

May 11, 2016

STATEMENT OF PROCEEDINGS

The Minutes of the

***AIR POLLUTION CONTROL BOARD
REGULAR MEETING***

**COUNTY OF SAN DIEGO
AIR POLLUTION CONTROL DISTRICT**

STATEMENT OF PROCEEDINGS
SAN DIEGO COUNTY AIR POLLUTION CONTROL BOARD
AIR POLLUTION CONTROL DISTRICT
REGULAR MEETING
MEETING AGENDA
WEDNESDAY, MAY 11, 2016, 9:00 A.M.
BOARD OF SUPERVISORS NORTH CHAMBER
1600 PACIFIC HIGHWAY, ROOM 310, SAN DIEGO, CALIFORNIA

REGULAR SESSION: Meeting was called to order at 9:01 a.m.

PRESENT: Members Ron Roberts, Chairman; Dianne Jacob, Vice Chairwoman; Greg Cox; Dave Roberts; Bill Horn; also, David Hall, Clerk of the Board.

Approval of Statement of Proceedings/Minutes for meeting of April 27, 2016.

ACTION:

ON MOTION of Member Horn, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District approved the Statement of Proceedings/Minutes for the meeting of April 27, 2016, on Consent.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

NOTICE: THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

Air Pollution Agenda Items

Agenda # Subject

1. NOTICED PUBLIC HEARING:
ADOPTION OF AMENDMENTS TO RULE 11 – EXEMPTION FROM RULE 10 PERMIT REQUIREMENTS, AND AMENDMENTS TO RULE 66.1 – MISCELLANEOUS SURFACE COATING OPERATIONS AND OTHER PROCESSES EMITTING VOLATILE ORGANIC COMPOUNDS

2. NOTICED PUBLIC HEARING:
ADOPTION OF PROPOSED NEW RULE 67.12.1 – POLYESTER RESIN OPERATIONS, AND REPEAL OF EXISTING RULE 67.12 – POLYESTER RESIN OPERATIONS

3. ALLOCATION OF PROPOSITION 1B GOODS MOVEMENT EMISSION
REDUCTION PROGRAM FUNDS (DISTRICTS: ALL)
[FUNDING SOURCE: PROPOSITION 1B GOODS MOVEMENT EMISSION
REDUCTION PROGRAM FUNDS FROM THE CALIFORNIA AIR RESOURCES
BOARD (CARB)]

**API. SUBJECT: NOTICED PUBLIC HEARING:
ADOPTION OF AMENDMENTS TO RULE 11 –
EXEMPTION FROM RULE 10 PERMIT REQUIREMENTS,
AND AMENDMENTS TO RULE 66.1 – MISCELLANEOUS
SURFACE COATING OPERATIONS AND OTHER
PROCESSES EMITTING VOLATILE ORGANIC
COMPOUNDS (DISTRICTS: ALL)**

OVERVIEW:

This is a request for the Air Pollution Control Board to adopt proposed amendments to Rule 11 - Exemptions from Rule 10 Permit Requirements. Rule 11 provides permit exemptions for equipment, operations, and processes that are negligible sources of air pollutant emissions. The proposed amendments will add a number of new permit exemptions, update the criteria for certain other exemptions, and improve clarity.

If the proposed amendments are adopted, approximately 49 existing permits may be retired by the permit holders due to new permit exemptions for a variety of equipment and processes. These new exemptions were added based upon updated manufacturer information, which showed negligible emissions from the subject equipment. In addition, an estimated 10 previously exempt diesel engines will be required to obtain permits due to the adoption of new state regulations. Affected facilities will have up to one year to submit new permit applications.

This is also a request for the Board to adopt corresponding amendments proposed for Rule 66.1 – Miscellaneous Surface Coating Operations and Other Processes Emitting Volatile Organic Compounds. Specifically, a proposed new exemption has been added for solvent cleaning operations (for the clean-up of products, equipment, and general work areas) using 550 gallons or less of solvent per year facility wide.

The proposed amendments to Rule 11 and Rule 66.1 were developed in collaboration with the U.S. Environmental Protection Agency and the California Air Resources Board, and with input from local facilities and the public. No significant concerns were raised and all known issues have been addressed. If the proposed amendments are adopted, staff will conduct additional outreach, including distribution of an advisory notice to further inform potentially affected sources. Additionally, the amended rules will be submitted to the U.S. Environmental Protection Agency through the California Air Resources Board for approval as part of the San Diego County portion of the State Implementation Plan for attaining and maintaining air quality standards.

