



Location:

Governing Board Chambers
14306 Park Avenue
Victorville, CA 92392
www.MDAQMD.ca.gov

MONDAY, MARCH 28, 2022

10:00 a.m.

THIS MEETING IS BEING HELD IN ACCORDANCE WITH RESOLUTION 22-04 OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT AUTHORIZING ATTENDANCE BY BOARD MEMBERS, STAFF AND THE PUBLIC AND CONDUCT OF THE MEETING BY TELECONFERENCE, VIDEOCONFERENCE OR BOTH FOR THE PERIOD OF FEBRUARY 28, 2022 THROUGH MARCH 28, 2022 PURSUANT TO PROVISIONS OF THE BROWN ACT.

JOIN BY PHONE, DIAL US: 1.701.802.5348 AND ENTER ACCESS CODE 5765772.

IF YOU ATTEND THE MEETING IN PERSON PLEASE NOTE THAT CERTAIN ELECTRONIC DEVICES HAVE, IN THE PAST, CAUSED ISSUES WITH THE TELECONFERENCE AND/OR AUDIO CONTENT OF THE MEETING. IF SUCH ISSUES OCCUR YOU MAY BE ASKED TO ADJUST YOUR DEVICE SO THAT THE MEETING MAY CONTINUE IN AN ORDERLY MANNER.

TO ENSURE RECEIPT OF PUBLIC COMMENTS YOU MAY E-MAIL YOUR COMMENTS TO PUBLICCOMMENT@MDAQMD.CA.GOV IN ADDITION TO PARTICIPATION AT THE MEETING. TO ENSURE PROPER DISTRIBUTION AND AVAILABILITY PLEASE SEND YOUR COMMENTS AT LEAST 48 HOURS BEFORE THE MEETING.

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

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

PLEASE NOTE THAT THE BOARD MAY ADDRESS ITEMS IN THE AGENDA IN A DIFFERENT ORDER THAN THE ORDER IN WHICH THE ITEM HAS BEEN POSTED.

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call.

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

PUBLIC COMMENT

CONSENT CALENDAR

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

1. [Approve Minutes from Regular Governing Board Meeting of February 28, 2022.](#)
2. [Receive and file the District Activity Report. Presenter: Brad Poiriez, Executive Director/APCO.](#)
3. [Receive and file Financial Reports through January 2022. Presenter: Laquita Cole, Finance Manager.](#)
4. [Receive and file the Legislative Report for March 2022. Presenter: Brad Poiriez, Executive Director/APCO.](#)
5. [Receive and file minutes of the Technical Advisory Committee \(TAC\) meeting February 23, 2022. Presenter: Alan De Salvio, Deputy APCO.](#)
6. [Set Date of April 25, 2022 to conduct a public hearing to consider the rescission of South Coast Air Quality Management District Rule 408 -Circumvention, as it appears in the SIP for the Blythe/Palo Verde Valley portion of the Mojave Desert Air Quality Management District \(MDAQMD or District\) in Riverside County and replace it with the current MDAQMD Rule 408 -Circumvention and approve California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio, Deputy APCO.](#)
7. [Set Date of April 25, 2022 to conduct a public hearing to consider the rescission of South Coast Air Quality Management District Rule 409 — Combustion Contaminants, as it appears in the SIP for the Blythe/Palo Verde Valley portion of the Mojave Desert Air Quality Management District \(MDAQMD or District\) in Riverside County and replace it with the current MDAQMD Rule 409 — Combustion Contaminants and approve California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio, Deputy APCO.](#)

8. [Set date of April 25, 2022 to conduct a public hearing to consider the rescission of MDAQMD Rule 432 - Gasoline Specifications, removal of this rule from the SIP for both the San Bernardino County and Riverside County portions of the MDAQMD and approve California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio, Deputy APCO.](#)

ITEMS FOR DISCUSSION

9. DEFERRED ITEMS.
10. PUBLIC COMMENT.
11. [Conduct a public hearing to consider the adoption of Rule 315.1 – Federal Clean Air Act Section 185 Penalty \(1997 Standard\) and Rule 315.2 – Federal Clean Air Act Section 185 Penalty \(2008 Standard\): a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act \(CEQA\) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Alan De Salvio, Deputy APCO.](#)
12. [Conduct a public hearing to consider the rescission of the applicable portions of SCAQMD Rule 407 – Liquid and Gaseous Air Contaminants and prior rules from the state implement plan \(SIP\) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 406 – Specific Contaminants: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act \(CEQA\) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Alan De Salvio, Deputy APCO.](#)
13. [Conduct a public hearing to consider the rescission of the applicable portions of SCAQMD Rule 407 – Liquid and Gaseous Air Contaminants from the state implement plan \(SIP\) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 407 – Liquid and Gaseous Air Contaminants: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act \(CEQA\) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Alan De Salvio, Deputy APCO.](#)
14. [The Annual Audited Financial Report and Management Report for Fiscal Year 2020-21 is being presented for receive and file. The audit process is complete and the information is provided to the Governing Board. Presenter: Laquita Cole, Finance Manager.](#)
15. [Reports: Executive Director.](#)

16. Board Members Comments and Suggestions for future agenda items.

In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact Deanna Hernandez during regular business hours at 760.245.1661 x6244. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.

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

Mailed & Posted on: Tuesday, March 22, 2022.

Deanna Hernandez

Deanna Hernandez

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of February 28, 2022.](#)
Please scroll down to view the backup material.

Mojave Desert Air Quality Management District
Brad Poiriez, Executive Director
14306 Park Avenue, Victorville, CA 92392-2310
760.245.1661 • Fax 760.245.2699
www.MDAQMD.ca.gov • [@MDAQMD](https://twitter.com/MDAQMD)



REGULAR GOVERNING BOARD MEETING
MONDAY, FEBRUARY 28, 2022 - 10:00 A.M.
MDAQMD OFFICES, BOARD CHAMBERS
VICTORVILLE, CA

DRAFT MINUTES

Board Members Present:

Merl Abel, Town of Yucca Valley, **Chair**
Elizabeth Becerra, City of Victorville
Brigit Bennington, City of Hesperia
Paul Cook, San Bernardino County, 1st District Supervisor
Joseph “Joey” DeConinck, City of Blythe – *via Zoom*
Kari Leon, Town of Apple Valley, **Vice Chair**
Dan Mintz, Sr., City of Twentynine Palms – *via Zoom*
V. Manuel Perez, Riverside County, 4th District Supervisor – *via Zoom*
Barbara Riordan, Public Member
Dawn Rowe, San Bernardino County, 3rd District Supervisor – *via Zoom*
Tim Silva, City of Barstow

Board Members Absent:

Steevonna Evans, City of Adelanto
Jeff Williams, City of Needles

CALL TO ORDER

Chair **MERL ABEL** called the meeting to order at 10:00 am and asked Board Member **BARBARA RIORDAN** to lead the Pledge of Allegiance.

Chair **MERL ABEL** called for Roll Call – Deanna Hernandez, Senior Executive Analyst, called roll.

Items with potential Conflict of Interests – If you believe you have a conflict of interest, please recuse yourself at the appropriate time. If you have a question regarding a potential conflict of interest, please contact District Counsel. Chair **MERL ABEL** asked if any members wished to indicate a conflict of interest in regards to any agenda items. No Members did so.

