stack.
- (2) CLEANING TANK means a tank containing nitric acid used to remove surface contaminants from parts where nitric acid is not intended to react with a metal.
- (3) EXCEEDANCE YEAR means a calendar year when the annual adjusted nitric acid additions into Nitric Acid Unit(s) exceed either or both threshold(s) specified in clause (d)(2)(B)(i) or (d)(2)(B)(ii).
- (4) NITRIC ACID UNIT means tank, reactor, vessel, or other container containing nitric acid, where nitric acid either decomposes at a temperature greater than 1300-degree Fahrenheit or reacts with a metal, that has been issued or is required to obtain a South Coast AQMD permit. A Nitric Acid Unit does not include a container used exclusively to store nitric acid or a Rinse Tank.
- (5) NOx EMISSIONS means the sum of nitric oxide and nitrogen dioxide emitted, calculated and expressed as nitrogen dioxide.
- (6) RINSE TANK means any tank where a part is partially or fully submerged into a liquid to remove any residual solution from a Nitric Acid Unit.

(d) Nitric Acid Unit Requirements

- (1) Nitric Acid Units Vented to an APCD
 - (A) Performance Standards for APCDs

Pursuant to the date specified in *Table 1 – Implementation Schedule*, an owner or operator of a Nitric Acid Unit shall collect and vent emissions to an APCD that meets the requirements of either clause (d)(1)(A)(i) or (d)(1)(A)(ii) ~~one of the following requirements~~ demonstrated by a source test that meets the requirements in subdivision (h):

- (d) (1) (A) (i) An overall NO_x Emissions rate from the combined Nitric Acid Unit(s) vented to the APCD at or below 0.30 pounds per hour (lb/hr); or
- (ii) A NO_x control efficiency of 99%, as determined by mass emissions.

(B) Submittal of Permit Applications

Pursuant to the date specified in *Table 1 – Implementation Schedule*, an owner or operator of a Nitric Acid Unit not equipped with an APCD or a Nitric Acid Unit equipped with an existing APCD required to be modified to meet the performance standards specified in clause (d)(1)(A)(i) or (d)(1)(A)(ii) shall submit a complete South Coast AQMD permit application for the APCD that meets the requirements in subparagraph (d)(1)(A).

(C) APCD Requirements for Parameter Monitoring

An owner or operator of an APCD installed or modified after [date of rule adoption] to meet the requirements of subparagraph (d)(1)(A) that uses scrubber solution shall operate the APCD with:

- (i) A flowmeter to measure flowrate of scrubber solution for each stage of the APCD;
- (ii) A pH meter to measure pH of scrubber solution for each stage of the APCD; and
- (iii) A pressure differential measuring device to measure pressure drop across each stage of the APCD.

(2) Nitric Acid Units – Alternative Compliance Pathways

If an owner or operator of a Nitric Acid Unit elects to comply with an alternative pathway in lieu of meeting the requirements in paragraph (d)(1), the owner or operator shall comply with either subparagraph (d)(2)(A) or (d)(2)(B) for each Nitric Acid Unit ~~at least one of the following~~ pursuant to the schedule specified in *Table 1 – Implementation Schedule*:

- (A) Source Testing

- (i) Submit a source test protocol pursuant to paragraph (h)(1);
- (d) (2) (A) (ii) Submit a complete South Coast AQMD permit application for each Nitric Acid Unit electing to comply with subparagraph (d)(2)(A) to include maximum operating conditions based on testing conditions described in clause (d)(2)(A)(i) that include:
 - (I) Operating temperature;
 - (II) Nitric acid concentration;
 - (III) Number of parts; and
 - (IV) List of metals with 10.5 percent or greater in the parts and the corresponding maximum percentage;
- (iii) Demonstrate all Nitric Acid Unit(s) at the facility electing to comply with subparagraph (d)(2)(A) do not exceed a combined NO_x Emissions rate of 0.60 lb/hr, demonstrated by a source test that meets the requirements in subdivision (h);
- (iv) Not process a part containing a metal or metal alloy in a Nitric Acid Unit electing to comply with subparagraph (d)(2)(A), unless all metal(s) that comprise 10.5 percent or greater of the part have been evaluated by an approved source test that demonstrates compliance with clause (d)(2)(A)(iii); and
- (v) Operate the Nitric Acid Unit(s) pursuant to permit(s) containing operating conditions specified in the permit application submitted pursuant to clause (d)(2)(A)(ii).
- (B) Recording Additions to Nitric Acid Units
Demonstrate for all Nitric Acid Unit(s) at the facility electing to comply with subparagraph (d)(2)(B) that no more than one calendar year of the most recent five calendar year period, including the current calendar year, exceeds either or both of the following limits on annual adjusted nitric acid additions to Nitric Acid Unit(s), as determined pursuant to paragraph (g)(3) or (g)(4) and *Appendix A – Nitric Acid Additions and Adjustments*:
 - (i) 550 gallons of nitric acid calculated at 68 weight percent (WT%) per calendar year per Nitric Acid Unit; and
 - (ii) 1650 gallons of nitric acid calculated at 68 WT% per calendar year for all Nitric Acid Units at the facility electing to comply with subparagraph (d)(2)(B).

- (3) Facilities with Multiple APCDs Complying with Clause (d)(1)(A)(i)
- (d) (3) Pursuant to the date specified in *Table 1 – Implementation Schedule*, an owner or operator of two or more APCDs electing to comply with the requirements of clause (d)(1)(A)(i) in lieu of clause (d)(1)(A)(ii) shall demonstrate that the combined NOx Emissions rates for all Nitric Acid Units vented to APCDs subject to clause (d)(1)(A)(i) do not exceed 0.90 lb/hr demonstrated by a source test that meets the requirements in subdivision (h).

Table 1 – Implementation Schedule

Date Initial Permit to Operate Issued for Nitric Acid Unit	Rule Requirement	Compliance Date
On or before [Date of Adoption]	(d)(1)(B) OR (d)(2)(A)(iii)	No later than January 1, 2026
	(d)(2)(A)(i) and (d)(2)(A)(ii)	No later than July 1, 2025
	(d)(2)(B)	Beginning January 1, 2026
	(d)(1)(A) and (d)(3)	Beginning 12 months after a permit to construct for an APCD is issued to meet the requirements of paragraph (d)(1)(B) unless an extension is granted, or beginning January 1, 2029, whichever is earlier ¹
	(d)(1)(C)	Beginning 12 months after a permit to construct for an APCD is issued to meet the requirements of subparagraph (d)(1)(A)
	(d)(2)(A)(iv) and (d)(2)(A)(v)	Beginning January 1, 2027
After [Date of Adoption]	(d)(1)(A) and (d)(3)	Beginning 120 days after initial operation of the APCD
	(d)(1)(C)	Beginning at time of initial operation of the APCD
	(d)(2)(A)(i) and (d)(2)(A)(ii)	Prior to initial operation of Nitric Acid Unit
	(d)(2)(A)(iii), (d)(2)(A)(iv) and (d)(2)(A)(v)	Beginning 120 days after initial operation of Nitric Acid Unit
	(d)(2)(B)	Beginning at time of initial operation of Nitric Acid Unit

¹ If previously elected to comply with subparagraph (d)(2)(A) or (d)(2)(B): Beginning 12 calendar months after a permit to construct for an APCD is issued unless an extension is granted or beginning 36 calendar months after meeting the requirements of (d)(1)(B), whichever is earlier.

- (d) (4) Labeling of Tanks
- Beginning July 1, 2025, an owner or operator of a Nitric Acid Unit shall maintain clear labeling:
- (A) Specifying the tank name or other identifier and South Coast AQMD application or permit number on each Nitric Acid Unit, unless the Nitric Acid Unit is subject to the labeling requirements specified in paragraph (f)(5) of Rule 1426 – Emissions from Metal Finishing Operations or paragraph (g)(3) of Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations; and
- (B) With “Rule 1159.1 Cleaning Tank” for each Cleaning Tank.
- (e) Facilities Exceeding 550-gallon Individual or 1650-gallon for all Nitric Acid Units Threshold
- (1) Ineligible for Compliance Pathway (d)(2)(B)
- Pursuant to the schedule specified in *Table 2 – Implementation Schedule for Facilities Exceeding Usage Threshold*, an owner or operator of a Nitric Acid Unit electing to comply with subparagraph (d)(2)(B) that exceeded either or both threshold(s) specified in clause (d)(2)(B)(i) or (d)(2)(B)(ii) for any two calendar years within a five calendar year period shall thereafter meet the requirements of paragraph (d)(1) or subparagraph (d)(2)(A) for all Nitric Acid Unit(s) previously complying with subparagraph (d)(2)(B).
- (2) Annual Usage Threshold
- In lieu of meeting the requirements of subparagraph (d)(2)(B), beginning the calendar year following the second Exceedance Year and until meeting the requirements of subparagraph (d)(1)(B) or clauses (d)(2)(A)(i) through (iii), an owner or operator subject to the requirements of paragraph (e)(1) shall demonstrate that the annual adjusted nitric acid additions to the Nitric Acid Unit(s) formerly complying with the requirements of subparagraph (d)(2)(B), as determined pursuant to paragraph (g)(3) or (g)(4) and *Appendix A – Nitric Acid Additions and Adjustments*, do not exceed the either or both of the thresholds specified in clauses (d)(2)(B)(i) and (d)(2)(B)(ii) for each calendar year.

Table 2 – Implementation Schedule for Facilities Exceeding Usage Threshold

Applicability	Rule Requirement ¹	Effective Date
Facilities required to comply with Subdivision (e)	(d)(1)(B) OR (d)(2)(A)(i) and (d)(2)(A)(ii)	No later than 12 months after the month in which the annual adjusted nitric acid additions exceed the threshold in the second Exceedance Year
	(d)(2)(A)(iii)	No later than 18 months after the month in which the annual adjusted nitric acid additions exceed the threshold in the second Exceedance Year
	(d)(1)(A) and (d)(3)	Beginning 12 months after a permit to construct for an APCD is issued to meet the requirements of paragraph (d)(1)(B) unless an extension is granted or beginning 36 months after the month in which the annual adjusted nitric acid additions exceed the threshold in the second Exceedance Year, whichever is earlier
	(d)(1)(C)	Beginning 12 months after a permit to construct for an APCD is issued to meet the requirements of subparagraph (d)(1)(A)
	(d)(2)(A)(iv) and (d)(2)(A)(v)	Beginning 30 months after the month in which the annual adjusted nitric acid additions exceed the threshold in the second Exceedance Year

¹ Except for the compliance deadlines specified in Table 1-Implementation Schedule

- (f) Inspection and Maintenance of Air Pollution Control Device
Beginning January 1, 2025, an owner or operator of an APCD shall:
 - (1) Conduct visual inspections for leaks and malfunctions on the APCD per the manufacturer’s recommended schedule or at least once every quarter, whichever is more frequent; and
 - (2) Maintain and operate the APCD in accordance with manufacturer’s specifications and recommendations.

- (g) Monitoring and Recordkeeping Requirements
 - (1) APCD Parameter Monitoring Requirements

Beginning January 1, 2025, an owner or operator of a Nitric Acid Unit vented to an APCD shall monitor and record the following parameters for each APCD at least weekly for each week the APCD operates:

- (g) (1) (A) Flowrate of scrubber solution for each stage of the APCD, if equipped with a flowmeter(s);
- (B) pH of the scrubber solution for each stage of the APCD, if equipped with a pH meter(s); and
- (C) Pressure drop across each stage of the APCD, if equipped with a pressure differential measuring device(s).

- (2) Recordkeeping Requirements for Facilities Complying with Subparagraph (d)(2)(A)

An owner or operator of a Nitric Acid Unit electing to meet the requirements of subparagraph (d)(2)(A) shall maintain a specification sheet for each:

- (A) Product or part processed in the Nitric Acid Unit(s) that specifies either, the precise percentage or the maximum percentage, of all metal(s) present; and
 - (B) Process type conducted in the Nitric Acid Unit that specifies the type of metals processed, and the acceptable operating conditions for nitric acid concentration and processing time.
- (3) Recordkeeping Requirements for Facilities Complying with Subparagraph (d)(2)(B) on or before July 1, 2025

Beginning July 1, 2025, an owner or operator of a Nitric Acid Unit electing to meet the requirements of subparagraph (d)(2)(B) on or before July 1, 2025 shall:

- (A) Additions of Nitric Acid
Record for each addition of nitric acid made to the Nitric Acid Unit(s) the following:
 - (i) Date of the addition;
 - (ii) Volume of the addition, in gallons;
 - (iii) Concentration of nitric acid in the addition based on either:
 - (I) Highest concentration listed on the manufacturer's Safety Data Sheet (SDS); or
 - (II) Chemical analysis of a sample; and
 - (iv) Volume of addition, calculated at 68 WT% pursuant to *Appendix A – Nitric Acid Additions and Adjustments*;
- (B) Optional Nitric Acid Removal Adjustments

If deducting the amount of nitric acid unreacted with a metal and removed from a Nitric Acid Unit(s), record the following information for each removal of unreacted nitric acid:

- (g) (3) (B) (i) Date of the removal;
 - (ii) Volume of the removal, in gallons;
 - (iii) Concentration of nitric acid removed as determined by chemical analysis; and
 - (iv) Volume of nitric acid removed, calculated at 68 WT% pursuant to *Appendix A – Nitric Acid Additions and Adjustments*;
 - (C) Retain:
 - (i) SDS or sample analysis report for each addition of nitric acid recorded; and
 - (ii) Sample analysis report of the sample for each nitric acid removal recorded; and
 - (D) Monthly Records of Additions to Nitric Acid Units
No later than 14 days after each calendar month, calculate and record the adjusted additions of nitric acid at 68 WT% per month for each Nitric Acid Unit and all Nitric Acid Units(s), calculated pursuant to *Appendix A – Nitric Acid Additions and Adjustments* and recorded pursuant to *Appendix B – Recordkeeping Form*.
- (4) Recordkeeping Requirements for Facilities Complying with Subparagraph (d)(2)(B) after July 1, 2025
Beginning the date electing to meet the requirements of subparagraph (d)(2)(B) or the date required to meet the requirements of paragraph (e)(2), an owner or operator shall comply with subparagraphs (g)(3)(A) through (D).
- (5) Annual Records of Additions to Nitric Acid Units
No later than February 1 of the year following the year an owner or operator is required to comply with the requirements in paragraph (g)(3) or (g)(4) and no later than February 1 of each subsequent year, an owner or operator shall determine the annual adjusted nitric acid additions at 68 WT% for the preceding calendar year for each Nitric Acid Unit and all Nitric Acid Units(s), calculated pursuant to *Appendix A – Nitric Acid Additions and Adjustments* and recorded pursuant to *Appendix B – Recordkeeping Form*.

- (g) (6) Record Retention Requirements

The owner or operator shall maintain, keep on site for at least five years, and make available to the Executive Officer upon request all records required by this rule.

- (h) Source Testing Requirements and Test Methods
 - (1) Submittal of Source Test Protocol Prior to Source Testing
 - (A) Prior to conducting the first source test to demonstrate compliance with the requirement in clause (d)(1)(A)(i), (d)(1)(A)(ii), or subparagraph (d)(2)(A), the owner or operator of a Nitric Acid Unit shall submit a source test protocol with the information specified in paragraph (h)(2) or (h)(3), as applicable, to sourcetesting@aqmd.gov or a South Coast AQMD web portal for approval.
 - (B) Prior to conducting any subsequent source test to meet the requirements specified in paragraph (h)(5), the owner or operator of a Nitric Acid Unit shall submit a source test protocol that includes the conditions, numbers, and parameters referenced by subparagraphs (h)(2)(A) through (H) if there are any changes in the conditions, numbers, or parameters referenced by subparagraphs (h)(2)(A) through (H) in the most recently-approved source test protocol or if the Executive Officer requests an updated or new source test protocol.
 - (2) Protocol for Source Tests for Nitric Acid Units Equipped with an APCD

An owner or operator of a Nitric Acid Unit demonstrating compliance with the requirement in clause (d)(1)(A)(i) or (d)(1)(A)(ii) shall submit a source test protocol that includes:

 - (A) Facility information;
 - (B) Description of the operations to be tested;
 - (C) Parameters being measured;
 - (D) Source test methods used including:
 - (i) Method 100.1 – Instrumental Analyzer Procedures for Continuous Gaseous Emission Sampling (March 1989); and
 - (ii) South Coast AQMD Methods 1.1-4.1 to determine stack gas flowrate;
 - (E) Design criteria and the ventilation parameters;
 - (F) The number of test runs;

- (h) (2) (G) Test conditions that represent normal operations of the Nitric Acid Unit(s); and
- (H) South Coast AQMD permits for the Nitric Acid Unit(s) controlled by the APCD.

(3) Protocol for Source Tests for Uncontrolled NO_x Emissions from Nitric Acid Units

An owner or operator of a Nitric Acid Unit demonstrating compliance with the requirement in subparagraph (d)(2)(A) shall submit a source test protocol that includes:

- (A) Information specified in subparagraphs (h)(2)(A) through (F) and South Coast AQMD permit for the Nitric Acid Unit(s) and associated air pollution control device, if -the Nitric Acid Unit(s) are vented to an air pollution control device;
- (B) Metals or metal alloys to be tested;
- (C) A product sheet that specifies either the precise percentage or the maximum percentage of metal(s) in a metal alloy listed pursuant to paragraph (g)(2); and
- (D) Test conditions, representing either maximum operations of the Nitric Acid Unit(s) or conditions approved by the Executive Officer, that include the following parameters:
 - (i) Temperature;
 - (ii) Nitric acid concentration; and
 - (iii) Number of parts processed.

(4) Conducting Source Tests

An owner or operator of a Nitric Acid Unit required to meet the requirements in clause (d)(1)(A)(i), (d)(1)(A)(ii), or subparagraph (d)(2)(A) shall conduct a single run source test:

- (A) According to the source test protocol most recently required pursuant to paragraph (h)(1), after it has been approved;
- (B) Confirming operations of the APCD is consistent with the design and operational conditions specified in its South Coast AQMD approved permit, if conducting a source test for an APCD; and
- (C) Confirming proper collection and quantification consistent with the applicable testing procedures regarding enclosures and emissions capture referenced in Rule 1469 or other South Coast AQMD-approved method,

if conducting a source test for a Nitric Acid Unit(s) not equipped with an APCD.

- (h) (5) Periodic Source Testing for APCDs
No later than five calendar years from the last source test that demonstrated compliance with the requirement in clause (d)(1)(A)(i) or (d)(1)(A)(ii), an owner or operator of a APCD shall conduct a subsequent source test pursuant to paragraph (h)(4).
- (6) Submittal of Final Source Test Report
No later than 120 days after date source test was conducted and no later than the applicable due date in Table 1, Table 2 or paragraph (h)(5), an owner or operator of a Nitric Acid Unit shall submit the complete final source test report to sourcetesting@aqmd.gov or a South Coast AQMD web portal.
- (i) Exemptions
The requirements of paragraphs (d)(1) through (d)(3), subdivision (g), and subdivision (h) do not apply to a Cleaning Tank described exclusively as a cleaning tank in the description of a South Coast AQMD permit.

Appendix A – Nitric Acid Additions and Adjustments

1. Applicability

This appendix specifies the methodology for calculating the annual additions of nitric acid containing chemicals to a Nitric Acid Unit(s) at the facility electing to comply with subparagraph (d)(2)(B) or required to comply with paragraph (e)(2).

2. Nitric Acid Additions

The amount of chemicals containing nitric acid added, including those that are new or recycled, for each Nitric Acid Unit shall be determined as follows:

- A. For each addition, measure and record the volume, in gallons, to nearest tenth of a gallon, of the nitric acid solution added to each Nitric Acid Unit;
- B. For each addition, determine and record the WT% of nitric acid in the solution added. If only VOL% is available, convert to equivalent gallons at 100 VOL % which is same as 100 WT% (see Example 1 Step A and B);
- C. For each addition, calculate the equivalent volume (gallons at 68 WT%) using the density^{1,2} (see Example 1 Step C);
- D. Add each addition (gallons at 68 WT%) made within the calendar month to determine the amount of monthly additions (see Example 1 Step D);
- E. Add each monthly addition (gallons at 68 WT%) to determine the amount of annual additions (see Example 1 Step E).

Example 1: Addition using 40 VOL% nitric acid

Step A

70.0 gallons of nitric acid with a concentration at 40 VOL% were added to a Nitric Acid Unit each month for one calendar year; the facility has 1 Nitric Acid Unit.

Step B

$$(70.0 \text{ gallons}_{40 \text{ VOL}\%}) * 0.40 \frac{\text{gallon}_{100 \text{ VOL}\%}}{\text{gallon}_{40 \text{ VOL}\%}} = 28.0 \text{ gallons}_{100 \text{ VOL}\%}$$

$$28.0 \text{ gallons}_{100 \text{ VOL}\%} = 28.0 \text{ gallons}_{100 \text{ WT}\%}$$

Step C

Density of 68 WT% nitric acid = 11.79 lb/gal

Density of 100 WT% nitric acid = 12.6 lb/gal

¹ Use 12.6 lb/gal as the density for 100 WT% nitric acid solution and 11.79 lb/gal as the density for 68 WT% nitric acid solution.

² If calculating from another WT %, use the density as analyzed or specified in the SDS

$(28.0 \text{ gallons}_{100 \text{ WT}\%}) * (1.00/0.68) * [(12.6 \text{ lb/gal}) / (11.79 \text{ lb/gal})] = 44.0 \text{ gallons of } 68 \text{ WT}\% \text{ nitric acid added}$

Step D

$(44.0 \text{ gallons of } 68 \text{ WT}\% \text{ nitric acid added}) * 1 = 44.0 \text{ gallons of } 68 \text{ WT}\% \text{ nitric acid was added monthly}$

Step E

$(44.0 \text{ gallons}_{68 \text{ WT}\%}) * 12 = 528 \text{ gallons nitric acid}_{68 \text{ WT}\%} \text{ added annually}$

3. Nitric Acid Removal Adjustments (Optional)

The amount of nitric acid removed from a Nitric Acid Unit shall be determined as follows:

- A. For each removal, measure and record the volume of the nitric acid solution removed, to the nearest tenth of a gallon, from each Nitric Acid Unit;
- B. For each removal, determine and record the WT% of nitric acid solution removed via chemical analysis conducted by an on-site laboratory or a third-party laboratory. If only VOL% is available, convert to equivalent gallons at 100 VOL % which is same as 100 WT% (see Example 2 below);
- C. For each removal, calculate the equivalent volume (gallons at 68 WT%) using the density;
- D. Add each removal (gallons at 68 WT%) made within the calendar month to determine the amount of monthly reductions;
- E. Add each monthly reduction (gallons at 68 WT%) to determine the amount of annual removal adjustment.