FISCAL IMPACT:

There is no fiscal impact associated with these recommendations. There will be no change in net General Fund cost and no additional staff years are required.

BUSINESS IMPACT STATEMENT:

Adopting the proposed amendments to Rule 11 and Rule 66.1 will not adversely impact the business community. The proposed amendments will add a number of new permit exemptions, update the criteria for certain other exemptions, and improve clarity. Businesses with previously exempt equipment now requiring permits will have up to one year to submit permit applications.

RECOMMENDATION:

AIR POLLUTION CONTROL OFFICER

1. Find that the adoption of the proposed amendments to Rule 11 and Rule 66.1 is categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the Resolution entitled: RESOLUTION ADOPTING AMENDMENTS TO RULE 11 - EXEMPTIONS FROM RULE 10 PERMIT REQUIREMENTS, OF REGULATION II, AND AMENDMENTS TO RULE 66.1 - MISCELLANEOUS SURFACE COATING OPERATIONS AND OTHER PROCESSES EMITTING VOLATILE ORGANIC COMPOUNDS, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

ACTION:

ON MOTION of Member Horn, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District closed the Hearing and took action as recommended, on Consent, adopting Resolution No. 16-046, entitled: RESOLUTION ADOPTING AMENDMENTS TO RULE 11 - EXEMPTIONS FROM RULE 10 PERMIT REQUIREMENTS, OF REGULATION II, AND AMENDMENTS TO RULE 66.1 - MISCELLANEOUS SURFACE COATING OPERATIONS AND OTHER PROCESSES EMITTING VOLATILE ORGANIC COMPOUNDS, OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

**AP2. SUBJECT: NOTICED PUBLIC HEARING:
ADOPTION OF PROPOSED NEW RULE 67.12.1 -
POLYESTER RESIN OPERATIONS, AND REPEAL OF
EXISTING RULE 67.12 - POLYESTER RESIN
OPERATIONS (DISTRICTS: ALL)**

OVERVIEW:

This is a request for the Air Pollution Control Board to adopt proposed new Rule 67.12.1 to reduce the volatile organic compounds (VOCs) emitted from polyester resin materials used in the manufacture of products such as aerospace components, synthetic marble products, surfboards and boats. VOCs emitted into the air

contribute to the formation of ground level ozone, an air pollutant. Despite substantial air quality improvement over the past two decades, San Diego County has not yet attained state and federal air quality standards (limits) for ozone. Consequently, the Air Pollution Control District (District) is required by state and federal law to update its regulations as necessary to reflect the latest advances in technology to further reduce ozone-forming emissions. Adoption of Rule 67.12.1 will help fulfill this requirement.

If adopted, Rule 67.12.1 will replace existing Rule 67.12, which was last updated in 1996 and is now outdated. Since 1996, manufacturers of polyester resin materials have developed new materials that contain less VOCs while still meeting appearance, durability, strength, and other performance needs. Proposed Rule 67.12.1 reflects the development and availability of these lower emitting materials. Several air districts throughout California have already adopted the same requirements and compliant polyester resin materials are now readily available and are largely in use in San Diego County.

If adopted, proposed new Rule 67.12.1 will take effect in one year for existing facilities, and existing Rule 67.12 will be automatically repealed at that time. This one year grace period provides time for affected businesses to use their existing inventories of conventional polyester resin materials and then transition to the new lower emitting materials required by Rule 67.12.1. Any future new operations must comply with new Rule 67.12.1 upon startup.

Substantial outreach to affected facilities was conducted during the rule development process. No significant concerns were raised and all known issues have been addressed. Additional outreach is planned upon adoption of the proposed new rule, including distribution of an advisory to affected parties to enhance awareness of the new requirements. Additionally, the amended rules will be submitted to the U.S. Environmental Protection Agency through the California Air Resources Board for approval as part of the San Diego County portion of the State Implementation Plan for attaining and maintaining air quality standards.

FISCAL IMPACT:

There is no fiscal impact associated with these recommendations. There will be no change in net General Fund cost and no additional staff years are required.

BUSINESS IMPACT STATEMENT:

Adopting proposed new Rule 67.12.1 will not adversely impact the business community. Compliant polyester resin materials are widely available and equally priced, or only marginally more expensive. Most affected facilities already comply with the proposed new rule. Furthermore, the new requirements will not apply to existing businesses for one year, allowing time to deplete existing inventories of conventional materials and transition to lower emitting materials.