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

CONSENT CALENDAR – Chair **MERL ABEL** polled the Board to determine if any member wished pull an item on the consent calendar for discussion. No member did so. The following consent items were acted upon by the Board at one time without discussion. Upon motion by Board Member **BARBARA RIORDAN**, seconded by Board Member **ELIZABETH BECERRA**, and carried by the following roll call vote, with eleven **AYES** votes by Board Members, **MERL ABEL, ELIZABETH BECERRA, BRIGIT BENNINGTON, PAUL COOK, JOSEPH “JOEY” DECONINCK, KARI LEON, DANIEL MINTZ, Sr., V. MANUEL PEREZ, BARBARA RIORDAN, DAWN ROWE, and TIM SILVA**, with Board Members **STEVEVONNA EVANS** and **JEFF WILLIAMS** absent, on the Consent Calendar, as follows:

Agenda Item 1 – Adopt a resolution reaffirming the local Declaration of Emergency as adopted on April 27, 2020; ratifying the proclamation of a State of Emergency by the Governor on March 4, 2020; and authorizing remote teleconference meetings of the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) for the period of February 28, 2022 through March 28, 2022 pursuant to provisions of the Brown Act.

Presenter: Brad Poiriez, Executive Director/APCO.

Adopted Resolution 22-04, “A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT REAFFIRMING THE LOCAL DECLARATION OF EMERGENCY AS ADOPTED ON APRIL 27, 2020; RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNER ON MARCH 4, 2020; AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT FOR THE PERIOD OF FEBRUARY 28, 2022 THROUGH MARCH 28, 2022 PURSUANT TO PROVISIONS OF THE BROWN ACT.”

Agenda Item 2 – Approve Minutes from Regular Governing Board Meeting of January 24, 2022.
Approved Minutes from Regular Governing Board Meeting of January 24, 2022.

Agenda Item 3 – Ratify appointment of members to serve on the Budget Committee and the Personnel Committee.

Presenter: Merl Abel, Governing Board Chair.

Ratified appointment of members to serve on the Budget Committee and the Personnel Committee.

Agenda Item 4 – Adopt a budget schedule for FY 22-2023.

Presenter: Laquita Cole, Finance Manager.

Adopted a budget schedule for FY 22-2023.

Agenda Item 5 – Amend the District’s current Classification Plan to revise the Administrative Services Supervisor series. This amendment authorizes updates to the existing classification;

authorizes the Executive Director/APCO to approve updates and inform the Board regarding other administrative matters.

Presenter: Brad Poiriez, Executive Director/APCO.

Amended the District's current Classification Plan to revise the Administrative Services Supervisor series. This amendment authorizes updates to the existing classification; authorizes the Executive Director/APCO to approve updates and inform the Board regarding other administrative matters.

Agenda Item 6 – Amend the District's Classification Plan to add a new Class Specification series for Human Resources Supervisor; assign pay ranges; authorize the Executive Director/APCO to assign and/or promote eligible incumbent, if applicable; and inform the Board regarding other administrative matters.

Presenter: Brad Poiriez, Executive Director/APCO.

Amended the District's Classification Plan to add a new Class Specification series for Human Resources Supervisor; assign pay ranges; authorize the Executive Director/APCO to assign and/or promote eligible incumbent, if applicable; and inform the Board regarding other administrative matters.

Agenda Item 7 – Receive and file the District Activity Report.

Presenter: Brad Poiriez, Executive Director/APCO.

Received and filed the District Activity Report.

Agenda Item 8 – Receive and file the Executive Director's report of surplus and disposal for non-capital items.

Presenter: Laquita Cole, Finance Manager.

Received and filed the Executive Director's report of surplus and disposal for non-capital items.

Agenda Item 9 – Receive and file the Other Post-Employment Benefits Report. This item reports the June 30, 2021 Other Post-Employment Benefits (OPEB) actuarial valuation roll-forward of the District's retiree health insurance program.

Presenter: Laquita Cole, Finance Manager.

Received and filed the Other Post-Employment Benefits Report. This item reports the June 30, 2021 Other Post-Employment Benefits (OPEB) actuarial valuation roll-forward of the District's retiree health insurance program.

Agenda Item 10 – Receive and file Financial Reports through December 2021.

Presenter: Laquita Cole, Finance Manager.

Received and filed Financial Reports through December 2021.

Agenda Item 11 – Receive and file the Legislative Report for February 2022.

Presenter: Brad Poiriez, Executive Director/APCO.

Received and filed the Legislative Report for February 2022.

Agenda Item 12 – Set date of March 28, 2022 to conduct a public hearing to consider the amendment of Rule 315 – Federal Clean Air Act Section 185 - Penalty (1979 Standard), adoption of Rules 315.1 – Federal Clean Air Act Section 185 Penalty (1997 Standard), Rule 315.2 – Federal

Clean Air Act Section 185 Penalty (2008 Standard) and approval of California Environmental Quality Act (CEQA) documentation.

Presenter: Alan De Salvio, Deputy APCO.

Date set of March 28, 2022 to conduct a public hearing to consider the amendment of Rule 315 – *Federal Clean Air Act Section 185 - Penalty (1979 Standard)*, adoption of Rules 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)*, Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)* and approval of California Environmental Quality Act (CEQA) documentation.

Agenda Item 13 – Set date of March 28, 2022 to conduct a public hearing to consider the removal of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* and prior rules from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD, replace it with the current MDAQMD Rule 406 – *Specific Contaminants* and approve California Environmental Quality Act (CEQA) documentation.

Presenter: Alan De Salvio, Deputy APCO.

Date set of March 28, 2022 to conduct a public hearing to consider the removal of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* and prior rules from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD, replace it with the current MDAQMD Rule 406 – *Specific Contaminants* and approve California Environmental Quality Act (CEQA) documentation.

Agenda Item 14 – Set date of March 28, 2022 to conduct a public hearing to consider the removal of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD, replace it with the current MDAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* and approve California Environmental Quality Act (CEQA) documentation.

Presenter: Alan De Salvio, Deputy APCO.

Date set of March 28, 2022 to conduct a public hearing to consider the removal of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD, replace it with the current MDAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* and approve California Environmental Quality Act (CEQA) documentation.

Agenda Item 15 – DEFERRED ITEMS.

None.

Agenda Item 16 – PUBLIC COMMENT.

No public comment was made in person, telephonically or electronically.

Agenda Item 17 – Conduct a public hearing to consider the Rescission of SCAQMD Rule 404 – *Particulate Matter – Concentration* from the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD (MDAQMD or District) in Riverside County and replace it with current MDAQMD Rule 404 -*Particulate Matter - Concentration*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of

Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

Presenter: Alan De Salvio, Deputy APCO.

Brad Poiriez, Executive Director/APCO, provided the background information and answered questions from the Board. After discussion Chair **MERL ABEL** called for public comment, no public comment was made in person, telephonically or electronically, so being none, Chair **MERL ABEL** closed the public hearing. The determination was made that the California Environmental Quality Act (CEQA) Categorical Exemption applies and reading of the resolution was waived. Upon motion by Board Member **ELIZABETH BECERRA**, seconded by Board Member **BRIGIT BENNINGTON**, and carried by the following roll call vote, eleven **AYES** votes by Board Members, **MERL ABEL, ELIZABETH BECERRA, BRIGIT BENNINGTON, PAUL COOK, JOSEPH “JOEY” DECONINCK, KARI LEON, DANIEL MINTZ, Sr., V. MANUEL PEREZ, BARBARA RIORDAN, DAWN ROWE, and TIM SILVA, with Board Members STEVEVONNA EVANS and JEFF WILLIAMS absent**, the board, adopted Resolution 22-05, “**A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, RESCISSION OF THE SCAQMD SIP RULE 404 – PARTICULATE MATTER – CONCENTRATION FOR THE BLYTHE/PALO VERDE VALLEY PORTION OF THE MDAQMD IN RIVERSIDE COUNTY AND REPLACE IT WITH THE CURRENT SIP APPROVED MDAQMD RULE 404 PARTICULATE MATTER – CONCENTRATION, AND DIRECTING STAFF ACTIONS.**”

Agenda Item 18 – Conduct a public hearing to consider the rescission of SCAQMD Rule 405 — Particulate Matter – Weight from the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD in Riverside County and replace it with current MDAQMD Rule 405 -Particulate Matter - Weight: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

Presenter: Alan De Salvio, Deputy APCO.