Example 2: Removal of a 20 VOL% nitric acid

Step A

10.0 gallons of nitric acid with a concentration at 20 VOL% was removed from a Nitric Acid Unit twice each month for one calendar year; the facility has 1 Nitric Acid Unit.

Step B

$(10.0 \text{ gallons}_{20 \text{ VOL}\%}) * 0.20 \frac{\text{gallon}_{100 \text{ VOL}\%}}{\text{gallon}_{20 \text{ VOL}\%}} = 2.0 \text{ gallons}_{100 \text{ VOL}\%}$

$2.0 \text{ gallons}_{100 \text{ VOL}\%} = 2.0 \text{ gallons}_{100 \text{ WT}\%}$

Step C

Density of 68 WT% nitric acid = 11.79 lb/gal

Density of 100 WT% nitric acid = 12.6 lb/gal

$(2.0 \text{ gallons}_{100 \text{ WT}\%}) * (1.00/0.68) * [(12.6 \text{ lb/gal}) / (11.79 \text{ lb/gal})] = 3.14 \text{ gallons of } 68 \text{ WT}\% \text{ nitric acid removed}$

Step D

(3.14 gallons of 68 WT% nitric acid removed) * 2 = 6.28 gallons of 68 WT% nitric acid was removed monthly

Step E

(6.28 gallons_{68 WT%}) * 12 = 75.4 gallons nitric acid_{68 WT%} removed annually

4. Annual Adjusted Nitric Acid Additions

The total amount of annual adjusted nitric acid additions to a Nitric Acid Unit(s) at the facility electing to comply with subparagraph (d)(2)(B) or required to comply with paragraph (e)(2) shall be determined as follows:

- A. Determine the total annual amount of nitric acid added per calendar year, both new and recycled;
- B. Determine the total annual amount of nitric acid removed per calendar (optional);
- C. Subtract the total annual amount of nitric acid removed from the total annual amount of nitric acid added to determine the amount of annual adjusted additions.

Example 3: Annual additions of 40 VOL% nitric acid and removal of 20 VOL% nitric acid that incorporates numbers derived from Examples 1 and 2

Step A

528 gallons of nitric acid_{68 WT%} added annually

Step B

75.4 gallons of nitric acid_{68 WT%} removed annually

Step C

(528 gallons_{68 WT%} added annually) – (75.4 gallons_{68 WT%} removed annually) = **452.6 gallons of nitric acid_{68 WT%} additions for calendar year after adjustments**

Appendix B – Recordkeeping Form

Form A - South Coast AQMD Rule 1159.1 Recordkeeping Form
 Nitric Acid Unit*

Facility ID:		Tank Number:	
Facility Name:			
Calendar Year:			
	Additions @ 68 WT% (gallons)	Optional Removal Adjustments @ 68 WT% (gallons)	
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Annual Adjusted Nitric Acid Additions: _____ gallons			

Is the Annual Adjusted Nitric Acid Addition below 550 gallons?

Yes No

If two or more calendar years within a five-calendar year period exceed the above threshold, South Coast AQMD Rule 1159.1 subdivision (e) applies.

**Use one Form A for each Nitric Acid Unit electing to comply with subparagraph (d)(2)(B) or required to comply with subdivision (e)*

Appendix B – Recordkeeping Form (continued)

Form B - South Coast AQMD Rule 1159.1 Recordkeeping Form
 Facility-Wide Nitric Acid Usage*

Facility ID:		
Facility Name:		
Calendar Year:		
	Additions @ 68 WT% (gallons)*	Optional Removal Adjustments @ 68 WT% (gallons)*
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
Annual Adjusted Nitric Acid Addition: _____ gallons		

Is the Annual Adjusted Nitric Acid Addition below 1650 gallons?

Yes No

If two or more calendar years within a five-calendar year period where exceed the above threshold, South Coast AQMD Rule 1159.1 subdivision (e) applies.

**Total volume from all applicable Nitric Acid Unit(s) electing to comply with subparagraph (d)(2)(B) or required to comply with subdivision (e)*

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report

Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks

December 2024

Deputy Executive Officer

Planning, Rule Development, and Implementation
Sarah Rees, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Implementation
Michael Krause

Planning and Rules Manager

Planning, Rule Development, and Implementation
Kalam Cheung, Ph.D.

Authors:

Min Sue – Air Quality Specialist
Ashley Dang – Air Quality Specialist
Melissa Gamoning – Program Supervisor

Contributors:

Jack Cheng – Sr. Enforcement Manager	Dipankar Sarkar – Program Supervisor
Heather Farr – Planning and Rules Manager	Sina Taghvaei, Ph.D. – Air Quality Specialist
Mitch Haimov – Senior Air Quality Engineering Manager	Arthur Thai – Air Quality Engineer
Stephen Jiang – Air Quality Engineer	Xian-Liang (Tony) Tian, Ph.D. – Program Supervisor
Sinae Kim – Supervising Air Quality Engineer	Brian Vlasich – Air Quality Specialist
Alisha Lewis – Supervising Air Quality Inspector	Bill Welch – Source Testing Manager
David Lui – Supervising Air Quality Engineer	Jillian Wong, Ph.D. – Asst. Deputy Executive Officer
Kevin Ni – Program Supervisor	Chris Yu – Asst. Air Quality Specialist
Barbara Radlein – Planning and Rules Manager	

Reviewed by:

Barbara Baird – Chief Deputy Counsel
Mojtaba Moghani – (WOC) Program Supervisor
Neil Fujiwara – Program Supervisor
Josephine Lee – Senior Deputy District Counsel
Mary Reichert – Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Senator (Ret.)
Senate Rules Committee Appointee

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Councilmember, South Pasadena
Cities of Los Angeles County/Eastern Region

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Cities of Riverside County Representative

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Cities of San Bernardino County

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Supervisor, Second District
County of Los Angeles

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Cities of Los Angeles County/Western Region

DONALD P. WAGNER
Supervisor, Third District
County of Orange

EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

The Regional Clean Air Incentives Market (RECLAIM) program was adopted in October 1993 under South Coast AQMD Regulation XX. RECLAIM is a market-based emissions trading program designed to reduce NO_x and SO_x emissions and includes facilities with historical NO_x or SO_x emissions greater than four tons per year. The 2016 Final Air Quality Management Plan (2016 AQMP) included Control Measure CMB-05: Further NO_x Reductions from RECLAIM Assessment (CMB-05) to ensure the NO_x RECLAIM program was achieving equivalency with command-and-control rules that are implementing Best Available Retrofit Control Technology (BARCT) and to generate further NO_x emission reductions at RECLAIM facilities. The adoption resolution for the 2016 AQMP directed staff to achieve five tons per day of NO_x emission reductions as soon as feasible but no later than 2025, and to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable. On July 26, 2017 the Governor approved California State Assembly Bill 617, which required air districts to develop, by January 1, 2019, an expedited schedule for the implementation of BARCT no later than December 31, 2023 for industrial facilities that are in the California greenhouse gas cap-and-trade program with priority given to older, higher polluting sources that need to install BARCT. As facilities transition out of the NO_x RECLAIM program, a command-and-control rule that includes NO_x emission standards reflecting BARCT is needed for all equipment categories. Although development of Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks (PR 1159.1) initiated in 2021, the schedule was postponed to evaluate the impacts from the updated cost-effectiveness threshold adopted in the 2022 AQMP.

PR 1159.1 is a command-and-control rule for facilities that operate one or more Nitric Acid Units where nitric acid either reacts with a metal or decomposes at high temperatures forming NO_x. PR 1159.1 proposes a NO_x Emissions limit for Nitric Acid Units that was developed through a BARCT assessment process. PR 1159.1 requires facilities to control NO_x Emissions through the BARCT emission limit of 0.30 pound per hour (lb/hr) or a control efficiency of 99%. Alternatively, facilities could demonstrate NO_x Emissions are less than the applicable threshold (s) in this rule with either source testing or through documentation of low nitric acid usage. PR 1159.1 establishes implementation schedules, as well as requirements for parameter monitoring, recordkeeping, and source testing. A total of 928 Nitric Acid Units is estimated to be subject to this rule. PR 1159.1 is estimated to impact 255 facilities, with 11 RECLAIM facilities and 244 non-RECLAIM facilities. PR 1159.1 is estimated to result in seven facilities installing NO_x controls, followed by source testing; 14 facilities complying through source testing of uncontrolled units; and 234 facilities complying through recordkeeping to demonstrate low nitric acid usage. Reduction of NO_x Emissions are estimated to be 0.11 ton per day, with cost-effectiveness of \$37,300 per ton of NO_x reduced. The implementation of PR 1159.1 is anticipated to result in an average annual compliance cost of \$2.47 million based on a 4% real interest rate, and 34 jobs foregone each year on average over the period of 2025-2052.

PR 1159.1 has been developed through a public process. South Coast AQMD held seven working group meetings, a Public Workshop (in 2022), nine site visits, and multiple individual meetings with stakeholders. Another Public Workshop was held on September 25, 2024, to present PR 1159.1 and receive public comment.

CHAPTER 1: BACKGROUND

INTRODUCTION

REGULATORY HISTORY

AFFECTED INDUSTRIES/FACILITIES

PUBLIC PROCESS

CHAPTER 1: BACKGROUND

Introduction

The Regional Clean Air Incentives Market (RECLAIM) program was adopted in October 1993 under South Coast AQMD Regulation XX. RECLAIM is a market-based emissions trading program designed to reduce NO_x and SO_x emissions and includes facilities with NO_x or SO_x emissions greater than four tons per year.

The 2016 Air Quality Management Plan (AQMP) included Control Measure CMB-05: Further NO_x Reductions from RECLAIM Assessment (CMB-05) to ensure the NO_x RECLAIM program was achieving equivalency with command-and-control rules that are implementing Best Available Retrofit Control Technology (BARCT) and to generate further NO_x emission reductions at RECLAIM facilities. CMB-05 included a requirement for five tons per day of NO_x emission reductions as soon as feasible but no later than 2025, and to transition the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable.

In 2015, staff conducted a programmatic analysis of equipment at each RECLAIM facility to determine if there are appropriate and up to date BARCT NO_x limits within existing command-and-control rules. It was determined that existing command-and-control rules would need to be adopted and/or amended to update emission limits to reflect current BARCT and provide implementation timeframes to meet BARCT emission limits. As facilities transition out of the NO_x RECLAIM program under the direction of the 2016 AQMP, a command-and-control rule that includes NO_x emission standards reflecting BARCT will be needed for all equipment categories. Most NO_x sources under RECLAIM are combustion sources. Proposed Rule 1159.1 (PR 1159.1) would address NO_x emissions from the chemical reaction or decomposition of nitric acid (i.e., non combustion sources).

On July 26, 2017, California State Assembly Bill (AB) 617 was approved by the Governor, which addresses non-vehicular air pollution (criteria pollutants and toxic air contaminants). It is a companion legislation to AB 398, which was also approved, and extends California's cap-and-trade program for reducing greenhouse gas emissions from stationary sources. RECLAIM facilities that are in the cap-and-trade program are subject to the requirements of AB 617. Among the requirements of this bill is an expedited schedule for implementing BARCT for cap-and-trade facilities. Air Districts were to develop by January 1, 2019, an expedited schedule for the implementation of BARCT no later than December 31, 2023, with emphasis on the largest emission sources first. In December 2022, the 2022 AQMP was adopted with the cost-effectiveness threshold changing from \$50,000 to \$325,000 per ton of NO_x reduced. As such, the schedule to consider Proposed Rule 1159.1 was postponed to further evaluate the approach and impact to facilities based on the updated cost-effectiveness threshold.

PR 1159.1 will establish the requirements for Nitric Acid Units based on the BARCT emission limits for this source category. These requirements will apply to RECLAIM facilities, former RECLAIM facilities that have exited the RECLAIM program, and non-RECLAIM facilities. PR 1159.1 will regulate NO_x emissions formed from the chemical reaction of nitric acid with metals or its decomposition at high temperatures in Nitric Acid Units. These types of operations are

typically found in metal finishing, precious metal reclamation, or expanded graphite foil production facilities.

Metal finishing is the surface treatment of a metal substrate to give it a desired characteristic. This can include anti-corrosion, durability, and adhesion. Due to the beneficial properties that can be imparted to products, metal finishing supports many industries including fixtures (home, kitchen, and bath), machinery and industrial equipment, and commercial and military aerospace. In South Coast AQMD, metal finishing facilities span over 90 different classifications under the North American Industry Classification System (NAICS) standard. The amount of NO_x emissions from metal finishing is dependent on the intended function of the individual tanks used in the process; surface treatment tanks such as Cleaning Tanks would have process times measured in minutes with minimal to no reaction of nitric acid with the metal part compared with the other extreme such as chemical milling tanks where a prescribed depth of metal is removed from the metal part with process times that can span hours or even days.

Precious metal reclamation involves the recovery of precious metals such as gold, platinum, or other metals from unwanted jewelry, used catalytic converters, or other metal scraps. Nitric acid is used in reactors or vessels along with hydrochloric acid to dissolve precious metal(s) into solution for later recovery and refining of these metals. NO_x emissions are formed during the chemical digestion of the metals with nitric acid.

Expanded graphite foil production involves the production of graphite foil (sheets) from raw graphite flakes. Nitric acid is used to soak raw graphite flakes before being sent to a furnace where the nitric acid thermally decomposes into gases, typically at temperature above 1300 degrees Fahrenheit,¹ including NO_x emissions that separate the layers of the graphite flakes which later are compressed to form graphite foil or sheets. The graphite foil is used to manufacture various products such as high temperature gaskets. All excess nitric acid must be driven off from the expanded graphite before finally forming the graphite foil.

Regulatory History

There are no regulations at the state or federal level controlling NO_x emissions from the use of nitric acid in metal finishing, precious metal reclamation, or expanded graphite foil production operations. In South Coast AQMD, some RECLAIM facilities have requirements for mass emission rates, concentration limits, or control efficiency for NO_x. Throughput limits, such as number of workpieces or pounds of metal per day, are indirect ways to limit NO_x emissions found on some permits. South Coast AQMD's Regulation XIII – New Source Review requires applicants to use Best Available Control Technology (BACT) for new sources, relocated sources, and modifications to existing sources that may result in an emission increase of any nonattainment air contaminant. Under Health and Safety Code Section 40405, BACT is defined as:

“... an emission limitation that will achieve the lowest achievable emission rate for the source to which it is applied.”

¹ Mercuri, R. A., Jr. & UCAR Carbon Technology Corporation. (1998). METHOD OF FORMING a FLEXBLE GRAPHITE SHEET WITH DECREASED ANISOTROPY (Patent No. USOO5846459A). In United States Patent (patent No. USOO5846459A).
<https://patentimages.storage.googleapis.com/04/06/4f/2f278be25616ac/US5846459.pdf>

In South Coast AQMD’s BACT Guidelines Part D: BACT Guidelines for Non-Major Polluting Facilities, there are several BACT requirements listed for control of NOx. For chemical milling/open process tanks, the use of pack chemical scrubbers is specified. For precious metal reclamation, the use of a 3-Stage NOx reduction scrubber is listed as BACT.

Affected Industries/Facilities

PR 1159.1 affects facilities that use nitric acid in tanks where nitric acid either reacts with a metal or decomposes at high temperatures. These types of operations are typically found in metal finishing, precious metal reclamation, or expanded graphite foil production operations. PR 1159.1 affects approximately 255 facilities in the NOx RECLAIM program as well as facilities outside of the RECLAIM program. Out of the 236 facilities in the NOx RECLAIM program as of 2021, 11 facilities would be affected by PR 1159.1. There are 244 non-RECLAIM facilities that are affected by PR 1159.1. The number of facilities and type of operation are shown in Table 1.

Table 1 – Number of Facilities by Operation Type

	# of RECLAIM Facilities	# of Non-RECLAIM Facilities
Precious Metal Reclamation	1	1
Metal Finishing	9	243
Expanded Graphite Foil Production	1	0
Total	11	244

Public Process

The development of PR 1159.1 is being conducted through a public process. A PR 1159.1 Working Group was formed to provide the public and stakeholders an opportunity to discuss the proposed rule and provide staff with input during the rule development process. The Working Group is composed of representatives from businesses, environmental groups, public agencies, consultants, and other interested parties. South Coast AQMD held five working group meetings on August 4, 2021, May 25, 2022, July 7, 2022, August 17, 2022, and August 31, 2022. Initial preliminary draft rule language was released on August 26, 2022 and revisions to rule language were made to incorporate comments received from stakeholders as part of the Preliminary Draft Proposed Rule 1159.1 released September 16, 2022. In addition, a Public Workshop was held on September 29, 2022, to present PR 1159.1 to receive public input. In December 2022, the 2022 AQMP was adopted with the cost-effectiveness threshold changing from \$50,000 to \$325,000 per ton of NOx reduced. As such, the schedule to consider PR 1159.1 was postponed to further evaluate the approach and impact to facilities based on the updated cost-effectiveness threshold. South Coast AQMD held two additional working group meetings on April 25, 2024, and August 14, 2024, to discuss these updates. A second initial preliminary draft rule language was released on August 9, 2024, and revisions to rule language were made to incorporate comments received from stakeholders as part of second preliminary draft rule language. A Public Workshop was held September 25, 2024, to present PR 1159.1 and to receive public input.

As part of the rule development process, two surveys were sent (one in January 2022 and the other in January 2023) to affected facilities to collect information about operations, equipment and

controls, nitric acid usage and other information. Staff also conducted site visits to better understand facilities operations and equipment and obtain industry input at nine facilities. In addition, individual stakeholder meetings were held throughout the rule development process.

CHAPTER 2: BARCT ASSESSMENT

- **INTRODUCTION**
- **BARCT ANALYSIS**

CHAPTER 2: BARCT ASSESSMENT

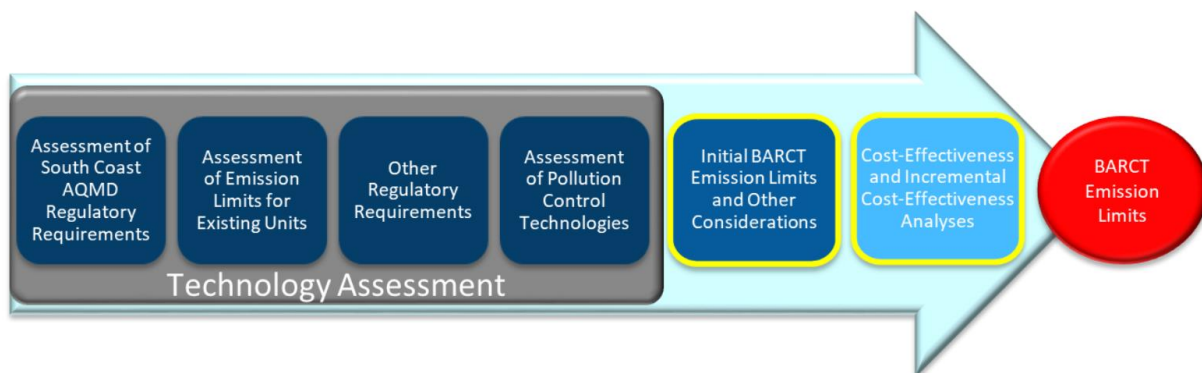
Introduction

As part of the rule development process, staff conducted a BARCT assessment of equipment subject to PR 1159.1. The purpose of a BARCT assessment is to identify any potential emission reductions from specific equipment or industries and to establish an emission limit that is consistent with state law. Under Health and Safety Code Section 40406, BARCT is defined as:

“... an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source.”

BARCT assessments are performed periodically for equipment categories to determine if current emission limits are representative of current technologies and maximum achievable NO_x reductions. The BARCT assessment is a stepwise process that includes a robust technology assessment that seeks maximum achievable cost-effective emission reductions. The BARCT assessment begins with a technology assessment to establish initial BARCT emission limits. A technology assessment identifies current regulatory requirements for specific equipment categories, established by either South Coast AQMD or other regulatory agencies. Permits and source test data are analyzed to identify the emission levels being achieved with existing technology. Current and emerging technologies are evaluated to determine the feasibility of achieving lower concentration limits relative to existing requirements. Based on the technology assessment, an initial BARCT limit is identified and a cost-effectiveness analysis and, if necessary, an incremental cost-effectiveness analysis, are conducted. A cost-effectiveness calculation, expressed in dollars per ton of pollutant reduced, is made that considers the cost to meet the initial proposed NO_x limit and the reductions that would occur from implementing technology that could meet the proposed limit. The cost-effectiveness analysis considers the cost to implement one or more technologies that can meet the initial BARCT limit. An incremental cost-effectiveness analysis is conducted if multiple initial BARCT limits are identified that vary in stringency and are each cost-effective. A final BARCT limit is established that is both technologically feasible, achievable within the implementation schedule allowed in the proposed rule, cost-effective, and incrementally cost-effective. The BARCT Assessment Process is illustrated in Figure 2-1.

Figure 2-1 – BARCT Assessment Process



A BARCT assessment was conducted for PR 1159.1 in order to establish a BARCT emission limit for which Nitric Acid Units would be required to meet in order to reduce NO_x emissions where it would be cost-effective.

BARCT Analysis

In identifying the initial universe that would be subject to PR 1159.1, staff used South Coast AQMD's permit database. Staff identified a universe of 255 facilities, with estimated 928 Nitric Acid Units, which included 11 RECLAIM facilities and 244 non-RECLAIM facilities. As part of the rule development process, data was obtained from multiple sources which included: online articles, industry publications, scientific and vendor literature, permits, source tests, annual emission reports, inspection reports, surveys, site visits, stakeholder meetings, working group meetings, and South Coast AQMD inter-departmental meetings. An overview of each step in the BARCT assessment is provided in the following sections.

Assessment of South Coast AQMD Regulatory Requirements

Staff reviewed existing requirements in South Coast AQMD source specific rules as well as BACT guidelines under Regulation XIII – New Source Review to identify for similar operations or equipment that may serve as potential BARCT NO_x emission limits. There are no existing source specific rules limiting NO_x emissions from the use of nitric acid in metal finishing, precious metal reclamation, or expanded graphite foil production operations.