**RECOMMENDATION:
AIR POLLUTION CONTROL OFFICER**

1. Find that the adoption of proposed new Rule 67.12.1 and repeal of existing Rule 67.12 are categorically exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15308, as an action taken to assure the protection of the environment, where the regulatory process involves procedures for protection of the environment, and pursuant to California Code of Regulations, Title 14, Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.
2. Adopt the Resolution entitled: RESOLUTION ADOPTING NEW RULE 67.12.1 – POLYESTER RESIN OPERATIONS AND REPEALING RULE 67.12 – POLYESTER RESIN OPERATIONS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

ACTION:

ON MOTION of Member Horn, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District closed the Hearing and took action as recommended, on Consent, adopting Resolution No. 16-047, entitled: RESOLUTION ADOPTING NEW RULE 67.12.1 – POLYESTER RESIN OPERATIONS AND REPEALING RULE 67.12 – POLYESTER RESIN OPERATIONS OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

**AP3. SUBJECT: ALLOCATION OF PROPOSITION 1B GOODS MOVEMENT
EMISSION REDUCTION PROGRAM FUNDS
(DISTRICTS: ALL)**

OVERVIEW:

California's Proposition 1B Goods Movement Emission Reduction Program provides grant funding to replace diesel equipment used to move freight in California's major trade corridors. These grants are administered by local air districts to reduce emissions of key pollutants, which is necessary to attain clean air standards and protect public health.

This is a request to approve the Recommended Funding Allocation Plan (Attachment A) in the amount of \$10,425,000 for eligible projects in the San Diego/Border Trade Corridor. The proposed projects would replace 120 trucks with new models powered by compressed natural gas fueled engines (114 trucks) or the cleanest available diesel engines (6 trucks). Appropriations of \$12,704,538 are included in the Fiscal Year 2016-17 CAO Recommended Operational Plan for eligible truck projects. The Air Pollution Control Officer will return to the Board at a later date to allocate the remaining balance to other eligible projects.

This request will also authorize the Air Pollution Control Officer to execute grant agreements for approved projects pursuant to program guidelines, and to amend the agreements as needed to reflect changes to projects and funding. Funding will be awarded only to projects meeting all eligibility requirements, including but not limited to, regulatory compliance and activity verification.

FISCAL IMPACT:

Funds for this request are included in the Fiscal Year 2016-17 CAO Recommended Operational Plan for the Air Quality Proposition 1B Goods Movement Emission Reduction Program. If approved, this request will result in costs and revenue of \$10,425,000 for truck emission reduction projects. The funding source is Proposition 1B Goods Movement Emission Reduction Program funds from the California Air Resources Board (CARB). Today's request allocates \$10,425,000 of the total amount available for eligible truck projects (\$12,704,538). The Air Pollution Control Officer will return to the Board at a later date to allocate the remaining balance to other eligible projects. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT:

Business owners who are awarded program funding will benefit by receiving new, cleaner engines and equipment at a reduced cost. Additionally, by upgrading engines and equipment sooner than would be required by regulation, businesses are reducing their future compliance costs.

RECOMMENDATION:

AIR POLLUTION CONTROL OFFICER

1. Find that it can be seen with certainty that there is no possibility the proposed action may have a significant adverse effect on the environment as this program positively impacts air quality and the environment, and that this action is exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15061(b)(3).
2. In accordance with Air Pollution Control Board Resolution No. 12-016 and California Health and Safety Code Section 40701(f), authorize the Air Pollution Control Officer to execute grant agreements for eligible projects as included in the Recommended Funding Allocation Plan (Attachment A) pursuant to program guidelines, and to amend the agreements as needed to reflect changes to projects and funding.

ACTION:

ON MOTION of Member Horn, seconded by Member Cox, the Air Pollution Control Board of the San Diego County Air Pollution Control District took action as recommended, on Consent.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

There being no further business, the Board adjourned at 9:36 a.m.

DAVID HALL
Clerk of the Air Pollution Control Board
San Diego County Air Pollution Control District

Notes by: Miller

NOTE: This Statement of Proceedings sets forth all actions taken by the San Diego County Air Pollution Control Board on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.

Approved by the Members of the Board, on Wednesday June 29, 2016.



RON ROBERTS
Chairman

Attest:



DAVID HALL
Clerk of the Board