Brad Poiriez, Executive Director/APCO, provided the background information and answered questions from the Board. After discussion Chair **MERL ABEL** called for public comment, no public comment was made in person, telephonically or electronically, so being none, Chair **MERL ABEL** closed the public hearing. The determination was made that the California Environmental Quality Act (CEQA) Categorical Exemption applies and reading of the resolution was waived. Upon motion by Board Member **BARBARA RIORDAN**, seconded by Board Member **KARI LEON**, and carried by the following roll call vote, with eleven **AYES** votes by Board Members, **MERL ABEL, ELIZABETH BECERRA, BRIGIT BENNINGTON, PAUL COOK, JOSEPH “JOEY” DECONINCK, KARI LEON, DANIEL MINTZ, Sr., V. MANUEL PEREZ, BARBARA RIORDAN, DAWN ROWE, and TIM SILVA, with Board Members STEVEVONNA EVANS and JEFF WILLIAMS absent**, the board, adopted Resolution 22-06, “**A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, RESCISSION OF THE SCAQMD SIP**

RULE 405 – PARTICULATE MATTER – WEIGHT FOR THE BLYTHE/PALO VERDE VALLEY PORTION OF THE MDAQMD IN RIVERSIDE COUNTY AND REPLACE IT WITH THE CURRENT MDAQMD RULE 405 PARTICULATE MATTER – WEIGHT, AND DIRECTING STAFF ACTIONS.”

Agenda Item 19 – Reports:

Special notes from Mr. Poiriez:

California Legislature outlook:

- ❖ Feb. 18 is the bill introduction deadline; Policy Committee hearings to start in March and April; Ongoing fiscal committee hearings on the budget.
- ❖ 1/5 of the Legislature will be new after the upcoming elections this year; There are currently 5 vacancies in the Assembly, 20 additional members leaving and 7 Senate members termed out.
- ❖ AB1749 (C. Garcia): Community Air Protection Blueprint: community emissions, reduction programs: toxic air contaminants and criteria pollutants. CAPCOA very concerned with introduced language and will be tracking as high priority and attempt to work with author – could mean no new equipment or businesses in EJ areas the way written.
- ❖ AB2152 (T. Smith): specific to Needles to allow OHV on designated roadways adjacent to surrounding OHV areas.

Miscellaneous:

- ❖ May have seen the news that VVTA is putting 5 EV Buses into circulation in the Barstow area. We continue to work closely with our transportation operators.
- ❖ Martial has been moving rapidly on coordinating CDAWG 2022, which will be held on Nov. 2 and 3rd, at Embassy Suites, in downtown San Diego, save the date notices will be going out soon.
- ❖ CalStart is taking apps for HVIP Public School Bus program funded at \$130M through CARB for zero emission buses. School Districts can call us and we can direct them to the appropriate place for more information.
- ❖ Notified our Moyer Yr. 24 amount will be about double normal at \$2.54M, Jorge will put the grant agreement on next month agenda.
- ❖ We also may be getting in the neighborhood of \$1.33M in AB617 Incentive funding; last year there was none in the State budget.
- ❖ Earlier in the month, Richard Corey, Executive Officer, CARB announced to his Board that he would be retiring at the end of April after 37 years of working at CARB. We wish him the very best as he has truly been a good partner to MDAQMD and Districts as a whole.

Mr. Poiriez updated the Board of past events:

- Feb. 2: Participated in the WRAP Board of Directors Meeting
- Feb. 8-9: Participated in the CAPCOA Board of Directors Board meeting: Items included: Setting up a Moyer Subcommittee made of CAPCOA Board members and CARB Board members – to discuss needed guideline changes and reauthorization efforts, AB 617 allocations for both Implementation and Incentives, review CARB quarterly Activity report; formulate budget ask letter to legislative committees; Met with CARB Executive staff on: Asbestos NESHAPS, CARB/District Enforcement Coordination, Moyer Subcommittee, AB2588 Updates; SIP contingencies, Regional Exceptional Events, CARB training program; and more.

- Feb. 16/17 - held interviews for the remaining two vacancies – Grants Specialist and Air Quality Specialist, hope to on board in the coming weeks.
- Feb. 16: Held an Industry Task Force meeting to discuss proposed 185 Fee rules.
- Feb. 16: Participated in the MEEC Board meeting; Solar Cook-off will be on May 14th at Apple Valley Museum; would like to see if Board Member Cook and/or Leon are available to make an appearance.
- Feb. 17: Participated in the AAPCA Air Directors monthly call.
- Feb. 23: Held a TAC meeting to go over rule/plan developments.

Mr. Poiriez updated the Board of coming events:

- Mar 1-2: Medium District APCO meeting in Ventura
- Mar. 9-10 – CAPCOA Board mtg
- Mar. 16 – MEEC Board mtg
- Mar. 16 – AAPCA Local Government Call

Agenda Item 20 - Board Member Comments and Suggestions for Future Agenda Items.

- Board Member **BENNINGTON** congratulated staff on promotions and voiced concern regarding AB 1749 with regards to new developments. Brad Poiriez, Executive Director/APCO, responded by providing Board Members with information on AB 1749 after the meeting.
- Board Member **COOK** commented on the issue of the mobile pollution in the Cajon Pass, possibly address State officials with issue; asked if the Board can be engaging and request funding for issue; incentives for electric vehicles.
- Board Member **LEON** welcomed new staff.
- Board Member **ROWE** thanked staff for their support with questions regarding Rules on today's agenda.

Being no further business, Chair **MERL ABEL** adjourned the meeting at **10:38 a.m.** to the next Regular Meeting of **March 28, 2022.**

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

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #2

DATE: March 28, 2022

RECOMMENDATION: Receive and file the District Activity Report.

BACKGROUND: The following reports reflect information regarding the District's activities in the following areas:

- Communications
- Information Systems
- Grants
- Operations

Staff is available to answer questions as needed.

REASON FOR RECOMMENDATION: These reports are for information only.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Brad Poiriez, Executive Director/APCO on or about February 14, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Brad Poiriez, Executive Director/APCO.

From: Martial Haprov
Communications Analyst
mhaprov@mdaqmd.ca.gov

To: Brad Poiriez
Executive Director
bradp@mdaqmd.ca.gov

Date: 3/14/2022
Subject: *March 2022*
Communications Activity Report

Interoffice Memo



Air Mail

MDAQMD delivered the latest edition of its Air Mail digital newsletter on March 9. The publication announces San Diego as the host city for CDAWG in November 2022; the April 1 kick-off of the 2022 Electric Lawn & Garden Equipment Exchange program adding a chainsaw and upgraded string trimmer to the lineup of STIHL brand battery electric equipment; new staff members at MDAQMD; the retirement of Chris Collins; and a reminder about the Carl Moyer grant program application period deadline.

“Three Things” Presentation

Communications Analyst Martial Haprov presented at the Greater High Desert Chamber of Commerce’s Coffee Break in Apple Valley on March 11. The event had approximately 50 people in attendance. The presentation, “Three Things You Didn’t Know You Need to Know about MDAQMD,” briefly discusses three questions that members of the public ask MDAQMD staff on a regular basis: authority over mobile sources of air pollution; burning and burn permits in MDAQMD boundaries; and authority to close schools during a wildfire smoke event.