BACT guidelines for non-major polluting facilities specified scrubber technology as BACT for NO_x control for certain chemical milling tanks and precious metal reclamation operations. A packed chemical scrubber is BACT for chemical milling tanks that mill nickel alloys, stainless steel, and titanium, while 3-stage NO_x reduction scrubber is BACT for precious metal reclamation conducted with chemical recovery or chemical reaction. There is no BACT guideline for major sources for metal finishing, precious metal reclamation or expanded graphite foil production operations.

Assessment of Emission Limits for Existing Units

Since no existing source specific rule regulates NO_x emissions from Nitric Acid Units, NO_x emission limits in permitted Nitric Acid Units were reviewed. Most Nitric Acid Units subject to PR 1159.1 are located at metal finishing facilities. The chemical reaction of metal parts with nitric acid is expected to be limited (i.e., surface treatment tanks), except for chemical milling processes. Only a fraction of Nitric Acid Units is equipped with air pollution control devices (APCDs). For Nitric Acid Units with APCDs, most APCDs were installed to control acid fumes. The permit for the APCD often did not specify the pollutant being controlled and the permit conditions did not list emission limits for a particular pollutant.

Recent permits, such as those issued after 2010, or facilities with large operations using Nitric Acid Units were likely to have APCDs installed for NO_x reduction. NO_x emission limits for Nitric Acid Units equipped with APCD's varied in stringency and metrics. A few Nitric Acid Units were permitted with direct NO_x limits, such as requirements for a minimum control efficiency or a concentration limit, or NO_x related limits based on indirect metrics such as number of work pieces

processed per month, amount of metal removed, and pounds or gallons of nitric acid added per day or month. Table 2-1 provides examples of existing NOx related emissions limits.

Table 2-1 – Examples of NOx Related Permit Limits

	Facility Operation	NOx Related Permit Limit
Facility A	Metal Finishing - Surface Treatment	• 50 gallons of nitric acid (70%)/month
Facility B	Metal Finishing - Surface Treatment	• 20 lbs of nitric acid per day
Facility C	Metal Finishing - Chemical Milling	• 200,000 pieces per month • 5 ppmv NOx
Facility D	Precious Metal Reclamation	• 99% control efficiency
Facility E	Expanded Graphite Foil Production	• 330 lbs of nitric acid (98%)/hr

Source test reports were also reviewed to evaluate the performance of NOx control equipment. Source testing of control equipment measures the amount of emissions that exit out of a stack into the ambient air. If an inlet measurement is also taken, control efficiency can be determined and represented as the percentage of NOx controlled. Based on a search of the South Coast AQMD database, nine source tests for Nitric Acid Units were identified. All nine reports were for facilities using scrubber technology for an APCD. Source tests used to determine compliance with a rule or permit condition may not be suitable to use for quantification of emissions due to the more rigorous source testing requirements. Among the nine source tests, only four were deemed acceptable by South Coast AQMD to assess control efficiency and/or outlet mass emission rates. There was at least one source test for each type of operation subject to PR 1159.1. Table 2-2 summarizes the source test results for the four different types of facility operations.

Table 2-2 – Summary of Source Test Results

Facility	Facility Operation	Number of Nitric Acid Units Controlled	Control Efficiency	Single or Multi-stage Scrubber	Source Test Result (Outlet NOx)
1	Precious metal reclamation	15	98.4 % ⁽¹⁾	Multi-stage	0.26 lb/hr
2	Expanded graphite foil production	2	N/A ⁽²⁾	Multi-stage	0.26 lb/hr
3	Surface treatment	1	43.8%	Single stage	0.29 lb/hr
4	Chemical milling	1	97.7%	Multi-stage	0.23 lb/hr

⁽¹⁾ Average test results meet the 99% permit condition with acceptable error

⁽²⁾ Control efficiency could not be calculated

Other Regulatory Requirements

Rules and regulations at the local, state, and national levels including U.S. EPA regulations were reviewed. Staff did not identify any regulatory requirements at the local, state or federal level that regulate NOx emissions for similar operations and equipment for metal finishing, precious metal reclamation, or expanded graphite foil production that use nitric acid.

Assessment of Pollution Control Technologies

Multiple sources of information were reviewed to understand available and applicable control technologies to Nitric Acid Units. Sources included scientific literature, the South Coast AQMD database, vendors and consultants, and facility representatives. Information obtained was analyzed with the objective of identifying relevant control technologies and understanding the capabilities and limitations of each technology.

Four technologies used to control emissions of NOx were identified: (1) hydrogen peroxide dosing; (2) selective catalytic reduction, (3) non-selective catalytic reduction, and (4) NOx scrubbers. A discussion of each of these technologies is provided the following subsections.

Hydrogen Peroxide Dosing

Hydrogen peroxide (H₂O₂) additions to tank solutions may be used to control NOx formation and reduce nitric acid usage. According to the submitted information, H₂O₂ would return dissolved NOx in the tank solution back into nitric acid. As the H₂O₂ reacts with NOx in the tank solution, it would have the following results: 1) Reduced NOx Emissions as some NOx is converted back to nitric acid and 2) reduced additions of nitric acid to the tank as less nitric acid is lost as NOx Emissions.

Due to limited information on this technology's use and restrictions which could potentially affect quality or the ability for a part to meet client specification(s), PR 1159.1 neither deems this a suitable technology nor prohibits the use of H₂O₂ dosing for control of NOx Emissions from Nitric Acid Units.

Selective catalytic reduction (SCR)

A post-combustion control technology, SCR involves the injection of ammonia (NH₃) or urea (which is vaporized into ammonia) into the flue gas stream to reduce NOx to N₂ and H₂O via the use of catalysts. The optimal range of flue gas temperatures corresponding to the highest NOx reductions and maximum catalyst life is 500-1,000 °F. A molar ratio of 0.9:1 to 1:1 NH₃:NOx provides the maximum NOx reductions while minimizing "ammonia slip". Ammonia slip occurs when ammonia from the ammonia injection passes through the catalyst bed without reacting with NOx and continues outside the flue stack to the ambient air. NOx reduction efficiencies can range from 80% to more than 85%. Catalysts are often installed in modular beds, with the first bed in the flue stream contributing to the most NOx reductions relative to the beds subsequent in the flue gas stream. Accordingly, catalyst beds can either be rotated or replaced on a regular basis in intervals in line with their usage. Catalysts can also be regenerated instead of replaced, which can be approximately 40% less expensive than catalyst replacement.²

² South Coast AQMD, April Board Agenda No 26 - Proposed Rule 1147.2 Appendix B (2022). Diamond Bar, CA.

Due to the high temperature requirements inherent to SCR systems, they are not suited for control of NO_x from Nitric Acid Units for PR 1159.1 and none were used to control NO_x from Nitric Acid Units in PR 1159.1.

Selective non-catalytic reduction systems (SNCR)

A post-combustion control technology, SNCR involves the injection of ammonia or urea into the flue gas stream to reduce NO_x to N₂ and H₂O without the use of catalysts. The optimal range of flue gas temperatures corresponding to highest NO_x reductions and maximum catalyst life is comparatively higher than that for SCR, as the catalyst integrity and efficiency is no longer a concern. This temperature range is 1,500-2,200 °F. Relative to SCR, many processes may not need to install a dilution air fan nor additional duct work due to the elevated optimal temperature range capability. A molar ratio of 2:1-4:1 NH₃:NO_x with a residence time of longer than one second provides the maximum NO_x reductions. A higher molar ratio is necessary due to the absence of a catalyst facilitating the reaction between NH₃ and NO_x. Due to this, ammonia slip is more of a concern with SNCR than it is for SCR. The lack of a catalyst leads to a lower NO_x reduction potential. SNCR have been demonstrated to achieve 60% NO_x reduction efficiencies in the boiler industry. Due to the lack of catalyst, operating costs and maintenance costs are also lower than those for SCR by approximately 20%.²

Due to the high temperature requirements inherent to SNCR systems, they are not suited for control of NO_x from Nitric Acid Units for PR 1159.1 and none were used to control NO_x from Nitric Acid Units in PR 1159.1.

NO_x Scrubber Technology

Scrubbers are common add-on controls used to control many pollutants, both particulates and gases. In order for the scrubber to be effective in achieving its targeted emission limit, it must be designed accordingly. The typical wet scrubber consists of a cylindrical tower filled with media designed to increase the available surface area for chemical reactions needed to reduce the target pollutant. Located above the packed bed of media are spray nozzles that distribute the scrubbing solution/liquid to the large surface areas on the media where the chemical reaction occurs. The scrubbing solution accumulates at the bottom and a recirculation pump will once again send the solution back up to the spray nozzles. There are also sensors and controllers (not illustrated in figure) that add back the chemicals spent during the chemical reaction. The contaminated gas stream with the pollutant typically enters from the bottom and flows up through the packed bed before passing through a mist eliminator that minimizes the loss of the scrubbing solution before exiting out to another tower or the stack. Figure 2-2 illustrates the parts of a typical packed bed scrubber. Control systems with multiple scrubbers (towers) connected in series, multi-stage scrubbers, can be used to target the specific species of NO_x such as nitric oxide (NO) and nitrogen dioxide (NO₂) that primarily make up NO_x. Multiple scrubbers in series increases the overall control of NO_x, both control efficiency and emission rate. Typically, the first tower will oxidize the NO portion of the gas stream into NO₂ then a second tower will target NO₂ reducing it to N₂. Single tower NO_x scrubbers often target only NO₂ which has a brownish visible plume and is more toxic than NO which is a colorless gas. Single tower NO_x scrubber using H₂O₂ are able to control both NO and NO₂ but have limitations such as scrubber construction and available space for placement of the APCD. A Nitric Acid Unit's operation, target NO_x emission limit, and available

physical space at the facility are important factors in the proper design of the APCD to be considered.

While scrubbers were found to control emissions from Nitric Acid Units, only a few of the scrubbers were NO_x scrubbers, with the majority being installed for the control of acid fumes. While not originally designed to control NO_x emissions, acid fume scrubbers can still reduce NO_x emissions due to the scrubbing solution. Comparatively, NO_x scrubbers require longer residency times and are typically larger in size than acid fume scrubbers.

NO_x scrubber technology is the most appropriate technology to reduce NO_x emissions from Nitric Acid Units, achieving control efficiency as high as 99% and emission rates 0.30 lb/hr or lower as shown above in Table 2-2. However, based on conversations with vendors, a control efficiency performance standard could not be guaranteed due to variation in inlet concentration and each configuration being unique.

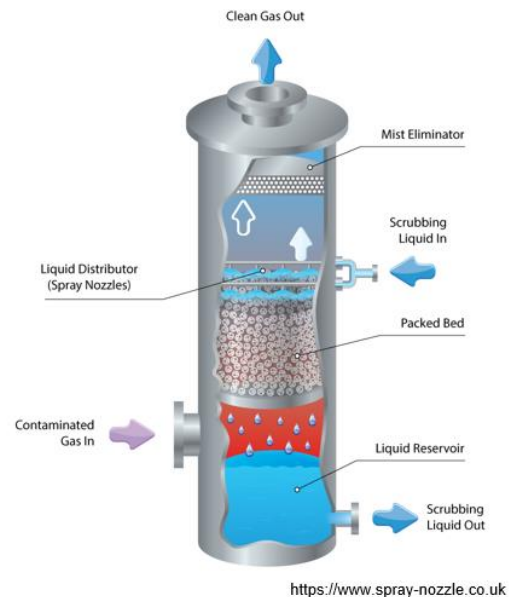


Figure 2-2 – Typical Packed Bed Scrubber

Findings of Air Pollution Technology Assessment

While there are multiple technologies available to control NO_x emissions, most are designed or suitable for controlling NO_x emissions from combustion sources. Whereas SCR and SNCR systems are not suitable for use with the operating conditions of Nitric Acid Units, scrubber technology was the only control technology found to be used to control NO_x emissions from Nitric Acid Units used in metal finishing, precious metal reclamation, and expanded graphite foil production operations.

Upon completion of technology assessment, staff recommends an initial BARCT NO_x Emissions limit established using information gathered from the technology assessment.

Initial BARCT Emission Limit

Based on the source tests results for the four different facility operations, an initial BARCT emission limit of **0.30 lb/hr** is proposed as it was demonstrated to be technologically feasible for each type of operation.

Cost-Effectiveness and Incremental Cost-Effectiveness

A cost-effectiveness analysis was conducted pursuant to Health and Safety Code Section 40920.6. A summary of the costs, emission reductions, and cost-effectiveness for Nitric Acid Units will be discussed in this chapter. A detailed analysis of the cost-effectiveness for this equipment category is found in Chapter 4 – Impact Assessment.

For Nitric Acid Units, only scrubbers were determined feasible to implement. The cost-effectiveness threshold from the 2022 Air Quality Management Plan is \$325,000 per ton of NO_x reduced. When adjusted by consumer price index (CPI), the 2023 cost-effectiveness threshold is \$362,600 per ton of NO_x reduced. The PR 1159.1 cost-effectiveness analysis used the cost-effectiveness threshold of \$362,600 per ton of NO_x reduced.

Over a 25-year period, the total cost of scrubber control technology was determined to be \$5,313,000 and the estimated NO_x Emissions reduction to be 195 tons. As the potential NO_x Emissions reductions vary between facilities based on the amount of uncontrolled NO_x Emissions generated from Nitric Acid Unit, the amount of uncontrolled NO_x Emissions where there would be sufficient emission reductions for it to be cost-effective to implement scrubber control technology was calculated to be 0.59 tons per year of NO_x. Assuming a 12-hour operational day, based on the average from the survey data, the typical facility would operate 4,380 hours per year. As such, it would be cost-effective to require controls if there is at least a reduction of 0.3 pound per hour (lb/hr) of NO_x.

Health and Safety Code Section 40920.6(a)(3) states that an incremental cost-effectiveness assessment should be performed on identified potential control options that meet air quality objectives. As scrubber control technology was identified as the only control option suitable for use with the operating conditions of Nitric Acid Units, no incremental cost-effectiveness assessment was performed.

BARCT Emission Limit Recommendation and Cost-effectiveness Threshold for Installation of Controls

According to Health and Safety Code Sections 40920.6(a)(1) and 40920.6(a)(2), potential controls to meet an air quality objective, which is to assess the BARCT emission limits, must be identified and the cost-effectiveness assessment should be conducted thereafter. The final proposed BARCT emission limit is the emission limit that achieves the maximum degree of emission reductions and is determined to be cost-effective. The cost-effectiveness for the most stringent initial BARCT emission limit would be evaluated. If the most stringent initial BARCT limit is not cost-effective, the next less stringent limit was assessed.

PR 1159.1 proposes a BARCT emission limit of 0.30 lb/hr that was demonstrated to be technologically feasible for all categories of Nitric Acid Units. When NO_x Emissions exceed 0.60 lb/hr, it would be cost-effective to require controls to achieve the technology driven emission limit. As such, facilities with emissions exceeding 0.60 lb/hr are required to install controls. NO_x Emissions can be quantified using either direct measurements (e.g., source testing) or indirect measurements (e.g., nitric acid usage).

CHAPTER 3: PROPOSED RULE 1159.1

INTRODUCTION
PROPOSED RULE STRUCTURE
PROPOSED RULE 1159.1

CHAPTER 3: PROPOSED RULE 1159.1**Introduction**

The objective of PR 1159.1 is to reduce emissions of nitrogen oxides from the chemical reaction of nitric acid with metals or decomposition of nitric acid at high temperatures. The following information describes the structure of PR 1159.1 and explains the provisions of the rule. The structure follows those of recently adopted or amended rules by South Coast AQMD for consistency.

Proposed Rule Structure

PR 1159.1 includes the following subdivisions:

- (a) *Purpose*
 - (b) *Applicability*
 - (c) *Definitions*
 - (d) *Nitric Acid Unit Requirements*
 - (e) *Facilities Exceeding 500-gallon Individual or 1650-gallon for all Nitric Units Threshold*
 - (f) *Inspection and Maintenance of Air Pollution Control Device*
 - (g) *Monitoring and Recordkeeping Requirements*
 - (h) *Source Testing Requirements and Test Methods*
 - (i) *Exemptions*
- Appendices*

Proposed Rule 1159.1*Subdivision (a) – Purpose*

The purpose of the rule is to reduce nitrogen oxides emissions from Nitric Acid Units.

Subdivision (b) – Applicability

This rule applies to an owner or operator of a facility with a Nitric Acid Unit(s). Examples of these type of facilities would include metal finishing, precious metal reclamation, or expanded graphite foil production. Facilities subject to this rule may not be subject to all the provisions of this rule.

Subdivision (c) – Definitions

PR 1159.1 includes definitions for specific terms and are capitalized in the proposed rule. Some of the definitions are based on definitions from existing South Coast AQMD rules with slight modifications, while other definitions are unique to PR 1159.1. For certain definitions, additional clarification is provided in this chapter where the definition is used within a specific provision.

- *AIR POLLUTION CONTROL DEVICE (APCD)*

As discussed in Chapter 2, NO_x emissions can be controlled with an APCD, specifically a scrubber, which can be designed in either a single stage or multiple-stage configuration. An APCD may be comprised of one or more pieces of equipment, such as the columns or towers of a multistage NO_x scrubber system. An APCD would begin at the point where emissions are collected from a Nitric Acid Unit to the point where emissions are discharged into the air from an

exhaust stack. An APCD could consist of multiple control devices connected in series discharging to a common exhaust stack.

- *CLEANING TANK*

As discussed in Chapter 1, metal finishing can involve multiple tanks that contain nitric acid that interacts with a part or product to either clean, oxidize, or remove material. NO_x emissions form when the nitric acid reacts with the metal. However, the purpose of a Cleaning Tank is to remove dirt or other non-metal contaminants. Therefore, a reaction between nitric acid and metal is not expected. As such, a Cleaning Tank is considered a Nitric Acid Unit, but it could be exempt from control requirements. Additional discussion on the exemption pathway is discussed later in this chapter. The cleaning or sanitizing of a metal container using nitric acid does not make the container a Cleaning Tank.

ASTM A380 identifies treatment specifications for cleaning that removes residual particles and cleaning/passivation that can remove free iron and other metallic contamination. Cleaning is conducted at nitric acid concentrations ranging from 6-25% volume and for a minimal amount of time, typically 1-2 minutes. Cleaning/passivation is conducted at concentrations up to 60% by volume for a longer period ranging from 10-60 minutes. A tank used for cleaning/passivation would be considered a Nitric Acid Unit but would not be considered a Cleaning Tank as there is the potential for nitric acid to react with the metal.

- *EXCEEDANCE YEAR*

An Exceedance Year corresponds to a calendar year, but it can be a partial calendar year, such as January 1 to July 31.

- *NITRIC ACID UNIT*

This definition was added to specify which tanks and other containers at facilities this rule applies to. Examples include cleaning and chemical milling tanks that use nitric acid in the tank solution found at metal finishing facilities as well as furnaces where nitric acid is soaked graphite decomposes to form NO_x at high temperatures. A Nitric Acid Unit does not include a container used exclusively to store nitric acid or a Rinse Tank. Wastewater system equipment is not considered Nitric Acid Units.

- *NO_x EMISSIONS*

This definition was included to clarify how to determine NO_x Emissions during a source test.

- *RINSE TANK*

This definition is added to clarify that this type of tank is not considered a Nitric Acid Unit due to the low concentrations, minimal time a part or product resides in the tank, and its intended purpose.

Subdivision (d) – Nitric Acid Unit Requirements

This subdivision contains requirements to control NO_x Emissions from a Nitric Acid Unit, demonstrate NO_x Emissions are less than the applicable threshold, parameter monitoring equipment requirements for APCDs, and labeling requirements for specific tanks.

Compliance Pathways for Nitric Acid Units

As discussed in Chapter 2, NO_x Emissions from Nitric Acid Units can be reduced to 0.30 lb/hr with an APCD. Additionally, there would be sufficient emission reductions to be cost-effective if the APCD is reducing NO_x Emissions by at least 0.27 lb/hr (rounded to 0.3 lb/hr). PR 1159.1 requires controls for Nitric Acid Units that exceed the sum of the emission rate achieved with controls (0.30 lb/hr) and the emission rate required for it to be cost effective (0.3 lb/hr), which is rounded to 0.60 lb/hr. PR 1159.1 proposes three different compliance pathways for a Nitric Acid Unit at a facility to comply. The owner or operator may select more than one compliance pathway if more than one Nitric Acid Unit is applicable at the facility.

- Pathway A: Install and operate an APCD that meets the 0.30 lb/hr (0.90 lb/hr facility-wide) or 99% control efficiency
- Pathway B: Source test to demonstrate combined uncontrolled emissions from Nitric Acid Units would be less or equal to 0.60 lb/hr
- Pathway C: Annual adjusted nitric acid additions are less than the equivalent of 0.60 lb/hr

Pathway A – Nitric Acid Units Vented to an APCD - Paragraph (d)(1) and Facilities with Multiple APCDs Complying with Clause (d)(1)(A)(i) - Paragraph (d)(3)

Paragraph (d)(1) establishes the performance standards, permit submittal requirements for Nitric Acid Units electing to comply through operation of new or modified APCDs as well as the parameter monitoring equipment requirements for NO_x scrubbers. While the BARCT emission limit was determined to be 0.30 lb/hr, during the rule development process, there was a request to have 99% control efficiency be an alternative performance standard to 0.30 lb/hr. The alternative performance standard of 99% control efficiency was determined to be the highest control efficiency demonstrated by a source test. However, as the performance standard was demonstrated at only one facility and no vendor could confirm the technological feasibility of 99% control efficiency, the 99% control efficiency standard is an alternate performance standard to the BARCT emission limit of 0.30 lb/hr. Control efficiency calculations are to be determined based on mass emission (e.g., lb/hr) and not concentration (e.g., ppmv).

Paragraph (d)(3) establishes a facility-wide emission limit for multiple APCDs that meet the emission rate of 0.30 lb/hr. The requirement is intended to prevent the use of multiple APCD's each controlling a single Nitric Acid Unit that results in minimal NO_x Emission reductions. The facility-wide emission limit was based on an assessment of a complex facility with multiple Nitric Acid Units being controlled by three APCDs. It was also observed at other facilities that multiple Nitric Acid Units can be controlled by a single APCD. Therefore, the facility-limit was based on three times the BARCT emission limit of 0.30 lb/hr. Emission rate from an APCD meeting the

99% control efficiency performance standard would not be counted in the facility-wide emission limit for paragraph (d)(3), as an APCD that meets the 99% control efficiency achieves maximum NOx Emissions reductions for facilities with higher inlet loadings.