Mojave Green & Air Aware awards programs

Communications and Compliance section staff are continuing the process of presenting Mojave Green Gas Station awards to recipients in Apple Valley, Hesperia, Victorville, Phelan, Baker, Barstow and Yermo. Air Aware Awards presentations will begin toward the end of the month of March.

Phone system greeting

Communications, Technology Services and Compliance teamed up to restructure and rerecord MDAQMD’s phone system greeting and menu that callers hear upon dialing the main MDAQMD office phone number. The update includes a revision of the Burn Program menu option, which now directs callers to an easy-to-remember MDAQMD web address for burn day status.

From: Jorge Camacho
Support Services Supervisor
jcamacho@mdaqmd.ca.gov

To: Brad Poiriez
bradp@mdaqmd.ca.gov

Date: 3/14/2022
Subject: Technical Services
Activity Report



Interoffice Memo

District Permitting Software – Technical Services in conjunction with Compliance has been working on a current programming project with AgreeYA to deliver key workflow and user interface changes needed for our NOV (Notice of Violation) and NTC (Notice to Comply) code in the Districts permitting software colloquially known as CAPS. The module development has been delayed but we are looking at a project completion by end of March 2022.

District Financial Software – Technical Services been working with the Finance Section to implement the OpenGov Financial software.

AVAQMD Migration Planning – A migration plan was developed to move AVAQMD from their current location, to a joint tenant location at the Antelope Valley Fair Grounds. This plan was developed to ensure all their technical items were moved and was extensive as the existing Air Monitoring site and technology resources were to stay at their current location, necessitating a detailed strategic plan. Execution of the plan is already taking place, as internet services were installed at the new location as of December 16th, 2021, additionally hardware needed to support the site has been delivered and Technical Services is working to set-up the AVAQMD at their new location.

Ticketing System– Beginning Monday, March 21, 2022, Technical Services staff will accept requests for assistance with technology (computers, devices, software, etc.) via a ticketing system. The purpose of the ticketing system is to assist Technical Services as they strive to resolve issues in a timely and efficient manner.

Upcoming Projects

Computer Replacements – We have 22 marked units up for replacement, the equipment order was placed, and the items have been delivered as of 01/03/2022. This is expected to be completed by the end of the fiscal year.

From: Jorge Camacho
Support Services Supervisor
 jcamacho@mdaqmd.ca.gov

To: Brad Poiriez
 bradp@mdaqmd.ca.gov

Date: March 14, 2022
Subject: March Activity Report



Interoffice Memo

Updates

- The District has partnered with STIHL again for our 2022 Lawn & Garden Residential Equipment Exchange Program. The program will commence April 1st, 2022 and will run until the end of June 2022 or when funds are liquidated.
- The District has received agreements for our 2022 Carl Moyer and FARMER program.
- The District received a 2021 Targeted Air Shed Grant to replace three diesel school buses with zero-emission alternatives for the Adelanto Elementary School District. We are in the process of getting agreements signed with CARB and EPA.

Current Project List March2022

<u>Funding Source</u>		
<u>Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program)</u>		
<u>Project Name</u>	<u>Grant Award</u>	<u>Status</u>
Chaffin Farms Project # 1_2021_1990 MF 383	\$ 59,841.60	Pending
Red River Farms Project #1 2021_JD 7210 (3-2)	164,400.00	Pending
Robinson Farms Project #1 2021-1993 JD 7400	108,832.00	Pending
Total Carl Moyer Grant Awards	\$ 333,073.60	

<u>Funding Source</u>		
<u>AB 134/617-Community Action Program</u>		
<u>Project Name</u>	<u>Grant Award</u>	<u>Status</u>
AVUSD Electric Bus Infrastructure	\$ 30,738.97	Pending
AESD Electric Bus Infrastructure	29,900.63	Pending
Total AB 134/617 Grant Awards	\$ 60,639.60	

Funding Source		
Mobile Source Emissions Reduction (MSERP)		
Project Name	Grant Award	Status
Lawn and Garden Residential Exchange Program	\$ 150,000.00	Ongoing/Yearly
Morongo Basin Transit	40,000.00	Ongoing/Yearly
Needles Area Transit	15,000.00	Ongoing/Yearly
Palo Verde Transit	20,000.00	Ongoing/Yearly
San Bernardino County	75,000.00	Ongoing/Yearly
Victor Valley Transit Authority	250,000.00	Ongoing/Yearly
Voluntary Accelerated Vehicle Retirement Program	100,000.00	Ongoing/Yearly
City of 29 Palms-Infrastructure Project	170,372.00	Pending
Total AB2766 Grant Awards	\$ 820,372.00	

Funding Source Moyer Reserve and MSERP		
Electric Vehicle Charging Stations		
Project Name	Grant Award	Status
Copper Mountain College	\$ 49,999.00	Pending
EV Charging Solutions (VVGMC)	40,000.00	Pending
EV Range (Via Del Sol Hotel, Needles)	49,999.00	Cancelled
Total Grant Awards	\$ 139,998.00	

Funding Source		
Targeted Air Shed Grant		
Project Name	Grant Award	Status
MNRC/CEMEX Locomotive Replacement	\$ 2,694,670.00	Pending
Diesel School Bus Replacement Program	1,022,312.00	Pending
Total Grant Awards	\$ 3,716,982.00	

Glossary of Terms and Definitions

On-Going Yearly

Funds are encumbered on a yearly and ongoing basis.

Pending

Grantee is under a contractual agreement with the District.

Interoffice Memo

From: Alan De Salvio 
Deputy Air Pollution Control Officer
adesalvio@mdaqmd.ca.gov

To: Brad Poiriez
Executive Director
bradp@mdaqmd.ca.gov

Date: 3/1/2022

Subject: February 2022 Operations Activity Report



Permit Inspections Completed – 346 (86% in compliance)
Notices to Comply (NTCs) Issued – 15
Notices of Violation (NoVs) Issued – 6
Outstanding NoVs – 29 (9 in settlement)
Delinquent Permit Follow-Ups – 10
Breakdowns – 14
Vapor Recovery Tests Witnessed – 11
Complaints – 10
Complaint Investigations – 10
Asbestos Notifications – 16
Asbestos Project Inspections – 1

Permit Applications Received – 15 [and 1 for AVAQMD]
Permit Changes Processed – 177 [including AVAQMD]
Title V Permit Actions In Progress - 18 [including AVAQMD]
Permits Issued – 564 [198]
Active Companies - 678 [276]
Active Facilities - 1404 [530] (39 [4] Title V Facilities)
Active Permits - 4584 [1120]
Certificate of Occupancy/Building Permit Reviews – 43

Project Comment Letters – 18

Full SLAMS Air Monitoring Sites:

Barstow (full met,¹ CO, NO_x, O₃, PM₁₀)
Hesperia (full met, O₃, PM₁₀)
Lucerne Valley (full met, PM₁₀)
Phelan (full met, O₃)
Trona (full met, H₂S, NO_x, O₃, SO₂, PM₁₀)
Victorville (full met, CO, NO_x, O₃, SO₂, PM₁₀, PM_{2.5})

Community Sensors:

Two TAPI T640 PM_{2.5} portable trailer-mounted units (one also has PM₁₀)
39 PurpleAir particulate sensors (Apple Valley (3), Baker (2), Barstow, Blythe (2), Earp, Fort Irwin, Gene Intake, Helendale, Hesperia, Joshua Tree, JTNP, Lucerne Valley (2), Morongo Valley (2), Needles (2), Newberry Springs (2), Nipton, Oak Hills/Hesperia (2), Parker Dam, Phelan (2), Pinon Hills, Primm, Trona, Twentynine Palms (2), Victorville (2), Wrightwood, Yermo, Yucca Valley)

¹ Full met is full meteorology (exterior temperature, wind speed, wind direction, exterior pressure and relative humidity)

The following page(s) contain the backup material for Agenda Item: [Receive and file Financial Reports through January 2022](#). Presenter: [Laquita Cole, Finance Manager](#). Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #3

DATE: March 28, 2022

RECOMMENDATION: Receive and file Financial Reports through January 2022.