Paragraph (d)(1)(C) requires that a new or modified APCD using scrubber solution, to meet the requirements of subparagraph (d)(1)(A), is equipped with specific instrumentation (e.g. flowmeter, pH meter) to ensure the APCD is operating as designed to control emissions. PR 1159.1 does not require the installation of this instrumentation for existing APCDs that would not require a permit modification to comply with the emission limits established in PR 1159.1.

Nitric Acid Units – Alternative Compliance Pathways - Paragraph (d)(2)

Paragraph (d)(2) allows two alternative compliance pathways to demonstrate the NOx Emissions are less than the cost-effective threshold of 0.60 lb/hr instead of controlling emissions with an APCD.

Pathway B – Source Testing - Subparagraph (d)(2)(A)

The first alternate compliance pathway utilizes direct measurements through source testing of uncontrolled emissions from all Nitric Acid Units electing to comply with this pathway. If the combined NOx Emission rates from source test reports of the Nitric Acid Units do not exceed 0.60 lb/hr, then the Nitric Acid Units would not be required to be controlled. The process would be initiated with the facility submitting a permit application and a source test protocol to allow enough time to conduct the source test as well and incorporate the conditions into the permit.

Subparagraph (d)(2)(A) specifies the requirements for Nitric Acid Units complying through the source testing pathway to ensure that operating conditions would not generate a NOx Emissions rate that would exceed the NOx Emissions rate measured during the source test. This is achieved by restricting operating parameters that may generate more NOx, such as number of parts processed, type of metals, metal percentage, nitric acid concentration, and temperature. PR 1159.1 requires a metal in a metal alloy with a percentage greater than 10.5% to be evaluated during a source test. The 10.5% threshold is consistent with other thresholds for metals in a metal alloy that are being developed in other South Coast AQMD rules. Additional operating restrictions may be specified in the source test protocol if deemed appropriate by the Executive Officer and specified in the source test report. The facility would be required to incorporate these maximum parameters documented in the source test report(s) into the applicable permit by submitting a permit application. These enforceable conditions can be specified on the facility's permit, such as a permit to construct or a permit to operate.

Compliance with emission rate limit of 0.60 lb/hr specified in clause (d)(2)(A)(iii) is determined by adding the highest emission rate calculated via source test for each Nitric Acid Unit and the maximum operating conditions as included in the permit application(s) to be submitted pursuant to clause (d)(2)(A)(ii).

If the owner or operator later wants to modify the operating conditions that were specified in a permit condition (e.g., concentration, maximum metal %, temperature), prior to operating with modified conditions, except during source testing:

- An additional source test would be required to demonstrate that the facility can still comply with 0.60 lb/hr for all Nitric Acid Units electing to comply with subparagraph (d)(2)(A); and
- Permit conditions specifying operating conditions would need to be revised and incorporated into the permit.

Table 3-1 provides an example of how compliance would be determined based on multiple source tests for different alloys. In the example, the facility conducts source tests for the three units using two different alloys (Alloy A or Alloy B). The higher emission rate of the two alloys tested would be the corresponding emission rate to be evaluated for compliance with the facility-wide emission rate of 0.60 lb/hr. Each Nitric Acid Unit would be allowed to process alloys that contain up to the maximum percent contained in Alloy A or Alloy B.

The next year, the facility wants to expand the process and use Alloy C in all three Nitric Acid Units. Prior to processing Alloy C for production, the facility would conduct a source test to verify the emission rate from Alloy C would not result in the facility-wide emission rate to exceed 0.60 lb/hr. Based on the results from the 2026 source test report for Alloy C, the combined facility-wide emissions are still below 0.60 lb/hr. Therefore, the facility would be allowed to process alloys up to the maximum percent contained in either Alloy A, Alloy B, or Alloy C (i.e., 98% Iron, 80% Nickel, 20% Chromium, and 98% Titanium) after permit conditions are revised to allow processing of parts containing up to 98% Titanium.

Table 3-1 Example of Facility-wide Emission Rate from Multiple Units Complying with Subparagraph (d)(2)(A)

Alloy Type	Composition	Unit 1	Unit 2	Unit 3	Facility-Wide Emission Rate
Alloy A (2025 Test)	98% Iron	0.15 lb/hr	0.25 lb/hr	0.01 lb/hr	
Alloy B (2025 Test)	80% nickel and 20% chromium	0.25 lb/hr	0.20 lb/hr	0.01 lb/hr	
Emission Rate for Nitric Acid Units at Facility (2025)		0.25 lb/hr	0.25 lb/hr	0.01 lb/hr	0.51 lb/hr
Alloy Type	Composition	Unit 1	Unit 2	Unit 3	Facility-Wide Emission Rate
Alloy C (Subsequent 2026 Test)	98% Titanium	0.15 lb/hr	0.15 lb/hr	0.05 lb/hr	
Emission Rate for Nitric Acid Units at Facility (2026)		0.25 lb/hr	0.25 lb/hr	0.05 lb/hr	0.55 lb/hr

Uncontrolled Nitric Acid Units and Nitric Acid Units vented to an APCD may utilize this compliance pathway provided NO_x Emissions are measured prior to NO_x Emission reduction. The

purpose of this source test is to determine the NO_x Emissions from the Nitric Acid Unit, not the performance of the APCD. As such, only an initial source test is required.

Pathway C – Recordkeeping of Nitric Acid Added - Subparagraph (d)(2)(B)

The second alternative compliance pathway utilizes indirect measurements to demonstrate that the potential NO_x Emissions from a Nitric Acid Unit are less than the 0.60 lb/hr threshold. The following assumptions were made to determine the amount NO_x Emissions formed from one gallon of nitric acid at 68% by weight (WT %):

- 1 mol of NO_x is formed per mol of HNO₃
- NO_x is 50% NO and 50% NO₂
- Density of the nitric acid added (68% by weight HNO₃, 11.79 lb/gal)

After performing the calculation using the assumptions, it was determined that one gallon would generate approximately 4.79 pounds of NO_x Emissions.

Nitric acid additions thresholds in PR 1159.1 are developed for concentration at 68 WT%, which is the most common nitric acid concentration used from survey responses. Based on an emission rate of 0.60 lb/hr and 4,380 hours of operation a year (12-hr operational day), the annual NO_x Emissions would 2,628 pounds. This would be equivalent to 549 gallons of nitric acid (rounded to 550 gallons).

Subparagraph (d)(2)(B) requires annual adjusted nitric acid additions not to exceed 550 gallons (calculated at 68 WT%) per calendar year per Nitric Acid Unit, that is electing this compliance pathway, demonstrated through required recordkeeping in PR 1159.1. Facility-wide the Nitric Acid Units complying with this pathway must not exceed 1,650 gallons of annual adjusted nitric acid additions (calculated at 68 WT%) per year. The facility-wide limit is based on three times the limit of an individual unit. While the thresholds are annual limits, PR 1159.1 allows for one Exceedance Year per five calendar years based on recordkeeping beginning July 1, 2025, the date a Nitric Acid Unit switches to this compliance pathway, or when a new Nitric Acid Unit begins operation (additional requirements triggered when exceedance occurs for two years in a five-year period). This is to allow for temporary increases in production which might not represent a permanent increase in production. Provisions for adjustments for nitric acid removal from Nitric Acid Units are included in PR 1159.1 to account for nitric acid that does not react to produce NO_x Emission.

Implementation Schedule and Modification of Existing Compliance Pathway

Table 1 – Implementation Schedules specifies the compliance deadlines for each compliance pathway for a Nitric Acid Unit. For a Nitric Acid Unit electing to comply with Pathway A (paragraph (d)(1)), the facility would be required to demonstrate compliance with the applicable performance standard by either:

- 1) 12 calendar months after a permit to construct for an APCD is issued unless an extension is granted; or

2) January 1, 2029, whichever is earlier

The two deadlines are intended to ensure that the facility controls NO_x Emissions as quickly as possible after the issuance of the permit to construct and consistent with South Coast AQMD permitting practices. However, January 1, 2029 remains the permanent compliance deadline for Nitric Acid Units initially complying with this compliance pathway. For example, if a permit to construct is issued in July 2027, the compliance deadline would be July 2028. If an extension is granted on June 2028 for an additional year, PR 1159.1 would still require compliance with subparagraph (d)(1)(A) by January 1, 2029.

For a Nitric Acid Unit already equipped with an existing APCD prior to the date of rule adoption, the compliance deadline to demonstrate compliance with the performance standard would be January 1, 2029 as 12 months after a permit to construct for an APCD may have passed.

An owner or operator may modify the compliance pathway from subparagraph (d)(2)(B) to either paragraph (d)(1) or subparagraph (d)(2)(A), however, the Nitric Acid Unit would be subject to the addition thresholds until demonstrating compliance with either subparagraph (d)(1)(B) or (d)(2)(A). Table 3-2 provides an example of how a facility with multiple Nitric Acid Units may comply with the rule. As discussed earlier, multiple compliance pathways may be used to satisfy the requirements of PR 1159.1.

Table 3-2 – Compliance Pathway Example

Key Dates	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5
Jan 2025	No APCD	No APCD	No APCD	No APCD	No APCD
Compliance Pathway	Pathway A (d)(1)	Pathway B (d)(2)(A)	Pathway B (d)(2)(A)	Pathway C (d)(2)(B)	Pathway C (d)(2)(B)
July 2025	-	Submit source test protocol and permit application	Submit source test protocol and permit application	Begin recordkeeping	
Jan 2026	Submit APCD application	Submit source test report	Submit source test report	450 gal (2025)	500 gal (2025)
Source Test Result	-	0.25 lb/hr	0.20 lb/hr	-	-
Category Evaluation	-	0.45 lb/hr (less than the combined emission rate of 0.60 lb/hr)		950 gal (2025) (less than the individual and facility wide additions of 550 and 1650 gallons respectively)	

In the event the facility fails to demonstrate compliance by either Pathway A, Pathway B, or Pathway C by the applicable due date, the default compliance pathway for the Nitric Acid Unit would be Pathway A.

If electing to modify the compliance pathway from either Pathway B or Pathway C to Pathway A (e.g., due to anticipated increased production or contracts), the facility would have to demonstrate that the APCD controlling the Nitric Acid Unit meets the requirements in subparagraph (d)(1)(A) beginning:

- 1) 12 calendar months after a permit to construct for an APCD is issued unless an extension is granted for the permit to construct; or
- 2) 36 months from date of submitting a complete permit application to meet the performance standards, whichever is earlier

This is the same timeline proposed in Table 1 for a Nitric Acid Unit initially complying with Pathway A to allow for sufficient time for construction and testing, while requiring the facility to meet the performance standards after the APCD is in operation.

In the event a facility may need to modify operations to increase annual adjusted nitric acid additions or NO_x Emissions, an owner or operator may elect to modify the compliance pathway for a Nitric Acid Unit or multiple Nitric Acid Units to exclude either the emission rate or nitric acid added for the respective Nitric Acid Unit. Table 3-3 provides an example of a facility that exceeded the annual adjusted nitric acid additions for multiple individual tanks for one calendar year, but conducts source tests on Unit 1, Unit 2, and Unit 3 to modify the previously selected compliance pathway. Since the facility has not exceeded the thresholds for the second calendar year, the facility may continue to have some units comply with the recordkeeping Pathway C unlike a facility required to comply with subdivision (e) after a second Exceedance Year.

Table 3-3 – Modifying Compliance Pathway

	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5
Jan 2025	No APCD	No APCD	No APCD	No APCD	No APCD
Compliance Pathway	Pathway C (d)(2)(B)	Pathway C (d)(2)(B)	Pathway C (d)(2)(B)	Pathway C (d)(2)(B)	Pathway C (d)(2)(B)
July 2025	Begin recordkeeping				
Jan 2026	500 gal (2025)	500 gal (2025)	700 gal (2025)	450 gal (2025)	500 gal (2025)
Category Evaluation	Facility-wide 2,650 gal (2025) (exceed both individual and facility-wide additions thresholds for one calendar year)				
Modified Compliance Pathway	Pathway B (d)(2)(A) (NEW)	Pathway B (d)(2)(A) (NEW)	Pathway B (d)(2)(A) (NEW)	Pathway C (d)(2)(B)	Pathway C (d)(2)(B)
Source Test Results	Submit source test report (0.15 lb/hr)	Submit source test report (0.15 lb/hr)	Submit source test report (0.28 lb/hr)	-	-
Nitric Acid Additions Recordkeeping	[No longer required] ¹	[No longer required] ¹	[No longer required] ¹	525 gal (2026)	525 gal (2026)
Category Evaluation	0.58 lb/hr (less than the combined emission rate of 0.60 lb/hr)			1,050 gal (2026) (less than the individual and facility-wide additions thresholds for the second calendar year)	

¹ Recordkeeping no longer required upon demonstrating compliance with Pathway B with results of the source test report (Submission of a source test protocol and permit application to South Coast AQMD also required)

Labeling Requirements – Paragraphs (d)(4)

Paragraph (d)(4) requires labeling of Nitric Acid Unit identifier (e.g., tank number or name) and specific operating conditions, unless required by either Rule 1426 – Emissions from or Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations. Rule 1426 and Rule 1469 currently require owners or operators to label tanks with the same identification information required by PR 1159.1.

Cleaning Tanks would still need to be labeled as Rule 1426 and Rule 1469 do not have relevant labelling requirements.

Facilities Exceeding 550-gallon Individual or 1650-gallon for all Nitric Acid Units Threshold – Subdivision (e)

Subdivision (e) specifies the requirements for Nitric Acid Units electing to comply with subparagraph (d)(2)(B) that exceeded the threshold in clauses (d)(2)(B)(i) or (d)(2)(B)(ii) in two or more calendar years in a five-calendar year period, including the current year. All Nitric Acid Units that elected to comply with subparagraph (d)(2)(B) would no longer be eligible to comply through subparagraph (d)(2)(B) but would be required to comply with either paragraph (d)(1) or subparagraph (d)(2)(A); the facility loses the ability to use Pathway C permanently. The determination if a threshold was exceeded will be based on nitric acid addition records required to be maintained. A facility that triggers the requirements of subdivision (e) would be subject to the requirements even if the current five calendar year period does not include the first Exceedance Year. For example, if a facility has an Exceedance Year in 2025 and in 2029, the facility remains subject to the requirements until meeting of either paragraph (d)(1) or subparagraph (d)(2)(A).

Until the Nitric Acid Units can meet the requirements of subparagraph (d)(1)(B), submitting a permit application for an APCD that will control NO_x Emissions from the Nitric Acid Unit, or clauses (d)(2)(A)(i) through (d)(2)(A)(iii), submitting a source test protocol for approval, permit application specifying operations, and demonstrating compliance with the emission limit with a source test report, the Nitric Acid Unit would be subject to the threshold limits on an annual basis. After complying with the requirements mentioned above for Pathway A or Pathway B, the applicable Nitric Acid Unit(s) would not be subject to the threshold limits or recordkeeping requirements previously required. After the change from Pathway C, these Nitric Acid Unit(s) would face similar restrictions as a Nitric Acid Unit initially complying with Pathway A or Pathway B. After triggering the requirements of subdivision (e), the compliance pathway specified in subparagraph (d)(2)(B) would not be available for the entire facility.

Inspection and Maintenance of Air Pollution Control Device – Subdivision (f)

Subdivision (f) contains requirements for inspection and maintenance for APCDs. Periodic visual inspections for leaks or malfunctions required per the manufacturer’s recommended frequency or quarterly, whichever is more frequent. The APCD is required to be maintained and operated per the manufacturer’s recommendation. Inspection and maintenance requirements of APCDs, which are included in many recent rules, ensure the equipment is kept in good operating conditions, operating as designed within permitted parameters, and as source tested to ensure NO_x Emissions are meeting emission limit(s) after or between source tests.

Monitoring and Recordkeeping Requirements - Subdivision (g)Requirements for APCDs – Paragraph (g)(1)

Paragraph (g)(1) requires the monitoring and recording of the operational parameter values listed on permit of the APCD to ensure proper operation, at least once a week if the APCD for the weeks the APCD is in operation. An entry such as “not operated” should be made for the weeks the APCD was not operated if the units the APCD were controlling were not in operation. Parameters include the flowrate, or pH, of the scrubber solution to ensure the scrubbing solution is effective in reducing NO_x Emissions. Readings of the pressure drop across different stages of the scrubber system can indicate when there is a blockage or problem with the blower motor. Older permits may specify the operating parameters but may not have requirements to record the readings weekly or at all.

Requirements for Nitric Acid Units Complying with Subparagraph (d)(2)(A) – Paragraph (g)(2)

Paragraph (g)(2) specifies the records to be maintained to demonstrate that the Nitric Acid Unit subject to subparagraph (d)(2)(A) does not exceed the parameters measured during the source test to demonstrate the NO_x Emission rate of the Nitric Acid Units.

Recordkeeping Requirements for Facilities Complying with Subparagraph (d)(2)(B) or Paragraph (e)(2) – Paragraphs (g)(3) - (g)(5)

These paragraphs specify the records to account for additions of nitric acid and the optional adjustments to account for nitric acid disposed. The monthly and annual calculations and recordkeeping, subparagraph (g)(3)(D) and paragraph (g)(5) respectively, are required even if there were no nitric acid additions those months or years; an entry such as “No nitric acid added” would be required. As the concentration of nitric acid can vary, PR 1159.1 requires that the reported concentration be supported by either a manufacturer’s safety data sheet (SDS) or through a chemical analysis. A chemical analysis is appropriate if the concentration is custom or made on site. The chemical analysis may be performed at a facility’s in-house laboratory or third-party laboratory. If using a pre-made or standard solution, the facility can elect to use a SDS or manufacturer sheet.

Paragraphs (g)(3) and (g)(4) specify the start date of recordkeeping for Nitric Acid Units that are complying with PR 1159.1 initially using Pathway C or those that later change to Pathway C, respectively. For a facility electing to change the compliance pathway for a Nitric Acid Unit to Pathway C or for a new Nitric Acid Unit complying with Pathway C after July 1, 2025, required recordkeeping starts the date the Nitric Acid Unit begins operations under Pathway C. Table 3-4 illustrates an example of a facility that added two Nitric Acid Units after rule adoption with a change in compliance pathway for one existing Nitric Acid Unit to ensure facility was able to comply with each pathway’s thresholds.

Table 3-4 – New Nitric Acid Units Example

Key Dates	Unit 1	Unit 2	Unit 3	Unit 4
Jan 2025	No APCD	No APCD		
Compliance Pathway	Pathway C	Pathway C		
July 2025	Begin recordkeeping			
Jan 2026	[Below thresholds for 2025 and 2026 years]			
Pathway Changes Feb 2027	Pathway B ¹ source test report (0.11 lb/hr)	No Change		
New Units Begin Operation Feb 2027	Not Applicable		Pathway C Begin recordkeeping Feb 2027	
2027 Data Summary	85 gal (2027 Jan to Feb)	420 gal	450 gal	400 gal
2027-Year Category Evaluation	0.11 lb/hr (≤ 0.60 lb/hr at facility)	Pathway C 85+420+450+400 = 1,355 gal² (total) (≤ 550 gal each); (≤ 1,650 gal facility-wide)		

¹ Recordkeeping no longer required upon demonstrating compliance with Pathway B with results of the source test report (Submission of a source test protocol and permit application to South Coast AQMD required)

Record Retention Requirements – Paragraph (g)(6)

Records required to be kept for five years with the most recent five years kept on site and made available to the Executive Officer upon request. This includes applicable records to demonstrate compliance with PR 1159.1, such as source test reports, annual adjusted nitric acid additions, and metal content percentage.

Subdivision (h) – Source Testing Requirements and Test Methods

Submittal of Source Test Protocol Prior to Source Testing – Paragraph (h)(1)

Prior to conducting the first source test to demonstrate compliance with the performance standard, the facility is required to submit a source test protocol to the Executive Officer for approval. A source test protocol outlines the conditions, parameters to be measured, and additional details to ensure that the results are accurate. Facilities who were previously controlling NOx Emissions and had a prior source test protocol would still be required to submit a source test protocol as prior source test may not include all the required information required in PR 1159.1.

Only Nitric Acid Units electing to comply with paragraph (d)(1) would be required to conduct subsequent source tests to ensure the control equipment is operating correctly and meeting the performance standards. Nitric Acid Units electing to comply with subparagraph (d)(2)(A) are source tested to measure NOx Emissions that would be generated during maximum operations and would only be required to be source tested once, unless the owner or operator chooses to modify

maximum operations, which would require another source test and potential modification to permit conditions.

Subsequent source tests would require a new source test protocol to be submitted if there is a modification in the operating conditions or parameters, or if the Executive Officer requests a source test protocol be submitted.

Source Test Protocol – Paragraphs (h)(2) and (h)(3)

Paragraphs (h)(2) and (3) specify the information to be included in the source test protocol. Paragraph (h)(2) specifies the requirements for a source test protocol evaluating the performance of the APCD, therefore the source test protocol would include information at normal operating conditions. The testing conditions specified in the source test protocol can be at or below the maximum operating conditions specified in the permit. For example, if a permit condition restricts operating above 170 degrees F, the source test protocol cannot specify testing above 170 degrees F.

Paragraph (h)(3) specifies the requirements for a source test protocol evaluating the potential uncontrolled emissions of the Nitric Acid Unit, therefore the source test protocol would include information at maximum operating conditions or conditions that are less than the maximum if approved by the Executive Officer. The test conditions include metals or metal alloys to be tested, temperature, nitric acid concentration, and number of parts processed. Multiple metals or alloys can be proposed to be evaluated if the owner or operator intends to process those metals or alloys in the Nitric Acid Unit. A metal with a maximum percentage that has been evaluated to less than the threshold would be acceptable to process in a Nitric Acid Unit complying with subparagraph (d)(2)(A). For example, an alloy containing nickel at 65% was evaluated to have an emission rate of 0.10 lb/hr of NO_x. As such, alloys that contain less than 65% nickel would be acceptable to use for operations.

PR 11591.1 requires metals greater than 10.5% in composition to be source tested at a percentage that is at least equivalent. For example, for stainless steel with a safety data sheet specifying four metals with maximum percentage above 10.5% (iron, nickel, chromium and manganese), a single source test run could be conducted to evaluate the NO_x Emissions for stainless steel. Alternatively, the four source test runs for four metals could be conducted at a percentage that is at least equivalent to the maximum percentage stated in the safety data sheet in either a pure metal or a different alloy.

Conducting of Source Tests – Paragraph (h)(4)

A source test would be conducted pursuant to a source test protocol most recently required by paragraph (h)(1) after its approval by the Executive Officer. If evaluating the performance of an APCD, the source test would also be required to be conducted pursuant to subparagraph (h)(4)(B). If evaluating the emissions of an uncontrolled Nitric Acid Unit, the source test would also be required to be conducted pursuant to subparagraph (h)(4)(C).

While this describes most source test situations, in the event there is an evaluation of the emissions from a Nitric Acid Unit with an APCD to meet the requirements of subparagraph (d)(2)(A), the

measurement location would need to be located prior to any emission reduction component of the APCD (e.g., scrubber, filter). This would need to be specified and included in the source test protocol.

Periodic Source Testing for APCDs – Paragraph (h)(5)

Paragraph (h)(5) requires subsequent source tests every five years to evaluate the performance of an APCD meeting the requirements of subparagraph (d)(1)(A).

Submittal of Final Source Test Report – Paragraph (h)(6)

Paragraph (h)(6) specifies that the final source test report is due 120 days after the date the source test was conducted. Compliance with a performance standard due date, such as the dates specified in Table 1, Table 2, or paragraph (h)(5) would need to be demonstrated on or before the date regardless of the reporting deadline. A final source test report received after the due date would be considered late in demonstrating compliance with a performance standard due date.

Subdivision (i) – Exemptions

Specifies Cleaning Tanks are exempt from certain requirements, provided the Cleaning Tank is described as a Cleaning Tank in the description of a South Coast AQMD permit. To qualify for this exemption, an owner or operator may need to modify the permit description/conditions and include supplement documentation. Nitric Acid Units that are listed in a “Cleaning Line” in a permit may not be eligible for this exemption as the exemption is tank specific. Additionally, a Nitric Acid Unit that is described to perform cleaning and other functions, such as deoxidation or passivation, would not be eligible for this exemption.

Appendix A – Nitric Acid Additions and Adjustments

This appendix specifies the methodology for calculating annual adjusted nitric acid additions for Nitric Acid Units electing to comply with subparagraph (d)(2)(B) or are subject to subdivision (e).

Appendix B – Recordkeeping Form

This appendix provides recordkeeping forms to maintain records of additions for each Nitric Acid Unit and for the entire facility.

CHAPTER 4: IMPACT ASSESSMENT

- **INTRODUCTION**
- **NOX EMISSIONS**
- **EMISSION REDUCTIONS**
- **COSTS AND COST-EFFECTIVENESS**
- **INCREMENTAL COST-EFFECTIVENESS**
- **CALIFORNIA ENVIRONMENTAL QUALITY ACT ASSESSMENT**
- **SOCIOECONOMIC IMPACT ASSESSMENT**
- **DRAFT FINDINGS UNDER HEALTH AND SAFETY CODE SECTION 40727**
- **COMPARATIVE ANALYSIS**

CHAPTER 4: IMPACT ASSESSMENT

Introduction

To collect additional information on impacted facilities and equipment, two facility surveys were sent out. In 2023, a facility survey was sent out to collect additional information from facilities which included follow up calls to clarify data submitted and to gather additional information not included in the survey that helped with identifying impacts to the facilities that had responded to this survey. Data from the 70 responding facilities were analyzed to determine how each facility would comply with PR 1159.1. PR 1159.1 is expected to impact an estimated 928 Nitric Acid Units located at 255 facilities. Estimates for the number of Nitric Acid Units was extrapolated from the average number of Nitric Acid Units of facilities that responded to the 2023 facility survey due to challenges of identifying affected equipment from permits.

Based on 2023 facility survey data extrapolated to the PR 1159.1 universe of facilities, seven facilities would be required to install an APCD and 14 facilities are expected to source test uncontrolled tanks to demonstrate a combined emission rate 0.60 lb/hr or less under one of the alternative compliance pathways. The remaining 234 facilities are expected to comply through recordkeeping to demonstrate using less than the threshold amount of nitric acid. Impact assessments were conducted during the rule development to assess the environmental and socioeconomic implications of PR 1159.1. These impact assessments include emission reduction calculations, cost-effectiveness analyses, a socioeconomic impact assessment, and a California Environmental Quality Act (CEQA) analysis. Draft findings and a comparative analysis were prepared pursuant to Health and Safety Code Sections 40727 and 40727.2, respectively.

NO_x Emissions

Baseline NO_x Emissions from Nitric Acid Units

Baseline emissions represent the total emissions from Nitric Acid Units in the PR 1159.1 universe. Because there is limited information to account for NO_x emissions or calculate NO_x emissions from an emission rate, NO_x Emissions were estimated using the reported amount of nitric acid used and the chemical reaction equation presented in Chapter 3 of this staff report. The conversion factor used is a conservative estimation that assumes that all nitric acid reacts to form NO_x Emissions. The nitric acid usage data of 70 facilities from the 2023 facility survey was used to determine the average nitric acid usage per facility. The average nitric acid usage per facility was assumed for the entire PR 1159.1 universe. Based on this conservative approach, approximately 1.12 tons per day of NO_x Emissions are estimated from the operation of Nitric Acid Units from a total of 255 facilities.

Emission Reductions

PR 1159.1 affects 255 facilities operating one or more Nitric Acid Units. Based on an evaluation of available information for these facilities, 248 facilities are low emissions or low usage facilities expected to comply through source testing and/or recordkeeping, and thus would not result in emission reductions. The remaining seven facilities would be required to meet the BARCT emission limit through the control of NO_x Emissions using an APCD. As such, baseline emissions for the purpose of determining emission reductions and expected emission reductions were assessed for only the seven facilities that are forecasted to reduce emissions. The average nitric

acid addition was calculated from the facilities determined to be required to install an APCD as reported from the facility survey. The average nitric acid addition, 2,648 gallons, was used to calculate the average facility NOx Emissions of 0.017 tons per year. The total baseline NOx Emission for the seven facilities which were determined to be 0.12 tons per day of NOx based on average facility NOx Emissions by multiplying by the number of facilities.

Facility NOx Emissions are required to be controlled by the installation of an APCD meeting 0.30 lb/hr. The total amount of NOx Emissions post controls, 0.013 tons per day, was calculated using the BARCT emission rate, operating schedule of 12 hours/day (consistent with the cost-effectiveness analysis) and multiplying by the number of facilities

The emission reductions from PR 1159.1 were calculated based on the difference of the uncontrolled NOx Emissions and NOx Emissions after installation of an APCD. PR 1159.1 is expected to reduce NOx Emissions by approximately 0.11 tons per day.

Costs and Cost-Effectiveness

Overview

Health and Safety Code Section 40920.6 requires a cost-effectiveness analysis when establishing BARCT requirements. The cost-effectiveness of a control technology is measured in terms of the control cost in dollars per ton of air pollutant reduced. The costs for control technology includes purchasing, installation, operation and maintenance.

The 2022 AQMP established a cost-effectiveness threshold of \$325,000 per ton of NOx reduced; Adjusted for CPI, the cost-effective screening threshold for 2023 is \$362,600 per ton of NOx reduced used for the cost-effectiveness analysis. Cost-effectiveness that is greater than \$362,600 per ton of NOx reduced requires additional analysis and a hearing before the Board on costs. The BARCT analysis establishes an emission limit of 0.30 lb/hr based on demonstration that it was technologically feasible for all types of operations. As there was only one initial BARCT emission limit proposed, no incremental cost-effectiveness was conducted.

Discounted Cash Flow (DCF)

The DCF method is used to calculate cost-effectiveness. The DCF method converts all costs, including initial capital investments and costs expected to be incurred in the present and all future years of equipment life, to present value. Conceptually, it is as if calculating the number of funds that would be needed at the beginning of the initial year to finance the initial capital investments and to be set aside to pay off the annual recurring costs as they occur in the future. The fund that is set aside is assumed to be invested and generates a rate of return at the discount rate chosen. The final cost-effective measure is derived by dividing the present value of total costs by the total emissions reduced over the equipment life. The following equation is used for calculating cost-effectiveness with DCF.

$$\text{Cost effectiveness} = \frac{\text{Present Value}}{\text{Emissions Reduced Over Equipment Lifetime}}$$

Where: Present Value = Initial Capital Costs + (Annual Recurring Costs * Present Worth Factor)

$$\text{Cost effectiveness} = \frac{\text{Initial Capital Cost} + (\text{Annual Recurring Costs} \times \text{PWF})}{\text{Annual Emission Reductions} \times \text{Years of Equipment Life}}$$

$$\text{Where: } PWF = \frac{(1 - 1/(1-r)^N)}{r}$$

Where:

r = real interest rate (discount rate)

N = years of equipment life

Cost-Effectiveness Screening Threshold

Cost-effectiveness is the cost to benefit analysis comparing the relative cost to the outcomes (i.e., reduction of NOx Emissions in tons). The cost-effectiveness threshold from the 2022 Air Quality Management Plan is \$325,000 per ton of NOx reduced. When adjusted by consumer price index (CPI), the 2023 cost-effectiveness threshold is \$362,600 per ton of NOx reduced. The PR 1159.1 cost-effectiveness analysis used the cost-effectiveness threshold of \$362,600 per ton of NOx reduced.

Summary of Cost for NOx Control Equipment

The cost for installation of NOx control equipment to comply with a rule includes both the initial capital costs to install the equipment as well as recurring annual costs to maintain and operate the equipment. Initial capital costs include the cost of the control equipment itself as well as the direct and indirect installation costs. Annual recurring costs include the labor, services, utilities, and material costs to operate the control equipment.

There was limited cost information available. Cost information from permit evaluations, vendor provided cost estimates, and information from facilities during site visits were used. Staff obtained costs for NOx scrubbers from a permit application and four supplier quotes during rulemaking. Two of the vendors provided costs that reflected the costs for a NOx scrubber installed prior to COVID-19. COVID-19 has impacted the cost of materials and staff determined that the costs from the two suppliers were not representative of costs that facilities would incur if they were to install a NOx scrubber in 2024 or the near future.

In 2024, additional cost information for NOx scrubbers was gathered. Based on a vendor quote and a prior cost-effectiveness evaluation in an engineering evaluation for a NOx scrubber, capital and recurring costs for a multistage scrubber were developed using the following assumptions:

- Multistage NOx scrubber cost \$920,000 (base cost)
- Sales tax and delivery were assumed to be 18% of the base cost
- Direct installation cost (e.g., foundation, electrical) was assumed to be 27% of the base cost
- Indirect installation cost (e.g., engineering, construction, start-up, source testing, etc.) was to be assumed 31% of the base cost.
- Recurring annual cost (e.g., operational labor, operation materials, wastewater disposal, electricity) was assumed to be 25% to the base cost

The total initial capital cost (equipment + direct installation + indirect installation) is \$1,720,000 for a multistage NOx scrubber with costs attributed per category are presented in Table 4-1.

Table 4-1 – Capital and Recurring Costs for Multistage NOx Scrubber

Item	Basis of Cost	Cost	
NOx Scrubber Base Cost	Vendor Quote	\$920,000	Purchased Equipment Cost (PEC) = \$1,085,600
Tax and delivery	18% of Base*	\$165,600	
Direct Installation Cost	27% of PEC*	\$293,112	
Indirect Installation Cost	31% of PEC*	\$336,536	
Initial Capital Cost		~\$1,720,000	For use to calculate Present Value
Recurring Annual Cost	25% of Base	\$230,000	

* Based on NOx scrubber quote used in cost-effectiveness evaluation in engineering application

For the cost-effectiveness analysis, capital costs were annualized over a 25-year lifespan for the equipment with an interest rate of 4%. Present Value was determined to be nearly \$5,313,000 based on the formulas presented above in Discounted Cash Flow section.

Where:

Initial Capital Cost = \$1,720,000

Recurring Annual Cost = \$230,000

PWF = 15.62 (based on $r = 4\%$ and $N = 25$ years)

$$\$5,312,600 = \$1,720,000 + (\$230,000 * 15.62)$$

PR 1159.1 Cost-Effectiveness

Based on the calculated present value of \$5,313,000 and the cost-effectiveness screening threshold of \$362,600 per ton of NOx reduced, it would be cost-effective to require installation of NOx controls if there is a reduction of 0.59 ton of NOx per calendar year (equivalent to 1,180 lbs/year of NOx reductions).

$$0.59 \text{ ton per year} = \frac{\$5,313,000}{25 \text{ years}} * \frac{\text{ton}}{\$362,600}$$

Assuming a 12-hour operational day, based on the average from the survey data, the typical facility would operate 4,380 hours per year. As such, it would be cost-effective to require controls if there is at least a reduction of 0.3 lb/hr of NOx.

Based on the cost of control devices, and the nitric acid usage of the 7 facilities expected to install controls to meet BARCT emission limits, cost-effectiveness is estimated at \$37,300 per ton of NOx reduced.

Incremental Cost-Effectiveness Assessment

An incremental cost-effectiveness analysis is conducted if multiple initial BARCT concentration limits are identified that vary in stringency and are each cost-effective. A final BARCT

concentration limit is established that is both technologically feasible, achievable within the implementation schedule allowed in the proposed rule, cost-effective, and incrementally cost-effective.

PR 1159.1's initial BARCT emission limit of 0.30 lb/hr is the only emission limit proposed as scrubber technology is the only technology identified to be technologically feasible for reducing NOx Emissions for this universe; therefore, an incremental cost-effectiveness analysis was not conducted.

California Environmental Quality Act Assessment

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15002(k) and 15061, the proposed project (PR 1159.1) is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3). A Notice of Exemption ~~will~~ has been prepared pursuant to CEQA Guidelines Section 15062, and if the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties, and with the State Clearinghouse of the Governor's Office of Planning and Research.

Socioeconomic Impact Assessment

~~A socioeconomic impact assessment has been prepared and released for public review as a separate document at least 30 days prior to the South Coast AQMD Governing Board Hearing of PR 1159.1, which is scheduled for December 6, 2024 (subject to change). A Draft Socioeconomic Impact Assessment for PR 1159.1 was released for public review and comment on November 5, 2024. The Final Socioeconomic Impact Assessment is available in the December 6, 2024, Governing Board Package.~~

Draft Findings under Health and Safety Code Section 40727

Requirements to Make Draft Findings

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing, and in the staff report. In order to determine compliance with Health and Safety Code Section 40727, Health and Safety Code Section 40727.2 requires a written analysis comparing the proposed rule with existing regulations, if the rule meets certain requirements. The following provides the draft findings.

Necessity

PR 1159.1 is needed to establish BARCT requirements for facilities that will be transitioning from RECLAIM to a command-and-control regulatory structure and to provide NOx Emission limits for Nitric Acid Units used at RECLAIM and Non-RECLAIM facilities to reflect current BARCT emission limits.

Authority

The South Coast AQMD obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, 40440, 40506, 40702, 40725 through 40728, 41508, and 42300 et seq.

Clarity

PR 1159.1 is written or displayed so that its meaning can be easily understood by the persons directly affected by it.

Consistency

PR 1159.1 is in harmony with and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

Non-Duplication

PR 1159.1 will not impose the same requirements as or in conflict with any existing state or federal regulations. The proposed rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the South Coast AQMD.

Reference

In adopting this rule, the following statutes which the South Coast AQMD hereby implements, interprets or makes specific are referenced: Health and Code Sections 39002, 40000, 40001, 40405, 40406, 40440(a), 40506, 40702, 40725 through 40728.5, 40920.6, and 42300 et seq.

Comparative Analysis

Health and Safety Code Section 40727.2 requires a comparative analysis of the proposed rule with any Federal or District rules and regulations applicable to the same source. A comparative analysis is presented in Table 4-2.

Table 4-2 – Comparative Analysis

Rule Element	Proposed Rule 1159.1	RECLAIM	Equivalent Federal Regulation
Applicability	Facility with one or more Nitric Acid Units	Facilities regulated under NOx or SOx RECLAIM program (South Coast AQMD Regulation XX)	None
Requirements	<p>Compliance pathways for groups of Nitric Acid Units:</p> <p>1) APCD venting unit(s) meets:</p> <ul style="list-style-type: none"> • ≤ 0.30 lb/hr of NOx <ul style="list-style-type: none"> ◦ ≤ 0.90 lb/hr facility-wide or; • $\geq 99\%$ control efficiency <p>2) Source test uncontrol units</p> <ul style="list-style-type: none"> • Combined emission ≤ 0.60 lb/hr <p>3) Recordkeeping of nitric acid additions and removals</p> <ul style="list-style-type: none"> • ≤ 550 gal/year individual unit limit • ≤ 1650 gal/year facility-wide limit • Two-calendar year exceedances of last five, results in permanent loss of this pathway for facility <p>Parameter monitoring</p> <ul style="list-style-type: none"> • Flowrate • pH • Pressure drop <p>Labeling of tanks</p>	<p>Vent equipment to [APCD] whenever this equipment is in operation.</p> <p>Emission limit related permit conditions</p> <ul style="list-style-type: none"> • 50 gallons of nitric acid (70%)/month • 20 lbs of nitric acid per day • 200,000 pieces per month • 5 ppmv NOx • 99% control efficiency • 330 lbs of nitric acid (98%)/hr <p>Parameter monitoring</p> <ul style="list-style-type: none"> • Flowrate • pH • Oxidation reduction potential • Pressure drop 	None
Reporting	None	Quarterly Certification of Emissions Report and Annual Permit Emissions Program report	None
Monitoring	<ul style="list-style-type: none"> • Source testing every 5 years for APCDs • Analysis of tank solutions for optional nitric acid addition adjustments • Visual inspections on control equipment per manufacturers' recommendations or at least every quarter 	<p>Source testing every:</p> <ul style="list-style-type: none"> • 5.5 years; or • 5-year period 	None
Recordkeeping	<ul style="list-style-type: none"> • Ongoing monthly and annual nitric acid addition records for units complying with recordkeeping pathway • Weekly recording of control device operating parameters • All records kept onsite for minimum of 5 years 	Maintain records to demonstrate compliance with conditions	None

APPENDIX A – LIST OF AFFECTED FACILITIES

APPENDIX A: LIST OF FACILITIES**Table A-1: Facilities Affected by PR 1159.1**

Facility ID	Facility Name
10010	3M UNITEK CORPORATION
102270	A & G ELECTROPOLISH
176446	A 2 Z PLATING CO
149179	A V PLATING, ANGEL SEDANO DBA
152173	A&A PLATING COMPANY
25087	AAA PLATING & INSPECTION, INC
45489	ABBOTT CARDIOVASCULAR SYSTEMS, INC
62266	ACCURATE ANODIZING, INC
114536	ACCURATE PLATING COMPANY
71553	ACE CLEAR WATER ENTERPRISES
17325	ACE CLEARWATER ENTERPRISES
58416	ACTIVE MAGNETIC INSPECTION
107011	ACTIVE PLATING INC
136197	ADVANCE TECH PLATING
154448	ADVANCED BIONICS LLC
173518	ADVANCED BIONICS, LLC
70220	AERO CHROME PLATING
111944	AERO ELECTRIC CONNECTOR, INC.
173558	AEROFIT, LLC
175126	AEROJET ROCKETDYNE OF DE, INC.
145232	AIR INDUSTRIES COMPANY, LLC
6815	AIR INDUSTRIES CORP
21321	AIRCRAFT X-RAY LABS INC
4346	ALCO CAD-NICKEL PLATING C
102730	ALERT PLATING COMPANY
47835	ALL METALS PROCESSING OF ORANGE CO., LLC
178908	ALLFAST FASTENING SYSTEMS, LLC
117435	ALLOY PROCESSING
7437	ALLOYS CLEANING INC
94719	ALUMINUM PRECISION PROD INC,ALU FORGE CO
36522	ALUMINUM PRECISION PRODUCTS INC
37801	AMERICAN ETCHING & MFG CO
8015	ANADITE INC
16951	ANAPLEX CORP
144438	ANDRES TECHNICAL PLATING
184767	ANOCHEM COATINGS
160399	ANODIZING INDUSTRIES, INC
142479	ANODIZING INDUSTRIES, INC.

7011	ANODYNE INC
189684	APCT ANAHEIM
189170	APCT OC
115329	ARTCRAFT PLATING & FINISHING CO., INC.
55661	ARTISTIC SILVER PLATING INC
121756	ASSOCIATED PLATING CO INC
133243	ASTECH ENGINEERED PRODUCTS INC.
93049	ATK SPACE SYSTEMS INC
17060	AUTOMATION PLATING CORP
127901	AUTOMATION PLATING CORP.
147364	AVIATION REPAIR SOLUTIONS INC.
117912	AVIBANK MANUFACTURING INC
144106	AVK INDUSTRIAL PRODUCTS
189752	AVNEX SURFACE FINISHING INC.
130292	B G DETECTION SERVICES
121215	BARKEN'S HARDCHROME, INC
13618	BARRY AVE PLATING CO INC
146448	BEO-MAG PLATING INC
18814	BLACK OXIDE IND INC
137801	BODYCOTE THERMAL PROCESSING
17489	BRISTOL INDUSTRIES
42645	BRITE PLATING CO INC
13911	BROWN-PACIFIC WIRE INC
70778	BURBANK PLATING SERVICE CORP
171832	C & R PLATING, INC.
76490	CADILLAC PLATING INC
15216	CAL AURUM IND
9120	CAL ELECTROPLATING INC
147653	CALIFORNIA FAUCETS
1953	CAL-TRON PLATING INC
14944	CENTRAL WIRE
148925	CHERRY AEROSPACE
18460	CHRISTENSEN PLATING WKS INC
180575	CHROMADORA, INC
145401	CIRCUIT SERVICES LLC
18031	CLA-VAL CO, GRISWOLD INDUSTRIES DIV
112968	COAST PLATING INC
175222	COASTLINE METAL FINISHING INC
63111	CONNELL PROCESSING INC, CONNELL PROC CORP
20600	CONTINENTAL FORGE CO
192593	CPI SATCOM & ANTENNA TECHNOLOGIES INC.
24756	CRANE CO, HYDRO-AIRE DIV

175218	DANCO EN
21392	DANCO METAL SURFACING
53481	DANCO METAL SURFACING
10955	DANCO METAL SURFACING, ANOMIL ENT., INC.
145507	DENTIUM USA
144198	DESIGNED METAL CONNECTIONS
141966	DICKSON TESTING CO. INC.
46563	DIP BRAZE INC
5723	DUCOMMUN AEROSTRUCTURES, INC
125051	DUCOMMUN AEROSTRUCTURES, INC
140811	DUCOMMUN AEROSTRUCTURES, INC
6763	DUNHAM METAL PROCESSING, CHUCK DUNHAM
45938	E.M.E. INC/ELECTRO MACHINE & ENGINEERING
136148	E/M COATING SERVICES
126964	EDWARDS LIFESCIENCES LLC
82621	ELECTRO ADAPTER INC
143630	ELECTRODE TECH INC, REID METAL FINISHING
9823	ELECTROLURGY INC.
117799	ELECTROMATIC, INC.
94035	ELECTRON PLATING III
23349	ELECTRONIC PRECISION SPECIALTIES INC
129444	ELEMENT MATERIALS TECHNOLOGY
186519	EMBEE PROCESSING
47329	FINE QUALITY METAL FINISHING CO
105966	FINELINE CIRCUITS & TECHNOLOGY INC
164581	FLARE GROUP DBA AVIATION EQUIPMENT PROCE
186898	FMH AEROSPACE CORP
148373	FULLERTON CUSTOM WORKS INC
13488	GCG CORP
116004	GOLDEN STATE MAGNETIC & PENETRANT LAB IN
11998	GOODRICH CORPORATION
76262	GRAPHIC DIES INC
158699	GSP ACQUISITION CORP/GARDENA SPECIALIZED
12841	HARTWELL CORP
40829	HAWKER PACIFIC AEROSPACE
123774	HERAEUS PRECIOUS METALS NO. AMERICA, LLC
158146	HERMETIC SEAL CORP/AMETEK
103703	HIGHTOWER PLATING & MANUFACTURING CO
11192	HI-SHEAR CORPORATION
11818	HIXSON METAL FINISHING
800003	HONEYWELL INTERNATIONAL INC
134931	HOWMET GLOBAL FASTENENING SYSTEMS INC.