SUMMARY: Receive and file the Financial Reports with activity through January 2022, which reflect the District's financial and budgetary performance to date.

BACKGROUND: The Financial Reports provide fiscal information for all funds.

The **Balance Sheet** details the District's assets, liabilities, and net position. When combined with the stewardship information within the Statement of Activities, this information presents a comprehensive understanding of the District's financial position as of January .

The **Statement of Revenues and Expenditures** tracks the inflow and outflow of resources and expenditures by source or type.

The **Statement of Activity** focuses on the total organization (as opposed to focusing on funds within the organization) and reports consolidated revenue and expenditure information for January. Grant activities are labeled 'Programs'. Grant activity to date has been adjusted to reflect the revenue recognition and matching principle. The target variance for January is 58%.

The **Registers** list payments for goods and services, and fund transfers for District accounts. The **Facilities and Fleet Summary** includes activities related to fixed assets.

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel, as to legal form and by Brad Poiriez, Executive Director/APCO, on or before March 14, 2022.

FINANCIAL DATA: No change in appropriation is required at this time.

PRESENTER: Laquita Cole, Finance Manager

Mojave Desert AQMD
Balance Sheet - Governmental Funds
As of January 31, 2022

Financial Report

	<u>General Fund</u>	<u>Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Assets					
Current Assets					
Cash	6,059,953.38	1,983,941.40	1,375,508.37	2,561,557.57	11,980,960.72
Cash Held For Other Fund	449,812.90	(59,999.69)	32,619.86	(422,433.07)	0.00
Receivables	725,255.86	0.00	0.00	0.00	725,255.86
Pre-Paid	53,659.90	0.00	0.00	0.00	53,659.90
Total Current Assets	7,288,682.04	1,923,941.71	1,408,128.23	2,139,124.50	12,759,876.48
Non-Current Assets					
Deferred Outflows	6,319,324.00	0.00	0.00	0.00	6,319,324.00
Total Assets	13,608,006.04	1,923,941.71	1,408,128.23	2,139,124.50	19,079,200.48
Liabilities and Net Position					
Current Liabilities					
Payables	276,201.62	1,052.00	444.02	0.00	277,697.64
Accruals	1,074,918.29	0.00	0.00	0.00	1,074,918.29
Due to Others	630.00	0.00	0.00	0.00	630.00
Payroll Taxes Liability	(6,284.49)	0.00	0.00	0.00	(6,284.49)
Retirement	(6,202.17)	0.00	0.00	0.00	(6,202.17)
Health	(25,575.52)	0.00	0.00	0.00	(25,575.52)
Other Payroll Deductions	1,391.44	0.00	0.00	0.00	1,391.44
Unearned Revenue	1,640,284.39	0.00	1,398,119.64	0.00	3,038,404.03
Total Current Liabilities	2,955,363.56	1,052.00	1,398,563.66	0.00	4,354,979.22
Net Pension Liability	13,570,334.00	0.00	0.00	0.00	13,570,334.00
Net OPEB Liability	506,364.00	0.00	0.00	0.00	506,364.00
Deferred Pension Inflows	1,067,479.00	0.00	0.00	0.00	1,067,479.00
Deferred OPEB Inflows	336,541.00	0.00	0.00	0.00	336,541.00
Total GASB Liabilities	15,480,718.00	0.00	0.00	0.00	15,480,718.00
Restricted Fund Balance	371,858.28	2,035,912.24	9,564.57	1,081,606.84	3,498,941.93
Committed Fund Balance	1,362,080.00	0.00	0.00	0.00	1,362,080.00
Budget Stabilization	250,000.00	0.00	0.00	0.00	250,000.00
Retirement Reserves	0.00	0.00	0.00	1,099,397.51	1,099,397.51
Unassigned Fund Balance	(329,321.97)	0.00	0.00	0.00	(329,321.97)
Adjustments to Fund Balance - GASB 68	(6,953,802.00)	0.00	0.00	0.00	(6,953,802.00)
Compensated Absences	450,000.00	0.00	0.00	0.00	450,000.00
Pre Paid	7,194.13	0.00	0.00	0.00	7,194.13
Change in Net Position	13,916.04	(113,022.53)	0.00	(41,879.85)	(140,986.34)
Total Liabilities & Net Position	13,608,006.04	1,923,941.71	1,408,128.23	2,139,124.50	19,079,200.48

Mojave Desert AQMD
Statement of Revenues & Expenditures
For the Period Ending January 31, 2022

Financial Report

	<u>General</u> <u>Fund</u>	<u>Mobile</u> <u>Emissions</u> <u>Program</u>	<u>Carl</u> <u>Moyer</u> <u>Program</u>	<u>Fiduciary</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>Revenues</u>					
Antelope Valley Air Quality Mngmnt Contract	142,225.32	0.00	0.00	0.00	142,225.32
Other Contracts	0.00	0.00	0.00	0.00	0.00
Application and Permit Fees	399,906.88	0.00	0.00	0.00	399,906.88
AB 2766 and Other Program Revenues	163,470.91	108,887.27	444.02	0.00	272,802.20
Fines	10,736.03	0.00	0.00	0.00	10,736.03
Investment Earnings	6,953.77	0.00	0.00	(88,875.95)	(81,922.18)
Federal and State	143,581.52	0.00	0.00	0.00	143,581.52
Other Revenue	1,348.70	0.00	0.00	0.00	1,348.70
Total Revenues	868,223.13	108,887.27	444.02	(88,875.95)	888,678.47
<u>Expenditures</u>					
Salaries and Benefits	561,957.16	0.00	0.00	0.00	561,957.16
Services and Supplies	265,521.93	78,052.32	444.02	1,303.58	345,321.85
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	22,968.82	0.00	0.00	0.00	22,968.82
Total Expenditures	850,447.91	78,052.32	444.02	1,303.58	930,247.83
Excess Revenue Over (Under) Expenditures	17,775.22	30,834.95	0.00	(90,179.53)	(41,569.36)

Mojave Desert AQMD

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Bank Register from 1/01/2022 to 1/31/2022