134943	HOWMET GLOBAL FASTENING SYSTEMS INC
134944	HOWMET GLOBAL FASTENINGS SYSTEMS INC
1216	HRL LABORATORIES, LLC
153546	HUCK INTERNATIONAL INC
133930	HYDROFORM USA
103286	IDEAL ANODIZING INC
91548	II-VI AEROSPACE & DEFENSE
171275	IMPRESA AEROSPACE, LLC
58876	INDUSTRIAL MFG CO LLC DBA AROOWHEAD PROD
15703	INDUSTRIAL TECTONICS INC
180672	INFINEON TECHNOLOGIES AMERICAS CORP.
139666	ISU PETASYS INC
186454	JD PROCESSING, INC
62852	JENCO PLATING & ANODIZING INC
236	K & L ANODIZING CORP
93702	KCA ELECTRONICS INC
112911	KVR INVESTMNT GRP, PACIFIC PLATING, DBA
71455	L.N.L. ANODIZING
144010	L-3 ELECTRON DEVICES
155797	LA GAUGE COMPANY
140017	LA HABRA PLATING COMPANY
22467	LEFIELL MFG CO
132333	LM CHROME CORP
12748	LMDD ENTER. INC., DIXON HARD CHROME, DBA
41229	LUBECO INC
167413	M & R PLATING CORPORATION
108315	M J B CHROME PLATING & POLISHING
10132	MAGNESIUM ALLOY PROD. CO
14700	MAGPARTS INC
56547	MARCEL ELECTRONICS
107149	MARKLAND MANUFACTURING INC
17473	MECHANICAL METAL FINISHING CO
192123	MEGGITT (ORANGE COUNTY), INC.
109573	METAL CHEM
122365	METAL FINISHING MARKETERS INC
20280	METAL SURFACES INTERNATIONAL, LLC
73339	MID VALLEY ANODIZING
167001	MISTRAS GROUP, INC.
6663	MITCHELL LAB INC
139550	MONITOR POLISHING & PLATING, INC.
133358	MONOGRAM AEROSPACE FASTENERS
102334	MOOG, INC

136913	MORRELL'S ELECTRO PLATING, INC
140513	MS AEROSPACE INC
129249	MULTICHROME / MICROPLATE CO., INC
135284	MURRIETTA CIRCUITS INC
2047	NATIONAL TECHNICAL SYSTEM
42712	NEUTRON PLATING INC
800328	NMB TECHNOLOGIES CORPORATION
18294	NORTHROP GRUMMAN SYSTEMS CORP
800408	NORTHROP GUMMAN SYSTEMS
800409	NORTHROP GRUMMAN SYSTEMS CORPORATION
8408	OMNI METAL FINISHING INC
186803	ORCHID ORTHOPEDIC SOLUTIONS
140871	PAC RANCHO, INC.
153092	PACIFIC AERODYNAMIC INC
173247	PACIFIC CHROME SERVICES
22991	PACIFIC MAGNETIC & PENETRANT CO INC
80799	PALM SPRINGS PLATING
9151	PICO RIVERA PLATING INC
5076	PIONEER CIRCUITS INC
14802	PLATERONICS PROCESSING, INC
177440	PLATINUM SURFACE COATING, INC.
588	PRECIOUS METALS PLATING C
69454	PRECISION AEROSPACE CORP
24570	PRECISION ANODIZING & PLATING INC
130017	PRECISION CONTROL FINISHING, INC.
171391	PRECISION HERMETIC TECHNOLOGY, INC.
195746	PRECISION METAL PROCESSING, INC.
48300	PRECISION TUBE BENDING
150186	PRIME PLATING
182848	QAP METAL FINISHING
52525	QUAKER CITY PLATING & SILVERSMITH LTD
144835	QUALITY ALUMINUM FORGE A DIV OF GEL IND
76769	QUALITY CONTROL PLATING
148912	QUINSTAR TECHNOLOGY, INC.
114009	R.L. ANDODIZING, RAYMOND LANE, DBA
166352	RAH INDUSTRIES
172044	RANTEC MICROWAVE SYSTEMS
95189	RBC TRANSPORT DYNAMICS CORP
94272	RGF ENTERPRISES INC
100806	ROBINSON HELICOPTER CO INC
800113	ROHR, INC
128230	S. LETVIN & SONS

24244	S.T. & I. INC.
39965	SAFE PLATING INC
177461	SAFRAN ELECTRONICS&DEFENSE,AVIONICS USA
10444	SANDERS SERVICE INC
125806	SANTEC, INC
89731	SANTOSHI CORP, ALUM-A-COA
159128	SEMICOA CORPORATION
105598	SENIOR AEROSPACE SSP
192413	SERFLEX L.L.C.
37603	SGL TECHNICAL
115662	SONIC INDUSTRIES INC
1808	SONIC PLATING CO, INC
36738	SORENSEN ENGINEERING INC, FRANK SORENSON
194740	SOUTH COAST CIRCUITS INC
183467	SPACE EXPLORATION TECHNOLOGIES
142710	SPECTRUM PLATING CO
151453	SPS TECHNOLOGIES, LLC
169990	SPS TECHNOLOGIES, LLC
5743	STABILE PLATING CO INC
195628	STELLANT SYSTEMS INC
18845	STUTZMAN PLATING CO
181234	SUNVAIR
165015	SUPERFORM USA
154669	SUPERIOR CONNECTOR PLATING, INC.
128150	SUPERIOR PROCESSING
122432	SUPREME PLATING & COATING, L DE LA ROSA
114016	TA MFG CO TA AEROSPACE
131749	TECT
173517	TELEDYNE REYNOLDS INC. DBA TELEDYNE RELA
800067	THE BOEING COMPANY
131232	THE BOEING COMPANY-C13 FACILITY
173544	THE BUYERS, INC.
12282	THE PRECISION COIL SPRING
137438	THERMAL VAC TECHNOLOGY
24718	TIODIZE CO INC
125265	TRIDENT PLATING INC
62986	TTM TECHNOLOGIES INC
170894	TTM TECHNOLOGIES NORTH AMERICA, LLC. (VIASYSTEMS TECHNOLOGIES CORP, LLC.)
12170	VACCO INDUSTRIES
109562	VALLEY PLATING WORKS INC
25304	VALLEY PLATING WORKS, INC
106838	VALLEY-TODECO, INC

24209	VALMONT GEORGE INDUSTRIES
14495	VISTA METALS CORPORATION
177089	WATERSTONE FAUCETS
10966	WEBER METALS INC
113268	WEST COAST AEROSPACE
166762	WEST VALLEY PLATING, INC
158848	WESTERN FILTER - A DIV. OF DONALDSON CO.

APPENDIX B – RESPONSE TO COMMENTS

APPENDIX B: RESPONSE TO COMMENTS

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1. The Boeing Company Email (9/25/2024)

Min Sue

From: Pearce (US), William R <william.r.pearce@boeing.com>
Sent: Wednesday, September 25, 2024 8:11 AM
To: Neil Fujiwara
Cc: Min Sue; Michael Krause
Subject: [EXTERNAL] RE: South Coast AQMD - PR 1159.1

Follow Up Flag: Follow up
Flag Status: Flagged

Greatly appreciate all the work that has been put forth by staff in crafting the latest proposed rule, and for listening to industry comments and incorporating those comments in the draft rule. Completed review of latest draft and have just one clarification/question with respect to (d)(2)(B). Assumption has been that this is a prospective requirement-not reviewing history for the last five years of tank additions before rule adoption. Language is somewhat vague. Just wanted to confirm.

 Comment 1-1

Bill Pearce
Senior Environmental Engineer
Environment, Health & Safety
310-200-3155

Response to The Boeing Company email, submitted 9/25/2024

- 1-1 Response: PR 1159.1 requires recordkeeping, beginning July 1, 2025, for Nitric Acid Units complying with (d)(2)(B) to demonstrate compliance with the individual and facility-wide thresholds. Staff intended the determination of compliance to be made based on the required recordkeeping which includes provisions for removal adjustments for unreacted nitric acid remaining in the volume of solutions removed from the units. These removal adjustments cannot be applied retroactively for prior years as it requires laboratory analyses of removed solutions at the time of these removals. Thus, compliance determination will only be made based on nitric acid records beginning July 1, 2025.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Final Socioeconomic Impact Assessment For
Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid
Tanks**

December 2024

Deputy Executive Officer

Planning, Rule Development, and Implementation
Sarah L. Rees, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Implementation
Michael Krause

Planning and Rules Manager

Planning, Rule Development, and Implementation
Barbara Radlein

Authors: Xian-Liang (Tony) Tian, Ph.D. – Program Supervisor
Chris Yu – Assistant Air Quality Specialist

Contributors: Neil Fujiwara – Program Supervisor
Min Sue – Air Quality Specialist
Dan Penoyer – Air Quality Specialist
Valerie Rivera – Assistant Air Quality Specialist

Reviewed By: Kalam Cheung – Planning and Rules Manager
Barbara Baird – Chief Deputy Counsel
Josephine Lee – Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Senate Rules Committee Appointee

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Cities of Orange County

JOSÉ LUIS SOLACHE
Mayor, Lynwood
Cities of Los Angeles County/Western Region

DONALD P. WAGNER
Supervisor, Third District
County of Orange

EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

On March 17, 1989, the South Coast Air Quality Management District (South Coast AQMD) Governing Board adopted a resolution which requires an analysis of the economic impacts associated with adopting and amending rules and regulations. In addition, Health and Safety Code Section 40440.8 requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which “will significantly affect air quality or emissions limitations.” Health and Safety Code Section 40728.5 requires the South Coast AQMD Governing Board to actively consider the socioeconomic impacts of regulations, make a good faith effort to minimize adverse socioeconomic impacts and include small business impacts. Lastly, Health and Safety Code Section 40920.6 requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or “all feasible measures” requirements relating to emissions of ozone, carbon monoxide (CO), sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOC), and their precursors.

Proposed Rule (PR) 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, aims to reduce NOx emissions by requiring the affected facilities to install control devices or demonstrate low emissions by either source testing or documentation of low nitric acid usage. PR 1159.1 also establishes provisions for parameter monitoring, recordkeeping, maintenance, and inspection at the affected facilities to ensure that the air pollution control devices (APCD) are working as intended.

A socioeconomic impact assessment has been conducted to assess the socioeconomic impacts from implementing PR 1159.1 and the following presents a summary of the analysis and findings.

Key Elements of PR 1159.1 PR 1159.1 aims to reduce NOx emissions from Nitric Acid Units by requiring facilities with high emissions to install and vent emissions to an APCD meeting the BARCT emission limit, or demonstrate emissions are less than certain thresholds through conducting source tests, or provide documentation which confirms low nitric acid usage. Implementation of PR 1159.1 is estimated to result in a reduction of NOx emissions by 0.11 ton per day (tpd).

Affected Facilities and Industries PR 1159.1 will affect 255 facilities located throughout Los Angeles, Orange, Riverside, and San Bernardino Counties. Of the affected facilities, seven facilities are projected to each install an APCD, 14 facilities will need to conduct source tests for uncontrolled emissions, and 234 facilities will need to keep records documenting their nitric acid usage. The 255 affected facilities span 18 different sectors based on the North American Industry Classification System (NAICS), with the majority (148 facilities) from the Fabricated Metal Product Manufacturing (NAICS 332) sector.

A small business analysis was conducted for the facilities affected by PR 1159.1 and the following table presents the number of affected facilities that will qualify as small businesses under various small-business definitions used in the analysis.

Small-business Definition	Number of Facilities
South Coast AQMD Rule 102	1
South Coast AQMD's Small Business Assistance Office	172
U.S. Small Business Administration	224
1990 CAAA	69

Assumptions for the Analysis

The key requirements of PR 1159.1 that would have cost impacts include: 1) purchase and operation of APCDs, which are assumed to be multi-stage NOx scrubbers; 2) permitting fees; 3) conducting source tests; 4) conducting parametric monitoring; 5) conducting maintenance and inspections; 6) recordkeeping; and 7) analyzing tank solutions.

Specifically, PR 1159.1 would require facilities with high emissions to purchase and operate scrubbers to decrease the NOx emissions from Nitric Acid Tanks. Alternatively, source testing of Nitric Acid Units or nitric acid recordkeeping are required to demonstrate emissions or nitric acid usage are less than certain thresholds specified in PR 1159.1. In addition, maintenance, inspections and recordkeeping of APCDs, will be required to ensure proper operation of APCDs.

PR 1159.1 provides three pathways that a facility may select to comply with the rule: 1) Pathway A consists of installing and operating an APCD that meets a 0.30 lb/hr or 99% control efficiency which can be demonstrated through conducting periodic source testing every five years; 2) Pathway B requires source testing of Nitric Acid Units to demonstrate a NOx emission rate of 0.60 lb/hr or less; and 3) Pathway C allows for the demonstration of low nitric acid usage through recordkeeping. The analysis indicates that the most expensive option is Pathway A and the least expensive option is Pathway C. This analysis assumes that a facility would prioritize the least costly pathway to comply with PR 1159.1 requirements. The number of facilities choosing each pathway was extrapolated using data from self-conducted surveys sent out by staff to facilities.

Compliance Costs

The analysis estimates the costs of implementing PR 1159.1 over the period 2025-2052. The total present value of the compliance costs for PR 1159.1 is estimated to be \$59.2 million and \$38.5 million for a 1% and 4% discount rate, respectively. The average annual compliance cost of PR 1159.1 is estimated to range from \$2.3 million to \$2.5 million for a 1% to

4% real interest rate, respectively. When using a 4% real interest rate, this analysis indicates that maintenance comprises the majority of the average annual costs (55.6%), followed by the purchase of scrubbers (28.2%).

The following table presents a summary of the average annual costs of PR 1159.1 implementation by cost categories.

Average Annual Compliance Costs (2025-2052)

Cost Categories	1% Real Interest Rate	4% Real Interest Rate
Capital Costs		
Multi-stage NOx Scrubbers (APCD) (Pathway A)	\$501,160	\$686,128
APCD Permitting Fees (Pathway A)	\$2,693	\$3,817
Permitting Fees to Incorporate Conditions (Pathway B)	\$9,687	\$13,728
Source Testing APCDs (Pathway A)	\$2,649	\$3,627
Source Testing Tanks (Pathway B)	\$10,456	\$14,735
Recurring Costs		
Parameter Monitoring	\$18,200	\$18,200
APCD Operation and Maintenance Cost (Pathway A)	\$1,380,000	\$1,380,000
Periodic Source Testing APCDs (Pathway A)	\$7,929	\$7,929
Inspections (Pathway A)	\$1,400	\$1,400
Permit Renewal Fees (Pathway A)	\$12,938	\$12,938
Specification Sheet Keeping (Pathway B)	\$7,521	\$7,521
Nitric Acid Recordkeeping (Pathway C)	\$140,400	\$140,400
Tank Solution Analysis (Pathway C)	\$180,514	\$180,514
Total	\$2,275,547	\$2,470,937

Job Impacts

The direct effects of implementing PR 1159.1 are used as inputs to the Regional Economic Models, Inc (REMI PI+) model to assess job impacts and secondary/induced impacts for all industries in the four-county economy on an annual basis from 2025-2052.

When the compliance costs are annualized using a 4% real interest rate, the REMI analysis forecasts 34 net jobs foregone annually in the four-county region on average over the forecast period, relative to the baseline

forecast. The largest job impact occurs in the year 2033 when the REMI model forecasts 45 net jobs foregone relative to the baseline scenario.

Competitiveness

The overall impact of implementing PR 1159.1 on production costs and delivered prices in the South Coast AQMD region is expected to be minimal. According to the REMI Model, PR 1159.1 implementation is projected to result in a slight increase in the relative cost of production and delivered price in the Fabricated Metal Product Manufacturing sector (NAICS 332) by 0.0059% and 0.0051% annually on average, over the period from 2025 to 2052, respectively.

INTRODUCTION

The Regional Clean Air Incentives Market (RECLAIM) program is a market-based emissions trading program under South Coast AQMD Regulation XX, which was designed to reduce NO_x and SO_x emissions in South Coast AQMD region and applies to facilities with historical NO_x and SO_x emissions greater than four tons per year. To achieve more NO_x emission reductions at RECLAIM facilities, the 2016 Air Quality Management Plan (AQMP) directed a transition from the RECLAIM program to a command-and-control regulatory structure requiring BARCT as soon as practicable. California Assembly Bill 617 also required air districts to develop an expedited schedule for the implementation of BARCT by December 31, 2023, for industrial facilities within the California greenhouse gas cap-and-trade program. As facilities transition out of the NO_x RECLAIM program, a command-and-control rule that includes NO_x emission standards reflecting BARCT will be needed for all equipment categories. While most NO_x emissions are from combustion sources, Proposed Rule 1159.1 (PR 1159.1) would address NO_x emissions from chemical reaction or decomposition of nitric acid (i.e., non-combustion sources).

Specifically, PR 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks (hereafter referred to as Nitric Acid Units), is a command-and-control rule for the facilities that operate one or more Nitric Acid Units where nitric acid either decomposes at temperatures greater than 1,300 degrees Fahrenheit or reacts with a metal to form NO_x. As a result of the BARCT assessment, PR 1159.1 proposes a NO_x emission limit of 0.30 pound per hour (lb/hr) or a control efficiency of 99% for the Nitric Acid Units. PR 1159.1 requires facilities with emissions greater than the NO_x emission limit to install air pollution control devices (APCDs) (Pathway A). Alternatively, facilities with either emissions less than the NO_x emission limit or with low usage of nitric acid may elect to comply with PR 1159.1 through source testing (Pathway B) or by providing documentation of low usage of nitric acid (Pathway C). In addition, PR 1159.1 establishes implementation schedules as well as requirements for parameter monitoring, recordkeeping and source testing.

PR 1159.1 would apply to the RECLAIM facilities, former RECLAIM facilities that have already exited the RECLAIM program, and other non-RECLAIM facilities. A total of 255 facilities, distributed as 11 RECLAIM facilities and 244 non-RECLAIM facilities, have 928 Nitric Acid Units that will be subject to this proposed rule. Of the affected facilities, seven facilities are projected to install APCDs, 14 facilities will need to conduct source tests for uncontrolled emissions, and 234 facilities will need to document their nitric acid usage through recordkeeping. Overall, implementation of PR 1159.1 is estimated to result in a reduction of NO_x emissions by 0.11 ton per day (tpd).

LEGISLATIVE MANDATES

The legal mandates directly related to the assessment of PR 1159.1 include South Coast AQMD Governing Board resolutions and various sections of the Health and Safety Code.

South Coast AQMD Governing Board Resolution

On March 17, 1989, the South Coast AQMD Governing Board adopted a resolution that calls for an economic analysis associated with adopting and amending rules and regulations that considers all of the following elements:

- Affected industries

- Range of probable costs
- Cost-effectiveness of control alternatives
- Public health benefits

Health and Safety Code Requirements

The state legislature adopted legislation which reinforces and expands the South Coast AQMD Governing Board resolution requiring socioeconomic impact assessments for rule development projects. Health and Safety Code Section 40440.8, which went into effect on January 1, 1991, requires a socioeconomic impact assessment for any proposed rule, rule amendment, or rule repeal which "will significantly affect air quality or emissions limitations."

To satisfy the requirements in Health and Safety Code Section 40440.8, the scope of the socioeconomic impact assessment should include all of the following information:

- Type of affected industries;
- Impact on employment and the regional economy;
- Range of probable costs, including those to industry;
- Availability and cost-effectiveness of alternatives to the rule;
- Emission reduction potential; and
- Necessity of adopting, amending, or repealing the rule in order to attain state and federal ambient air quality standards.

Health and Safety Code Section 40728.5, which went into effect on January 1, 1992, requires the South Coast AQMD Governing Board to: 1) actively consider the socioeconomic impacts of regulations; 2) make a good faith effort to minimize adverse socioeconomic impacts; and 3) include small business impacts. To satisfy the requirements in Health and Safety Code Section 40728.5, the socioeconomic impact assessment should include the following information:

- Type of industries or business affected, including small businesses; and
- Range of probable costs, including costs to industry or business, including small business.

Finally, Health and Safety Code Section 40920.6, which went into effect on January 1, 1996, requires an incremental cost-effectiveness analysis for a proposed rule or amendment which imposes Best Available Retrofit Control Technology (BARCT) or "all feasible measures" requirements relating to emissions of ozone, carbon monoxide (CO), sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compound (VOC), and their precursors. The BARCT and cost-effectiveness analyses for PR 1159.1 were conducted and are located in Chapter 2 of the ~~Draft~~ Final Staff Report.¹

AFFECTED FACILITIES

¹ South Coast AQMD, Second Preliminary Draft Staff Report for Proposed Rule 1159.1 - Control of NOx Emissions from Nitric Acid Tanks, https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1159.1/pr1159-1_second_pdsr_092024.pdf. The Final Staff Report is located in Attachment G of the December 6, 2024 Governing Board package for PR 1159.1, which upon posting, will be available 72 hours prior to the Governing Board meeting at <https://www.aqmd.gov/home/news-events/meeting-agendas-minutes>.

PR 1159.1 would apply to RECLAIM facilities, former RECLAIM facilities that have already exited the RECLAIM program, and other non-RECLAIM facilities which utilize Nitric Acid Units for metal finishing, precious metal reclamation, and expanded graphite foil production in the South Coast AQMD region. A total of 255 facilities, distributed as 11 RECLAIM facilities and 244 non-RECLAIM facilities, have 928 Nitric Acid Units that will be applicable to this proposed rule. Table 1 provides the number of affected facilities by type of operation that use Nitric Acid Units. Most of the facilities use nitric acid for metal finishing.

**Table 1
Distribution of PR 1159.1 Affected Facilities Across Types of Operation**

Type of Operation	RECLAIM Facilities	Non-RECLAIM Facilities
Metal Finishing	9	243
Precious Metal Reclamation	1	1
Expanded Graphite Foil Production	1	0
Total	11	244

Table 2 presents the distribution of the affected facilities across various industrial sectors under the North American Industrial Classification System (NAICS). As summarized in the table, the majority of the affected facilities are in the Fabricated Metal Product Manufacturing sector (58.0%), followed by the Computer and Electronic Product Manufacturing sector (10.2%) and Other Transportation Equipment Manufacturing sector (8.2%).

**Table 2
Distribution of PR 1159.1 Affected Facilities across NAICS Sectors**

Industry Sector	NAICS Code	Number of Facilities	Percentage
Fabricated Metal Product Manufacturing	332	148	58.0%
Computer and Electronic Product Manufacturing	334	26	10.2%
Other Transportation Equipment Manufacturing	3364-3369	21	8.2%
Professional, Scientific, and Technical Services	54	13	5.1%
Primary Metal Manufacturing	331	9	3.5%
Repair and Maintenance	811	6	2.4%
Machinery Manufacturing	333	5	2.0%
Miscellaneous Manufacturing	339	4	1.6%
Wholesale Trade	42	4	1.6%

Industry Sector	NAICS Code	Number of Facilities	Percentage
Administrative and Support Services	561	4	1.6%
Chemical Manufacturing	325	3	1.2%
Electrical Equipment, Appliance, and Component Manufacturing	335	3	1.2%
Food Manufacturing	311	2	0.8%
Printing and Related Support Activities	323	2	0.8%
Retail Trade	44-45	2	0.8%
Petroleum and Coal Products Manufacturing	324	1	0.4%
Nonmetallic Mineral Product Manufacturing	327	1	0.4%
State and Local Government	92	1	0.4%
Total		255	100%

Small Business Analysis

South Coast AQMD defines a "small business" in Rule 102 for purposes of fees as one which employs 10 or fewer persons and which earns less than \$500,000 in gross annual receipts. South Coast AQMD also defines "small business" for the purpose of qualifying for access to services from the South Coast AQMD's Small Business Assistance Office (SBAO) as a business with annual receipts of \$5 million or less, or with 100 or fewer employees. In addition to the South Coast AQMD's definitions of a small business, the federal Small Business Administration (SBA) and the federal 1990 Clean Air Act Amendments (1990 CAAA) also provide definitions of a small business.

The SBA definition of a small business varies by six-digit NAICS codes.² For example a business that has less than 750 employees in the Iron and Steel Forging (NAICS 332111) industry is considered a small business. The 1990 CAAA classifies a business as a "small business stationary source" if it: 1) employs 100 or fewer employees; 2) does not emit more than 10 tons per year of either VOC or NOx; and 3) is a small business as defined by SBA.

South Coast AQMD mostly relies on Dun and Bradstreet data to conduct small business analyses for private companies. In cases where the Dun and Bradstreet data are unavailable or unreliable, other external data sources such as Manta, Hoover, LinkedIn, and company website data will be used. The determination of data reliability is based on data quality confidence codes in the Dun and Bradstreet data as well as staff's discretion. Revenue and employee data for publicly owned companies are gathered from Securities and Exchange Commission (SEC) filings. Since

² U.S. Small Business Administration, 2023 Small Business Size Standards, <https://www.sba.gov/document/support-table-size-standards>, accessed October 17, 2024.

subsidiaries under the same parent company are interest-dependent, the revenue and employee data of a facility’s parent company will be used for the determination of its small business status. Employment and revenue estimates from 2024 Dun and Bradstreet data as well as other external sources are available for 252 of the 255 facilities. Note that although the employment and revenue data for some facilities are unknown or missing, the current data used for this small business analysis represents the most thorough and accurate information obtainable as of the publication date of this ~~draft~~-final report. The number of affected facilities that are small businesses based on each of the three definitions is presented in Table 3. Note that only 116 out of the 252 facilities have reported their annual VOC or NOx emissions to South Coast AQMD, of which 69 facilities qualify as small businesses, based on the 1990 CAAA definition.

Table 3
Count of Small Businesses Based on Various Definitions

Definition	Number of Facilities
South Coast AQMD Rule 102	1
South Coast AQMD's Small Business Assistance Office	172
U.S. Small Business Administration	224
1990 CAAA	69

COMPLIANCE COSTS

This section estimates compliance costs of PR 1159.1. Upon implementation of PR 1159.1, the incremental compliance costs to the affected facilities consist of one-time capital-related expenditures and recurring operation and maintenance (O&M) costs. Affected facilities will be required to make one-time investments, which include costs for purchasing and installing APCDs, as well as fees for permit applications and source testing. In addition, they would also incur recurring O&M costs for APCD maintenance, parameter monitoring, source testing, inspection, permit renewal, recordkeeping, and tank solution analysis. All the costs discussed in this section are expressed in 2023 dollars.

Under PR 1159.1, the affected facilities will be required to select one or more of the following pathways: 1) Pathway A consists of installing and operating an APCD that meets a 0.30 lb/hr or 99% control efficiency which can be demonstrated through periodic source testing every five years; 2) Pathway B requires source testing of Nitric Acid Units to demonstrate a NOx emission rate of 0.60 lb/hr or less; and 3) Pathway C allows for the demonstration of low nitric acid usage through recordkeeping. Pathway A is the costliest of the pathways due to the high cost of a scrubber combined with the expense of conducting periodic source tests. The costs associated with Pathway B would be from conducting a one-time source test to demonstrate NOx emission levels and from the permit revision fee to incorporate operational parameters into the permit to limit NOx emissions. Pathway C is the least costly option because it would only require recordkeeping of nitric acid usage and laboratory analyses for the optional removal adjustments. Of the three pathways, this analysis assumes that facilities would prioritize implementing the least costly pathway to comply with the requirements in PR 1159.1.

In 2023, staff conducted a survey of the facilities which have been participating in the rule development process (about 30% of the affected facilities) and the survey data have been relied upon to extrapolate which of the compliance pathways would be selected by the 255 facilities subject to PR 1159.1. The results of this extrapolation indicate that seven facilities would select Pathway A, 14 facilities would select Pathway B, and 234 facilities would select Pathway C. The cost assumptions for each cost category for each pathway are discussed in the following sections.

Capital/One-Time Costs

APCD – Pathway A

NOx scrubbers were identified in the BARCT assessment as the appropriate type of APCD capable of controlling NOx emissions from Nitric Acid Units subject to PR 1159.1. Under Pathway A, an application seeking a Permit to Construct the NOx scrubber would need to be submitted by January 1, 2026. In addition, after a NOx scrubber is installed and operational, a source test would need to be conducted by January 1, 2029, to demonstrate that it is capable of achieving a NOx emissions rate of 0.30 lb/hr or 99% control efficiency. After the initial source test is conducted, periodic source testing will be required every five calendar years. For Nitric Acid Units equipped with an existing APCD, if a facility elects Pathway A, the performance standard can be demonstrated through source testing or by modifying the APCDs so that it can demonstrate compliance with the performance standard. Under Pathway A, the facility may elect to replace the existing APCD with control equipment capable of demonstrating compliance with the performance standard.

Based on vendors' quotes, the net equipment cost of a multistage NOx scrubber is \$920,000, excluding tax and shipping, which is assumed to be 18% of the purchase price. Due to the facility-specific nature of site preparation and equipment installation costs, the analysis assumed that these expenses are a fixed proportion of the overall equipment price. Specifically, based on quotes included in an application for a Permit to Construct that was submitted in 2020, direct installation activities (e.g., foundation, handling, electrical, piping and painting) and indirect installation activities (e.g., engineering, construction, contractor, start-up, performance test and contingencies) are estimated to cost 27% and 31% of the gross cost of the equipment (including tax and shipping cost), respectively. The total capital cost of buying and installing a new APCD is estimated to be \$1,715,248, and the unit is assumed to have a useful life of 25 years.

Permitting – Pathways A&B

Under Pathway A, an application for a Permit to Construct will be required for each new APCD, and an application seeking a permit revision will be required for each proposed modification to an existing APCD. Under Pathway B, an application for a permit revision will be required in order to incorporate operational parameters from source test results into existing permits. The applications seeking permits must be submitted no later than January 1, 2026 for Pathway A and July 1, 2025 for Pathway B. The one-time cost of an initial application fee for each APCD under Pathway A is assumed to be \$9,450, based on fee Schedule D as specified in Rule 301 Table Fee Rate-A for three Title V and four non-Title V facilities.³ The application fee for modifying an existing permit to incorporate operational parameters under Pathway B is \$6,100, based on the fee Schedule C as specified in Rule 301 Table Fee Rate-A. Under Pathway A, seven applications seeking a permit

³ South Coast AQMD, Rule 301 – Permitting and Associated Fees, <https://www.aqmd.gov/docs/default-source/rule-book/reg-iii/rule-301.pdf>. Note that the fees are subject to change as Rule 301 is amended in future.

are anticipated. Similarly, under Pathway B, 39 applications seeking permits are expected. The total cost of application fees for permitting activities under Pathways A and B combined is estimated to be \$304,050.

Source Testing – Pathways A and B

PR 1159.1 would require source tests to be conducted in order to demonstrate: 1) that each APCD connected to one or more Nitric Acid Units is capable of achieving the NOx performance standard under Pathway A; and 2) that the uncontrolled NOx emissions from any Nitric Acid Unit(s) that is not connected to an existing APCD are no greater than 0.60 lb/hr combined under Pathway B. Under Pathway A, facilities will need to demonstrate compliance with the NOx performance standard within 12 months of the issuance of the Permit to Construct (~~or the date specified on~~ unless an approved extension is approved, if applicable) but no later than January 1, 2029 and periodically every five years thereafter. Similarly, under Pathway B, facilities will need to demonstrate compliance with the NOx performance standard no later than January 1, 2026 by conducting a one-time source test.

The one-time source test under Pathway B would need to be conducted under maximum operating conditions. Feedback from source testing providers indicated that a source test would typically cost \$5,000. However, to account for the cost of constructing a temporary collection hood to collect/measure the NOx emissions, this analysis assumes an additional \$500 per source test conducted under Pathway B. Based on an average of three Nitric Acid Units per facility as identified in the survey, each facility following Pathway B would require three source tests on average costing \$5,500 each, with a total of \$16,500.

In addition, ~~under Pathway B~~, a source test protocol for each source test is required to be submitted to the South Coast AQMD and approved prior to conducting the source test. A source test report is also required to be submitted for evaluation by the South Coast AQMD after the test. Based on the fees specified in Rule 306 (m) – Protocol/Report/Catalyst Equivalency Evaluation Fees, the evaluation cost of a source test protocol and source test report will be \$550 each.⁴ Thus, for the seven facilities that are expected to conduct a single source test of an APCD under Pathway A, the total cost of each source test is estimated to be \$6,100. Also, for the 14 facilities that are expected to conduct an average of three source tests under Pathway B at a cost of \$6,600 per source test, the total cost of source testing is estimated to be \$19,800 per facility.

Recurring O&M Costs

Maintenance, Source Testing, Inspection and Permit Renewal – Pathway A

Annual maintenance of APCDs is necessary to ensure that they will continue to achieve the NOx emission standards specified in PR 1159.1. This analysis assumed an annual operational and maintenance cost of 25% of the net purchase price of the APCD, which is consistent with cost information provided by a large facility with a multistage NOx scrubber. The annual cost of operating and maintaining one APCD is estimated to be \$230,000 per year (See Table 4-1 in the ~~Draft-Final~~ Staff Report).

Under Pathway A, each APCD would be subject to periodic source testing which is required every

⁴ South Coast AQMD, Rule 306 Plan Fees, <https://www.aqmd.gov/docs/default-source/rule-book/reg-iii/rule-306.pdf>

five years. Note that the cost associated with the review of a source test protocol will only need to be paid once since subsequent source tests can rely on the initially approved source test protocols so long as there are no changes to the Nitric Acid Unit(s) and its APCD. However, the cost of evaluating each source test report will need to be paid each time a source test is conducted.

Under Pathway A, each APCD would need a quarterly visual inspection to ensure proper operation of the equipment beginning in ~~2026~~2025. For the purpose of this analysis, the inspection is assumed to occur one hour per quarter and it will be conducted by an in-house staff at a rate of \$50 per hour, which will result in an annual cost of \$200 for each facility.

In addition, under Pathway A, annual permit renewal fees will be required for each APCD at three Title V facilities and four non-Title V facilities. Based on fee Schedule D as specified in Rule 301 Table Fee Rate-A, the cost for each permit renewal is assumed to be \$2,250. Under Pathway B, no additional permit renewal fees will be needed since each affected facility has an existing permit that were already subject to these permit renewal fees prior to PR 1159.1.

Recordkeeping – Pathways A, B, and C

Under Pathway A, PR 1159.1 requires recordkeeping of weekly parameter monitoring of APCDs beginning January 1, 2025. Records will need to include documentation of the flowrate, pH, and pressure drops. This analysis assumes that recordkeeping activities will take one hour per week, at a rate of \$50 per hour. Under Pathway A, recordkeeping will cost \$2,600 per year for each of the seven facilities.

Under Pathway B, PR 1159.1 requires recordkeeping of specification sheets to ensure that each facility's operation activities are within the maximum operation conditions as specified in the results from the one-time source test. Under Pathway B, this analysis assumes that one hour of recordkeeping each month at a rate of \$50 per hour will be needed, which leads to an annual cost of \$600 for each facility.

Under Pathway C, PR 1159.1 requires recordkeeping of the amounts of nitric acid used (additions and optional removal adjustments) beginning July 1, 2025. Facility resources for keeping records of nitric acid additions are expected to be minimal as facilities routinely maintain tank chemistry through existing periodic laboratory analysis and already maintain records associated with this analysis. For this report, the analysis assumes an extra one hour per month at a rate of \$50 per hour, may be needed to conduct additional recordkeeping associated with nitric acid usage. Under Pathway C, recordkeeping of nitric acid usage at each facility will cost \$600 per year.

Tank Solution Analysis – Pathway C

Under Pathway C, for any facility that pursues an optional removal adjustment, a chemical analysis of a sample taken from discarded tank solutions would need to be performed four times per year at a cost of \$200 per sample. This cost includes fees for transport and analysis. Thus, the annual cost for analysis of discarded tank solution is estimated to be \$800 per facility. Note that this cost analysis assumes that all facilities may perform optional disposal adjustment, but as a practical matter not all facilities will need to do so, especially those facilities that can demonstrate that the nitric acid additions are less than the per-tank and facility-wide thresholds. Additionally, for facilities with in-house laboratories and chemists, the cost of these sample analyses would be

lower.

Tank Labels – Pathways A, B and C

PR 1159.1 requires tank labeling beginning July 1, 2025, unless tank labeling was otherwise required by Rule 1426 or Rule 1469. Although cleaning tanks would still need to be labeled under PR 1159.1, it is assumed that many facilities already have existing labeling or there would be minimal new labels required, so no costs are assumed for tank labeling in the analysis.

Total Compliance Costs of PR 1159.1

Many of the costs estimated in this analysis are highly dependent on site-specific factors and on decisions made by facilities subject to PR 1159.1. It is also important to note that when conducting the cost analysis, every effort was made to represent costs as realistically as possible, given that many factors would ultimately dictate what price a facility will pay to implement a control. The estimated cost for each cost category was either represented by an industry average or a reasonable range, based on the information and data available. For these reasons, compliance costs are assumed to remain the same in the foreseeable future, with any increase being a result of inflation. The procedure and assumptions for each cost estimate are discussed in the following paragraph.

The total cost is calculated over 28 years, from 2025 to 2052. To estimate the annual compliance cost of PR 1159.1, the one-time capital cost over the useful life of the equipment was amortized and added to the recurring cost for each compliance year. Table 4 presents total and average annual compliance cost of PR 1159.1 by requirement categories. As presented in Table 4, the total present value of compliance cost of PR 1159.1 is estimated at \$59.6 million and \$38.9 million, respectively, depending on the discount rate assumed (1% to 4%).⁵ Correspondingly, the average annual compliance costs of PR 1159.1 are estimated to range from \$2.3 million to \$2.5 million, respectively, depending on the real interest rate assumed (1% to 4%).

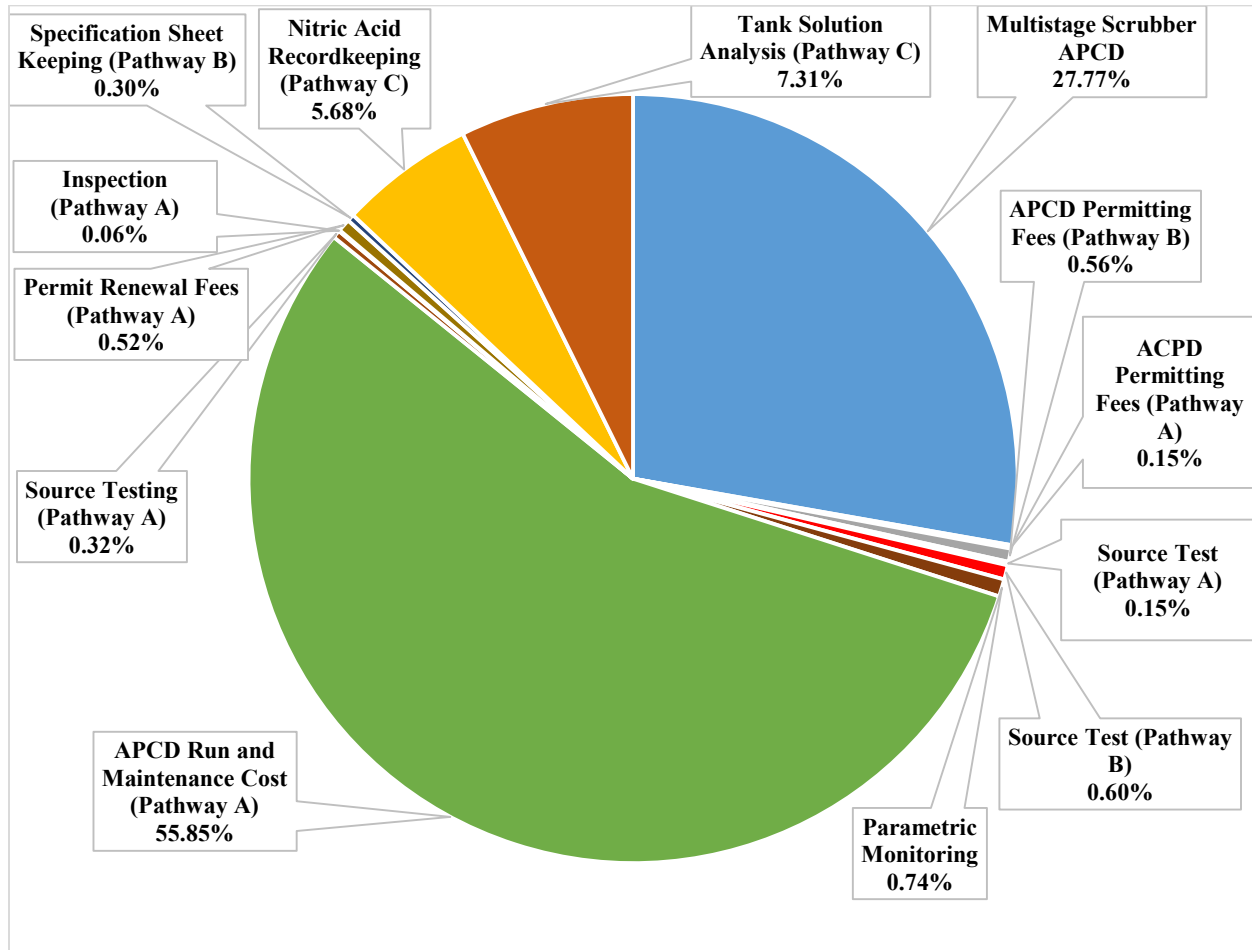
⁵ In 1987, South Coast AQMD staff began to calculate cost-effectiveness of control measures and rules using the Discounted Cash Flow method with a discount rate of 4%. Although not formally documented, the discount rate is based on the 1987 real interest rate on 10-year Treasury Notes and Bonds, which was 3.8%. The maturity of 10 years was chosen because a typical control equipment life is 10 years; however, a longer equipment life would not have corresponded to a much higher rate -- the 1987 real interest rate on 30-year Treasury Notes and Bonds was 4.4%. Since 1987, the 4% discount rate has been used by South Coast AQMD staff for all cost-effectiveness calculations, including BACT analysis, for the purpose of consistency.