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Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
20130950	1/03/2022	Credit Card Transactions - Victor Valley Transit Authority (2)	0.00	2,128.52	734,483.71
20130951	1/03/2022	Credit Card Transactions - Northstar Contracting (2)	0.00	912.00	735,395.71
	1/07/2022	Wage Works FSA Claim	18.33	0.00	735,377.38
20130952	1/10/2022	Credit Card Transactions - Northstar Contracting Group (2)	0.00	636.00	736,013.38
20130953	1/10/2022	Credit Card Transactions - Amazon Services	0.00	634.00	736,647.38
20130954	1/10/2022	Credit Card Transactions - T-Stop Gas and Market	0.00	181.00	736,828.38
	1/11/2022	PP 01/2022 Federal Taxes	27,920.26	0.00	708,908.12
	1/11/2022	PP 01/2022 State taxes	9,303.68	0.00	699,604.44
	1/11/2022	Wage Works FSA Claim	55.00	0.00	699,549.44
	1/11/2022	Supplemental Insurance - December 2021	2,507.19	0.00	697,042.25
EFT	1/12/2022	Pay period ending 12/31/2021	136,822.91	0.00	560,219.34
	1/12/2022	PP 01/2022 457 Deductions	13,543.85	0.00	546,675.49
20130955	1/12/2022	Credit Card Transactions - United Rentals Northwest - Specialty Materials	0.00	1,016.65	547,692.14
0010122	1/13/2022	Inv 206754 - NOV NTC Work	11,400.00	0.00	536,292.14
0010123	1/13/2022	Invoices , 2021-25, 2022-01	2,771.03	0.00	533,521.11
0010124	1/13/2022	Inv 1-93632 - Table & Linen Rentals	197.69	0.00	533,323.42
0010125	1/13/2022	Wellness Program Reimbursement	54.99	0.00	533,268.43
0010126	1/13/2022	Inv 4106624992 - Sanitizing Supplies	40.11	0.00	533,228.32
0010127	1/13/2022	Bill #4537432 - Water & Trash - 11/04/21 - 12/02/21	257.53	0.00	532,970.79
0010128	1/13/2022	Bill # 4538588 - Fire Service Water - 11/19/21 - 12/16/21	59.63	0.00	532,911.16
0010129	1/13/2022	Inv SI-1293793 - HP Elitedesk 805 (22)	22,298.10	0.00	510,613.06
0010130	1/13/2022	Invoices 28768658, 28768658a	702.81	0.00	509,910.25
0010131	1/13/2022	Inv 2805-96932 - Window Cleaning - 12/21/21	192.00	0.00	509,718.25
0010132	1/13/2022	Telephone Services - 12/21/21 - 01/21/22	769.68	0.00	508,948.57
0010133	1/13/2022	Invoices 9167581925, 9169687267	166.22	0.00	508,782.35
0010134	1/13/2022	Invoices 2021-26, 2022-01	230.80	0.00	508,551.55
0010135	1/13/2022	Inv 10818014 - Copy Paper	598.94	0.00	507,952.61
0010136	1/13/2022	Inv 67934175- Cylinder Rental	152.05	0.00	507,800.56
0010137	1/13/2022	Tuition reimbursement for M. Mamari - Engineering: Clean Water Program Regs & Managemen	735.00	0.00	507,065.56
EFT	1/13/2022	Invoices 4761, 4762	82,524.43	0.00	507,065.56
EFT	1/13/2022	Pay Period 01/2022 - FSADED	333.42	0.00	507,065.56
0010138	1/13/2022	Inv 114131 - Business Cards - Haprov - Anderson - Wills - Strout - Camacho	136.13	0.00	506,929.43
0010139	1/13/2022	Travel Reconciliation - IAC Spokane - Dec 2021	372.91	0.00	506,556.52
0010140	1/13/2022	Inv INV03262 - Electric Use - December 2021	160.00	0.00	506,396.52
0010141	1/13/2022	Notice of Exemption (NOE) filing - Adoption Rule 900/Rule 1000 and Rule 1126. Filing date January 24, 2022.	100.00	0.00	506,296.52
0010142	1/13/2022	Lanscaping & Parking Lot Clean Up - December 2021	480.00	0.00	505,816.52
0010143	1/13/2022	Notice of Exemption (NOE) filing - Adoption Rule 900/Rule 1000 and Rule 1126. Filing date January 24, 2022.	100.00	0.00	505,716.52
0010144	1/13/2022	Inv MD2022-Jan - Lease Agreement July 2018 - June 2022	12,276.00	0.00	493,440.52
0010145	1/13/2022	Invoices , 2022-01	95,608.61	0.00	397,831.91
0010146	1/13/2022	Pay Period 26/2021 - SBCERADefer, SBCERAMatch, SBCERAPickUp, SurvivorInsBen, SurvivorInsDed, RetireCashBen	98,541.02	0.00	299,290.89

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0010147	1/13/2022	Invoices 2021-26, 2022-01	1,156.92	0.00	298,133.97
0010148	1/13/2022	Invoices 2021-26, 2022-01	6.00	0.00	298,127.97
0010149	1/13/2022	Gas Services - 11/25/21 - 12/28/21	299.81	0.00	297,828.16
0010150	1/13/2022	Invoices , 2021-23, 2021-24	1,622.91	0.00	296,205.25
0010151	1/13/2022	Inv 247 - Services - December 2021	1,700.00	0.00	294,505.25
0010152	1/13/2022	Inv 6053948 - 2018 Ford Escape - Oil Change	71.36	0.00	294,433.89
EFT	1/13/2022	Inv S020513249 - T200 Nox Analyzer	22,968.82	0.00	294,433.89
0010153	1/13/2022	Inv 81084 - Employee Support Services - December 2021	300.00	0.00	294,133.89
0010154	1/13/2022	Invoices 2021-26, 2022-01	52.00	0.00	294,081.89
0010155	1/13/2022	Invoices 72046059, 72073572	2,569.03	0.00	291,512.86
0010156	1/13/2022	Inv 1382 - Janitorial Service - December 2021	3,300.00	0.00	288,212.86
0010157	1/13/2022	Inv 495 - District Vehicle Car Wash	20.00	0.00	288,192.86
EFT	1/13/2022	Inv 8690215682152 - District Vehicles Fuel	2,064.98	0.00	288,192.86
0010158	1/13/2022	Invoices 2021-23, 2021-24, Jan 2022	745.28	0.00	287,447.58
0010159	1/13/2022	Clean Air Fund Transfer FY 21	96,661.12	0.00	82,894.81
20130956	1/14/2022	Credit Card Transcations - Sully-Miller Contracting - Tire man LLC	0.00	1,268.00	84,162.81
	1/14/2022	Wage Works FSA Claim	78.27	0.00	84,084.54
20130957	1/18/2022	Credit Card Transcations - Lockheed Martin Aeronautics - Resource Environmental	0.00	550.00	84,634.54
20130958	1/18/2022	Credit Card Transcations - Exclusive Tent Rentals	0.00	1,998.00	86,632.54
20130959	1/18/2022	Credit Card Transcations - Exclude Tent Rentals	0.00	3,330.00	89,962.54
	1/18/2022	Wage Works FSA Claim	79.34	0.00	89,883.20
20130967	1/19/2022	Credit Card Transactions - Exclusive Tent Rentals	0.00	1,332.00	91,215.20
	1/19/2022	Wage Works FSA Claim	8.47	0.00	91,206.73
	1/20/2022	Card #7885 - 12/05/21 - 01/04/22	3,046.61	0.00	88,160.12
20130966	1/21/2022	Credit Card Transactions - Exclusive Tent Rentals - Clark Pacific	0.00	2,331.00	90,491.12
	1/22/2022	VOYA 401a - Poiriez - January 2022	1,831.79	0.00	88,659.33
0002215	1/24/2022	Operating Fund Replenishment #15	0.00	1,141,924.29	1,230,900.62
0010160	1/24/2022	Refund: Duplicate payment	13,201.66	0.00	1,217,698.96
0010161	1/24/2022	800-635-4617 - 01/07/22 - 02/06/22	58.43	0.00	1,217,640.53
0010162	1/24/2022	Refund: Refund - Paid for COO in error - Application for MVT00000189- CG MEDIA	317.00	0.00	1,217,323.53
0010163	1/24/2022	Inv P689323 - Firewall	28,778.78	0.00	1,188,544.75
0010164	1/24/2022	Inv 2040671010722 - Internet - 01/07/22 - 02/06/22	990.00	0.00	1,187,554.75
0010165	1/24/2022	Inv 9160019828 - AED Lease	107.66	0.00	1,187,447.09
EFT	1/24/2022	Inv FBN4381237 - Vehicle Leases	1,237.95	0.00	1,187,447.09
0010166	1/24/2022	Inv 2805-97778 - Window Washing - 01/19/22	192.00	0.00	1,187,255.09
0010167	1/24/2022	Institute of Hazardous Materials Management Annual Certification Maintenance Fee	160.00	0.00	1,187,095.09
0010168	1/24/2022	Inv 39191498 - Copier Lease	2,137.33	0.00	1,184,957.76
0010169	1/24/2022	Gas cylinder (H2S) for monitoring station	138.71	0.00	1,184,819.05
0010170	1/24/2022	Invoices 2022-01-19, 2022-01-19	317.00	0.00	1,184,502.05
0010171	1/24/2022	Fabrication/Repair of Wench that lifts equipment onto roof. Safety Issue - Victorville site	1,537.00	0.00	1,182,965.05