Table 4
Total Present Value and Average Annual Estimated Costs of PR 1159.1

Cost Categories	Present Value (2024)		Annual Average (2025 – 2052)	
	1% Discount Rate	4% Discount Rate	1% Real Interest Rate	4% Real Interest Rate
Capital Costs				
Multistage Scrubber APCD (Pathway A)	\$16,514,049	\$10,927,569	\$501,160	\$686,128
ACPD Permitting Fees (Pathway A)	\$92,820	\$63,606	\$2,693	\$3,817
APCD Permitting Fees (Pathway B)	\$333,815	\$228,750	\$9,687	\$13,728
Source Test (Pathway A)	\$86,833	\$56,417	\$2,649	\$3,627
Source Test (Pathway B)	\$357,423	\$242,921	\$10,456	\$14,735
Recurring Costs				
Parameter Monitoring	\$442,559	\$303,268	\$18,200	\$18,200
APCD Run and Maintenance Cost (Pathway A)	\$32,867,309	\$20,983,400	\$1,380,000	\$1,380,000
Source Testing (Pathway A)	\$188,678	\$119,038	\$7,929	\$7,929
Inspection (Pathway A)	\$34,043	\$23,328	\$1,400	\$1,400
Permit Renewal Fees (Pathway A)	\$306,542	\$192,327	\$12,938	\$12,938
Specification Sheet Keeping (Pathway B)	\$181,945	\$122,472	\$7,521	\$7,521
Nitric Acid Recordkeeping (Pathway C)	\$3,414,029	\$2,339,494	\$140,400	\$140,400
Tank Solution Analysis (Pathway C)	\$4,366,692	\$2,939,325	\$180,514	\$180,514
Total	\$59,186,738	\$38,541,915	\$2,275,547	\$2,470,937

Figure 1 presents the estimated annual compliance cost of PR 1159.1 by cost categories. The APCD O&M cost comprises the largest proportion of the estimated average annual compliance costs (56%), followed by multistage scrubber (28%) and tank solution analysis (7%).

Figure 1
Average Annual Estimated Costs of PR 1159.1 by Cost Category (%)



MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The Regional Economic Model (REMI, PI+ v3) was used to assess the anticipated socioeconomic impacts of PR 1159.1.^{6, 7} The model, which is comprised of analytical modules with embedded datasets and econometric features, links the economic activities occurring in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county and considers five interrelated blocks: 1) output and demand; 2) labor and capital; 3) population and labor force; 4) wages, prices and costs; and 5) market shares.⁸

⁶ Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Coast Area (70-sector model). Version 3. 2023.

⁷ REMI v3 has been updated based on The U.S. Economic Outlook for 2022-2024 from the University of Michigan's Research Seminar in Quantitative Economics (RSQE) release on May 19, 2023, The Long-Term Economic Projections from CBO (supplementing CBO's March 2023 report, The 2023 Long-Term Budget Outlook).

⁸ Within each county, the industrial sectors are made up of 156 private non-farm industries and sectors, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 ages/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.

It should be noted that the REMI model is not designed to assess impacts on individual operations. The model was used to assess the impacts of the proposed project on various industries that make up the local economy. Cost impacts on individual operations were assessed outside of the REMI model and used as inputs into the REMI model.

Impacts of PR 1159.1

The assessment herein is performed relative to a baseline (“business as usual”) forecast where PR 1159.1 would not be implemented. This analysis assumes that the affected facility would finance the capital and installation costs of control equipment at a 4% real interest rate and that these one-time costs are amortized and incurred over the life of the equipment.

Direct effects of PR 1159.1 are used as inputs to the REMI model in order for the model to assess secondary and induced impacts for all the industries in the four-county economy on an annual basis and across the following user-defined horizon: 2025 (the first year when the affected facilities are assumed to incur compliance costs due to PR 1159.1 implementation) to 2052 (the final year in which new equipment is fully amortized).

Direct effects of PR 1159.1 include:

- 1) Additional costs that affected facilities would incur by installing and operating APCDs to minimize NO_x emissions from Nitric Acid Units. Since the number of facilities under each pathway is estimated based on a self-conducted survey, the total compliance costs under each pathway are uniformly distributed across all affected facilities for the REMI analysis.
- 2) Extra market demand brought about by the upfront and recurring expenditures on control devices, which is able to generate a positive job impact in the labor market.
- 3) Permit application and renewal fees, which will increase the revenue of South Coast AQMD.

Finally, because parameter monitoring, inspection, maintenance, and recordkeeping are conducted in-house by facilities, the expenses on those items are modeled as an increase in compensation for the employees in respective industries, and thus, will not directly benefit other industries in the REMI modeling. Table 5 summarizes the inputs for the REMI simulation.

**Table 5
Industries Incurring or Benefitting from Compliance Costs**

Cost Categories	REMI Industries Incurring Compliance Costs (NAICS)	REMI Industries Benefitting from Compliance Spending (NAICS)
Multistage Scrubber APCD	All Industries in Table 2	Fabricated Metal Product Manufacturing (NAICS 332) Machinery Manufacturing (NAICS 333)
Source Test (Pathway A)		Professional, Scientific, and Technical Services (NAICS 54)
Source Test (Pathway B)		
Tank Solution Analysis (Pathway C)		
APCD Run and Maintenance Cost (Pathway A)		Utilities (NAICS 22) Fabricated Metal Product Manufacturing (NAICS 332) Machinery Manufacturing (NAICS 333)
ACPD Permitting Fees (Pathway A)		State and Local Government (NAICS 92)
APCD Permitting Fees (Pathway B)		
Permit Renewal Fees (Pathway A)		
Parameter Monitoring		NA*
Inspection (Pathway A)		
Specification Sheet Keeping (Pathway B)		
Maintenance (Pathway B)		
Nitric Acid Recordkeeping (Pathway C)		

Note: Parameter Monitoring, Inspection, Maintenance, and Recordkeeping are modeled as an increase in compensation for the employees in respective industries, and thus will not directly benefit other industries.

Regional Job Impacts

When the compliance cost is annualized using a 4% real interest rate, the model projects an annual average of 34 net jobs foregone from 2025 to 2052. The 34 annual jobs foregone represents approximately 0.0003% of total annual jobs in the four-county region.

The implementation of PR 1159.1 is expected to have different job impacts across various industries over time. For example, the sectors of Computer and Electronic Product Manufacturing (NAICS 334) and Retail Trade (NAICS 44-45) are both forecasted to forego three jobs on average over the forecast period. The biggest negative job impacts are expected to occur in 2033, when approximately 45 jobs foregone are expected in the four-county economy.

The largest job impact occurs in the Computer and Electronic Product Manufacturing sector (NAICS 334), largely because this sector comprises a significant proportion of the affected facilities, resulting in substantial compliance costs. Although the sector of Fabricated Metal Product Manufacturing (NAICS 332) incurs most of the compliance costs, the estimated job impact on this sector is not significant. This is due to the expected benefit from the expenditures on control devices, which offsets the negative job impact due to higher compliance costs. Note that different sectors of the economy are interconnected, and thus other sectors not directly incurring compliance costs may still be affected by the implementation of PR 1159. 1. As presented in Table 6, many major sectors of the regional economy would experience negative job impacts in later years from the secondary and induced effects of PR 1159.1 implementation.

It is important to note that these job impact projections are based on assumptions and analysis using the REMI model. The actual job impacts may vary depending on various factors and uncertainties in the economy and industry dynamics.

Table 6
Projected Job Impacts of PR 1159.1 for Selected Industries and Years

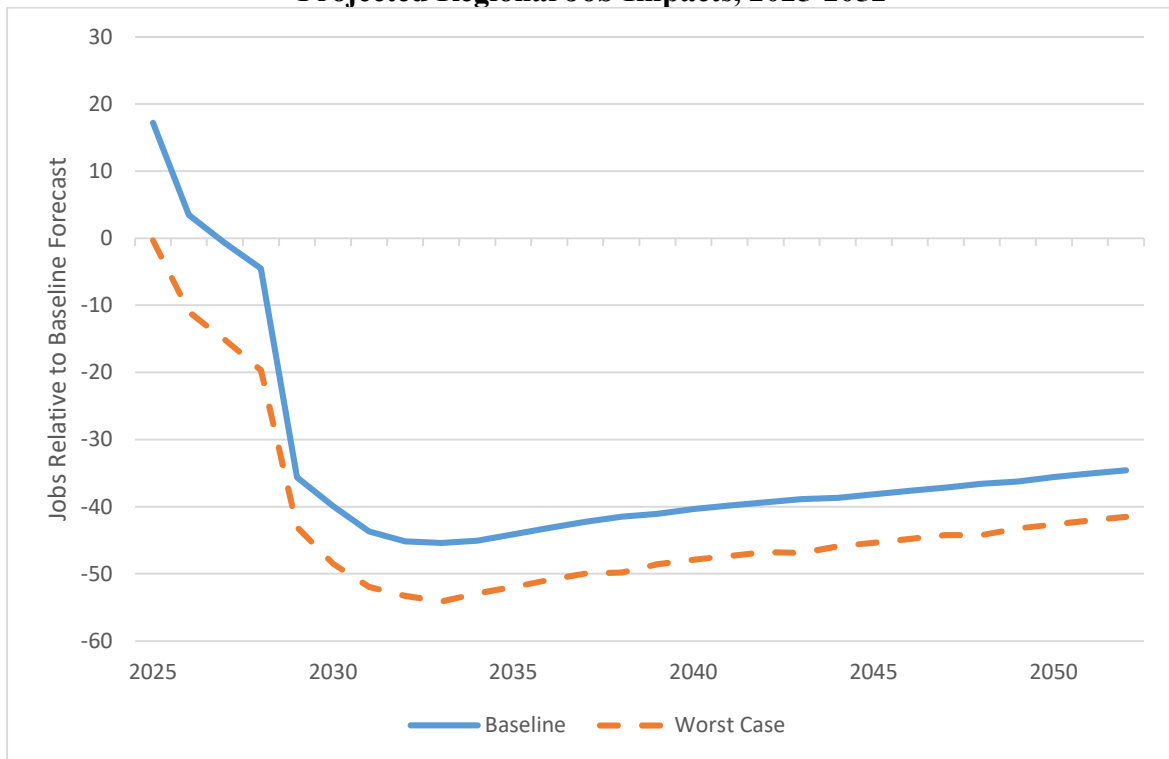
Industry (NAICS)	2025	2033	2041	2047	2052	Annual Average (2025-2052)	Baseline Number of Jobs (Average, 2025-2052)	Percent Relative to Baseline
Computer and electronic product manufacturing (334)	0	-4	-4	-4	-4	-3	119,920	-0.0025
Retail trade (44-45)	1	-4	-4	-3	-3	-3	900,003	-0.0003
Construction (23)	1	-7	-2	-1	-1	-3	572,529	-0.0005
State and Local Government (92)	2	-3	-3	-3	-3	-3	968,419	-0.0003
Real estate (531)	1	-3	-2	-2	-2	-2	768,038	-0.0003
Food services and drinking places (722)	1	-2	-2	-2	-2	-2	769,071	-0.0003
Administrative and support services (561)	1	-2	-2	-2	-2	-2	866,230	-0.0002
Ambulatory health care services (621)	1	-2	-2	-2	-2	-2	719,668	-0.0003
Professional, scientific, and technical services (54)	2	-2	-2	-2	-2	-1	1,044,065	-0.0001
Personal and laundry services (812)	0	-1	-1	-1	-1	-1	426,640	-0.0002
Fabricated metal product manufacturing (332)	4	-1	-2	-2	-2	-1	67,638	-0.0015
Other transportation equipment manufacturing (3364-3369)	0	0	0	0	0	0	64,554	0.0000
Machinery Manufacturing (333)	1	0	0	0	0	0	19,817	0.0000
Utilities (22)	0	0	0	0	0	0	21,495	0.0000
Other Industries	4	-14	-13	-13	-1	-11	5,323,428	-0.0002
All Industries	17	-45	-40	-37	-35	-34	12,651,515	-0.0003

Note: Totals may not sum due to rounding.

In addition, in 2013, South Coast AQMD contracted with Abt Associates Inc. to review the South Coast AQMD socioeconomic assessments for Air Quality Management Plans and individual rules with the goal of providing recommendations that could enhance South Coast AQMD's socioeconomic analyses. In 2014, Abt Associates Inc. published a report which included a recommendation for South Coast AQMD to enhance socioeconomic analyses by testing major assumptions through conducting a scenario analysis. As such, South Coast AQMD generally includes in Socioeconomic Impact Assessments an alternative worst-case scenario which assumes that the affected facilities would purchase all feasible monitoring equipment and services from providers located outside of the South Coast AQMD's jurisdiction.⁹ This hypothetical scenario tests the sensitivity of the previously discussed scenarios where the analyses rely on REMI's embedded assumptions about how the capital and recurring spending would be distributed inside and outside the region. As a practical matter, however, increased jobs in the manufacturing and wholesale sectors related to the purchase of control devices are likely to be offered by local equipment manufacturers and wholesalers.

Figure 2 presents a projected time series of job impacts over the 2025 - 2052 period for both the standard and worst-case scenarios. This alternative worst-case scenario would result in an annual average of approximately 42 jobs foregone. The 42 jobs foregone represent a negligible portion of the average forecasted baseline jobs in the regional economy at an estimated 0.0003%.

Figure 2
Projected Regional Job Impacts, 2025-2052



⁹ Abt Associates Inc., August 2014, Review of the SCAQMD Socioeconomic Assessments, Chapter 6, Section 3, <https://www.aqmd.gov/docs/default-source/Agendas/aqmp/scaqmd-report---review-socioeconomic-assessments.pdf>, accessed August 16, 2024.

Competitiveness

The additional cost brought on by PR 1159.1 would increase the cost of services rendered by the affected industries in the region. The magnitude of the impact depends on the size, diversification, and infrastructure in a local economy as well as interactions among industries. A large, diversified, and resourceful economy would absorb the impact described above with relative ease.

Meanwhile, changes in production and service costs would affect prices of locally produced goods. The relative delivered price of a good is based on its production cost and the transportation cost of delivering the good to where it is consumed. The average price of a good at the place of use reflects prices of the locally produced goods and those imported from other locations.

According to the REMI Model, the implementation of PR 1159.1 will have minimal impact on the relative delivered price and the production cost across various sectors. Among all sectors, the Fabricated Metal Product Manufacturing sector will be the most affected, with the most significant impact occurring in 2029. In this year the relative delivered price and production cost in South Coast AQMD are expected to increase by 0.0064% and 0.0075%, respectively. On average, over the period from 2025-2059, the relative delivered price and production cost in the Fabricated Metal Product Manufacturing sector will be increased by 0.0051% and 0.0059%, respectively.

REFERENCES

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South Coast AQMD, September 2024, Draft Staff Report for Proposed Rule 1159.1 – Control of NOx Emissions from Nitric Acid Tanks, [https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1159.1/pr1159-1 second pdsr 092024.pdf](https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1159.1/pr1159-1_second_pdsr_092024.pdf)

U.S. Small Business Administration, March 2023, Table of Small Business Size Standards, <https://www.sba.gov/document/support-table-size-standards>

ATTACHMENT I



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED RULE 1159.1 – CONTROL OF NOX EMISSIONS FROM NITRIC ACID TANKS

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (South Coast AQMD), as Lead Agency, has prepared a Notice of Exemption pursuant to CEQA Guidelines Section 15062 – Notice of Exemption for the project identified above.

If the proposed project is approved, the Notice of Exemption will be filed for posting with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino Counties. The Notice of Exemption will also be electronically filed with the State Clearinghouse of the Governor's Office of Planning and Research for posting on their CEQAnet Web Portal which may be accessed via the following weblink: <https://ceqanet.opr.ca.gov/search/recent>. In addition, the Notice of Exemption will be electronically posted on the South Coast AQMD's webpage which can be accessed via the following weblink: <http://www.aqmd.gov/nav/about/public-notice/ceqa-notice/notice-of-exemption/noe---year-2024>.

**NOTICE OF EXEMPTION FROM THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

To: County Clerks for the Counties of Los Angeles, Orange, Riverside, and San Bernardino; and Governor's Office of Planning and Research – State Clearinghouse
From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title: Proposed Rule 1159.1 – Control of NO_x Emissions from Nitric Acid Tanks

Project Location: The proposed project is located within the South Coast Air Quality Management District's (South Coast AQMD) jurisdiction, which includes the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside, and San Bernardino counties), and the Riverside County portion of the Salton Sea Air Basin and the non-Palo Verde, Riverside County portion of the Mojave Desert Air Basin.

Description of Nature, Purpose, and Beneficiaries of Project: Proposed Rule (PR) 1159.1 applies to facilities with one or more nitric acid units where nitric acid either reacts with a metal or decomposes at high temperatures forming oxides of nitrogen (NO_x). PR 1159.1 will establish: 1) NO_x emission limits for nitric acid units at facilities currently and formerly regulated by Regulation XX – REgional CLean Air Incentives Market (RECLAIM) as well as non-RECLAIM facilities; 2) implementation schedules to control NO_x emissions or demonstrate NO_x emissions are less than certain thresholds established in PR 1159.1; and 3) requirements to conduct parametric monitoring, source testing, and recordkeeping. Initial projections indicate that PR 1159.1 is expected to require some physical modifications involving minimal construction activities associated with: 1) installing control devices at seven affected facilities; and 2) conducting source tests at 21 affected facilities. Implementation of PR 1159.1 is expected to result in NO_x emission reductions of 0.11 ton per day by January 1, 2029, which would benefit public health.

Public Agency Approving Project: South Coast Air Quality Management District	Agency Carrying Out Project: South Coast Air Quality Management District
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Exempt Status: CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

Reasons why project is exempt: South Coast AQMD, as Lead Agency, has reviewed the proposed project (PR 1159.1) pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. The analysis of PR 1159.1 indicates that a relatively small number of facilities are expected to undergo minimal construction activities occurring over an extended compliance timeline and conduct intermittent source tests; thus, it can be seen with certainty that implementing the proposed project would not cause a significant adverse effect on the environment. Therefore, the proposed project is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption.

Date When Project Will Be Considered for Approval (subject to change):

South Coast AQMD Governing Board Public Hearing: December 6, 2024

CEQA Contact Person: Sina Taghvae, Ph.D.	Phone Number: (909) 396-2192	Email: staghvae@aqmd.gov
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PR 1159.1 Contact Person: Min Sue	Phone Number: (909) 396-3241	Email: msue@aqmd.gov
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Date Received for Filing: _____ **Signature:** _____ *(Signed and Dated Upon Board Approval)*
Kevin Ni
Program Supervisor, CEQA
Planning, Rule Development, and Implementation



Proposed Rule 1159.1

Control of NO_x Emissions from Nitric Acid Tanks



Board Meeting
December 6, 2024

Background

- Proposed Rule 1159.1 (PR 1159.1) reduces NOx emissions from nitric acid tanks
 - NOx emissions formed from:
 - Reaction between nitric acid and metal
 - Decomposition of nitric acid at high temperature
 - NOx emissions not a result of combustion
- Last landing rule for RECLAIM transition
- Establishes Best Available Retrofit Control Technology (BARCT) requirements for NOx



PR 1159.1 Universe

- Universe: 255 facilities
 - 11 RECLAIM facilities
 - 244 non-RECLAIM facilities
- Estimated 928 nitric acid tanks
 - Primarily from metal finishing operations



Metal Finishing
– 252 facilities

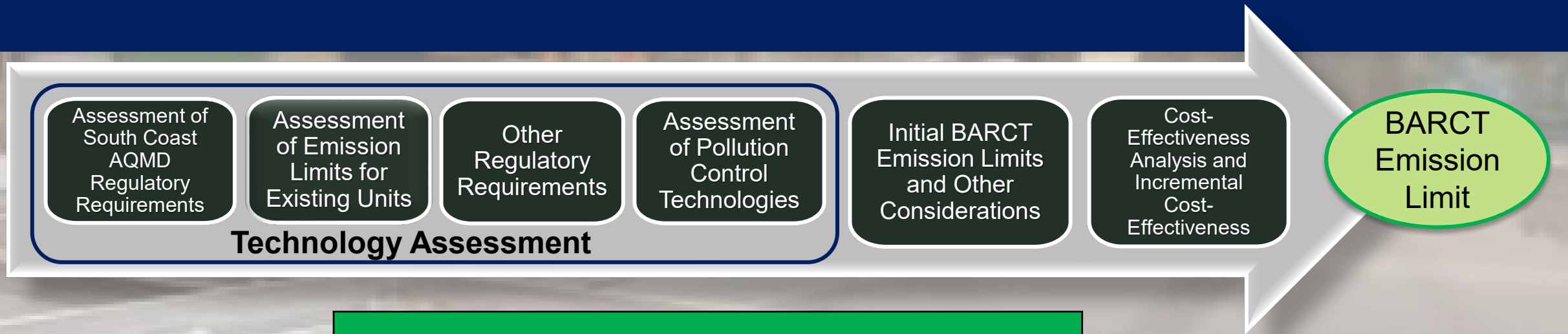


Precious Metal Reclamation
– 2 facilities



Expanded Graphite Foil
– 1 facility

BARCT Emission Limit



BARCT emission limit per control device

Tanks with NO_x emissions greater than 0.60 lb/hr

0.30 pound per hour
(~ 93% control efficiency)

or

99% control efficiency
(per facility's request)

- ✓ January 2026
Submit permit application
- ✓ January 2029
Meet performance standard

Alternative Compliance Pathways

Facility may elect one or more pathways

First Alternative

Demonstrate Emissions of 0.60 lb/hr or Less

- Submit permit application and protocol
- Conduct one-time source test

✓ January 2026

Second Alternative

Demonstrate Low Use

- Recordkeeping to demonstrate nitric acid usages below thresholds
 - Individual unit: 550 gallons per year
 - Facility-wide: 1,650 gallons per year

✓ January 2026

Tanks with
NO_x
emissions
0.60 lb/hr or
less

Emission Reductions and Cost-Effectiveness

- Seven facilities are expected to install controls to reduce NOx emissions
 - Other facilities are low usage/low emissions, so controls are not required
- Baseline emission from nitric acid units is 1.12 tons of NOx per day

Proposed Requirement	Cost-Effectiveness	Emissions Reductions (tons per day of NOx)	Implementation Date
Install APCD (7 facilities)	\$37,300/ton	0.11	January 1, 2029

Socioeconomic Impacts and California Environmental Quality Act (CEQA)

Socioeconomic Impact Assessment

- Average annual compliance cost ranges from \$2.28 million to \$2.47 million over 2025-2052, using a real interest rate of 1% and 4%, respectively
 - Cost burden will be mostly on larger facilities
- Maintenance of control devices will incur highest annual cost (56%)
- 34 jobs foregone, annually on average

CEQA

- No significant adverse environmental impacts are expected
- A Notice of Exemption has been prepared

Staff Recommendations

- Adopt resolution:
 - Determining that Proposed Rule 1159.1 is exempt from requirements of CEQA
 - Adopting Rule 1159.1