Mojave Desert AQMD

Run: 3/14/2022 at 6:08 PM

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Bank Register from 1/01/2022 to 1/31/2022

Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0010172	1/24/2022	Electricity Service - 12/13/21 - 01/11/22	2,727.23	0.00	1,180,237.82
0010173	1/24/2022	Office Supplies	330.89	0.00	1,179,906.93
0010174	1/24/2022	Inv 250 - Services - January 2022	1,751.00	0.00	1,178,155.93
20130963	1/24/2022	Credit Card Transactions - Lindsay Windows - The Wax Studio - MS Consulting	0.00	985.57	1,177,903.55
20130964	1/24/2022	Credit Card Transactions - Exclusive Tent Rentals	0.00	1,998.00	1,179,901.55
20130965	1/24/2022	Credit Card Transactions - Caliber Collision	0.00	671.14	1,180,572.69
	1/24/2022	Wage Works FSA Claim	97.25	0.00	1,180,475.44
	1/24/2022	Card #8204 - 12/05/21 - 01/04/22	139.52	0.00	1,180,335.92
	1/24/2022	Card #6210 - 12/05/21 - 01/04/22	1,756.39	0.00	1,178,579.53
	1/24/2022	Card #6685 - 12/05/21 - 01/04/22	235.55	0.00	1,178,343.98
	1/24/2022	Card #9081 - 12/05/21 - 01/04/22	606.65	0.00	1,177,737.33
	1/24/2022	Card #1042 - 12/05/21 - 01/04/22	607.83	0.00	1,177,129.50
	1/24/2022	Card #3428 - 12/05/21 - 01/04/22	443.23	0.00	1,176,686.27
	1/24/2022	Card #4837 - 12/05/21 - 01/04/22	1,498.21	0.00	1,175,188.06
	1/24/2022	Card #6251 - 12/05/21 - 01/04/22	302.44	0.00	1,174,885.62
	1/24/2022	Card #8110 - 12/05/21 - 01/04/22	1,079.10	0.00	1,173,806.52
	1/25/2022	PP 02/2022 Federal Taxes	27,793.60	0.00	1,146,012.92
	1/25/2022	PP 02/2022 State Taxes	8,354.90	0.00	1,137,658.02
	1/25/2022	Wage Works FSA Claim	13.04	0.00	1,137,644.98
EFT	1/26/2022	Pay period ending 1/14/2022	129,786.50	0.00	1,007,858.48
EFT	1/26/2022	Pay period ending 1/14/2022	7.10	0.00	1,007,851.38
	1/26/2022	PP 02/2022 457 Deductions	48,455.54	0.00	959,395.84
20130962	1/26/2022	Credit Card Transactions -Nextra Energy	0.00	333.00	959,728.84
	1/27/2022	Wage Works FSA Claim	7.95	0.00	959,720.89
20130961	1/28/2022	Credit Card Transactions - Resource Enviornmental - T3 Contractors - SBCO Fleet MGMT	0.00	1,457.00	961,177.89
0000001	1/31/2022	Credit Card Transactions - Mohsen Oil - T Stop Gas and Market - SBCO Fleet MGMT Department	0.00	2,476.03	963,653.92
0000004	1/31/2022	Credit Card Transactions - Resource Enviornmental	0.00	907.00	964,560.92
20130960	1/31/2022	Credit Card Transactions - Applicant	0.00	317.00	964,877.92
Total for Report:			935,180.47	1,167,386.20	

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
General Fund MPA

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000005	1/05/2022	Daily Deposit	0.00	39,113.10	3,434,498.65
0000005	1/06/2022	Daily Deposit	0.00	277,309.62	3,711,808.27
0000005	1/06/2022	SBCo ACH - City of VV	0.00	1,068.36	3,712,876.63
0000005	1/11/2022	Daily Deposit	0.00	8,270.05	3,721,146.68
20131098	1/11/2022	SBCo ACH - Blythe Energy	0.00	172,251.15	3,893,397.83
20131099	1/13/2022	Daily Deposit	0.00	124,456.47	4,017,854.30
20131100	1/13/2022	SBCo ACH - City of VV	0.00	2,843.49	4,020,697.79
20131103	1/14/2022	SBCo ACH - Prologis - Stirling Capital	0.00	1,077.16	4,021,774.95
20131103	1/14/2022	SBCo ACH - MDAQMD	0.00	82,524.43	4,104,299.38
20131103	1/14/2022	SBCo ACH - MDAQMD	0.00	333.42	4,104,632.80
20131101	1/18/2022	Daily Deposit	0.00	4,955.02	4,109,587.82
20130950	1/19/2022	Daily Deposit	0.00	153,747.25	4,263,335.07
#####	1/20/2022	Tranfers AB2766 - Ocotber 2021	54,923.20	0.00	4,208,411.87
#####	1/20/2022	Transfer AB2766 - November 2021	53,964.07	0.00	4,154,447.80
0002215	1/24/2022	Operating Fund Replenishment #15	1,141,924.29	0.00	3,012,523.51
20131104	1/25/2022	Daily Deposit	0.00	8,277.53	3,020,801.04
20131105	1/26/2022	Daily Deposit	0.00	26,956.54	3,047,757.58
20131106	1/28/2022	SBCo ACH - MP Mine	0.00	224,067.89	3,271,825.47
	1/31/2022	Service Charge	123.50	0.00	3,271,701.97
	1/31/2022	Interest Earned	0.00	7,035.96	3,278,737.93
Total for Report:			1,250,935.06	1,134,287.44	

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
WF AB2766

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
#####	1/20/2022	Tranfers AB2766 - Ocotber 2021	0.00	54,923.20	2,006,977.65
#####	1/20/2022	Transfer AB2766 - November 2021	0.00	53,964.07	2,060,941.72
0003112	1/24/2022	AB2766 Grant	2,000.32	0.00	2,058,941.40
0003113	1/24/2022	AB2766 Grant	75,000.00	0.00	1,983,941.40
Total for Report:			77,000.32	108,887.27	

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
Special Revenue

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000015	1/24/2022	Farmers Grant	46,688.00	0.00	1,462,811.92
0000016	1/24/2022	Farmers Grant	41,915.43	0.00	1,420,896.49
0000017	1/24/2022	Farmers Grant	41,915.43	0.00	1,378,981.06
Total for Report:			130,518.86	0.00	

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
Clean Air Fund

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
20131102	1/18/2022	Clean Air Fund Transfer FY21	0.00	96,661.12	379,725.40
Total for Report:			0.00	96,661.12	

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
PARS TRUST - OPEB

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	1/31/2022	Service Charge	452.18	0.00	920,696.00
	1/31/2022	Interest Earned	32,314.82	0.00	888,381.18
Total for Report:			32,767.00	0.00	

Mojave Desert AQMD
Bank Register from 1/01/2022 to 1/31/2022
PARS TRUST - PENSION

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	1/31/2022	Service Charge	851.40	0.00	1,729,737.52
	1/31/2022	Interest Earned	56,561.13	0.00	1,673,176.39
Total for Report:			57,412.53	0.00	

From: Michelle Powell
Fiscal Specialist II
 760.245.1661, ext. 6270
 Fax 760.245.2699
 mpowell@mdaqmd.ca.gov

To: Brad Poiriez
 bradp@mdaqmd.ca.gov

Date: February 28, 2022
Subject: Facilities and Fleet



Interoffice Memo

MDAQMD FACILITIES UPDATES

<u>Project</u>	<u>Expense</u>	<u>Status</u>
Air Monitoring Cubicles		In Process
Lighting – LED Bulbs		In Process
Electrical – Air Monitoring/Eng Sup Office	450.28	Completed
Executive Offices A/C Repair - Warranty	0.00	Completed
Total	\$ 400.00	

MDAQMD FLEET UPDATES

<u>Vehicles</u>	<u>Expense</u>	<u>Status</u>
2022 Ford Escape (2)	\$ 55,176.00	ETA 03/15/22
Total	\$ 55,176.00	

The following page(s) contain the backup material for Agenda Item: [Receive and file the Legislative Report for March 2022](#). Presenter: [Brad Poiriez, Executive Director/APCO](#). Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #4

DATE: March 28, 2022

RECOMMENDATION: Receive and file.

SUMMARY: The Legislative Report for March 2022.

BACKGROUND: Legislative actions proposed at the federal and state level have the potential to impact the implementation of the District's mission as well as its regulatory operations. An important tool for the District is to monitor the flood of information and its status which allows for comment early in the process and preparation for any changes that may be required. The District contracts this service and receives periodic reports with summaries to help sort the pertinent legislative proposals.

Strategic Partners Group (SPG) is the consultant to the District providing this service to monitor certain legislative and regulatory activities at the state and local level. Staff will direct questions to SPG regarding any of the material presented or follow up on any matter of interest to the Governing Board. Following the table of proposed legislation are several Articles of Interest of relevant information.

REASON FOR RECOMMENDATION: This item is provided for information subject to direction of the Governing Board.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel, as to legal form and by Brad Poiriez, Executive Director/APCO, on or about March 14, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Brad Poiriez, Executive Director/APCO.



Government Affairs and Communication Consulting

FRANK T. SHEETS, III
LAURIE HANSEN SHEETS

MEMORANDUM

DATE: March 5, 2021

TO: Brad Poiriez

FROM: Frank Sheets
Laurie Hansen

With the February 18 bill introduction deadline having passed, we have a relatively complete list of new 2022 proposed legislation meeting the District’s search criteria and presented below. Included in this list are the 2-year bills that were acted upon prior to the January 31st 2-year bill deadline and are still active. The current bill count on the District’s list is now 45. Also, please note that with this report, we have removed all of the “dead” 2021 bills.

There are several new bills we feel should be brought to your attention. Many of the bills we consider “spot” bills in that currently they do not contain much detail, but please remember that the bills can be subject to significant amendments changing their intent dramatically. The subject matter of many of the discussed bills deal with the state’s climate change program and as such do not reflect directly on District activities. We feel it appropriate to keep the District apprised of these proposals. There are bills that could directly affect district activities and responsibilities, which we note. In addition, there are bills we have included that do not deal directly with air, for instance water, that we find of interest and therefore have included. We are not commenting on all of the bills we have provided below, however if there are questions about bills we have not included in the below comments, please feel free to ask.

- AB 1001, a bill from last year continues to get opposition from many in the regulated community. Many oppose the addition of an environmental justice component to CEQA.
- There are several bills dealing with carbon capture, utilization, and sequestration. Those include AB1676, 2678, AB 2944, SB 1101
- AB 1749 by Cristina Garcia calls for updating measures in five-year review of the “Community Air Protection Blueprint” to reduce toxic air contaminants and criteria air pollutants specifically in disadvantaged communities.
- AB 1774 seems to streamline the CEQA process for water conveyance or storage projects in the State.
- AB 1795 addresses remote public participation in open meetings and could have implications to District open meetings.
- AB 1857 requires agencies to certify that they are meeting the state requirements for source reduction, recycling, and composting before issuing any permits for transformation, EMSW, or disposal facilities.
- AB 2141 seems to expand District responsibilities in their periodic review of BARCT and should be reviewed.
- AB 2563 seems to expand District responsibilities regarding the permitting of Mobile fueling on-demand tank vehicles and should be review by the District.

- AB 2802 by Assembly Manatsuchi proposes the legislature implement a carbon tax.
- AB 2836 is a Carl Moyer bill.
- AB 2852 is specific to the States Air Pollution Control districts and should be watched.
- AB 2862, another Muratsuchi bill, proposes there should be future legislation that limits the use of carbon offsets for compliance options in the cap and trade program.
- SB 905 establishes the “Decarbonized Cement and Geologic Carbon Sequestration Demonstration act” which would evaluate carbon sequestration but not allow such sequestration be associated with enhanced oil recovery or fossil fuel production.
- SB 1095 could expand District permitting requirements by requiring the inclusion of the evaluation of revised standards of socioeconomic impacts in a permitting process.
- AB 1235 could change conditions allowing the use of portable generators during emergency events like power distribution shutdowns during fire risk events.

We trust these short summaries of some of the proposed legislation provide some insight into what might be expected for the 2022 legislative session. Again, we have not summarized all the bills currently on the districts list and invite readers to review the list in more detail. We also invite any questions or comments.

Thank you again for the opportunity to work together during the 2022 legislative session.

MDAQMD 2022 bills

Friday, March 04, 2022

[AB 1001](#) ([Garcia, Cristina D](#)) **Environment: mitigation measures for air and water quality impacts: environmental justice.**

Current Analysis: 01/26/2022 [Assembly Floor Analysis \(text 1/24/2022\)](#)

Introduced: 2/18/2021

Last Amend: 1/24/2022

Location: 2/1/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would authorize mitigation measures, identified in an environmental impact report or mitigated negative declaration to mitigate the adverse effects of a project on air or water quality of a disadvantaged community, to include measures for avoiding, minimizing, or compensating for the adverse effects on that community.

Vote Events:

01/31/2022 ASM. THIRD READING (Y:43 N:24 A:9) (P)

01/24/2022 ASM. SECOND READING (Y:48 N:16 A:12) (P)

01/20/2022 ASM. APPR. (Y:12 N:3 A:1) (P)

01/10/2022 ASM. NAT. RES. (Y:8 N:2 A:1) (P)

[AB 1240](#) ([Ting D](#)) **Indoor air pollution.**

Current Analysis: 01/25/2022 [Assembly Floor Analysis \(text 1/24/2022\)](#)

Introduced: 2/19/2021

Last Amend: 1/24/2022

Location: 2/1/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the State Air Resources Board, in consultation with other state agencies and interested members of the public, to provide a report to the Legislature on issues relating to indoor air pollution by January 1, 2004. This bill would require the state board to provide to the Legislature an addendum, as specified, to the above-described report by January 1, 2025. The bill would repeal these provisions on January 1, 2029.

Vote Events:

01/31/2022 ASM. THIRD READING (Y:75 N:0 A:1) (P)
 01/20/2022 ASM. APPR. (Y:12 N:0 A:4) (P)
 01/10/2022 ASM. NAT. RES. (Y:11 N:0 A:0) (P)

[AB 1369](#)

(Bennett D) Buy Clean California Act: eligible materials: product-specific global warming potential emissions.

Current Analysis: 01/24/2022 [Assembly Floor Analysis \(text 1/12/2022\)](#)

Introduced: 2/19/2021

Last Amend: 1/12/2022

Location: 2/1/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Buy Clean California Act requires the Department of General Services, by January 1, 2022, to establish and publish in the State Contracting Manual, in a department management memorandum, or on the department's internet website, a maximum acceptable global warming potential for each category of eligible materials, set at the industry average of facility-specific global warming potential emissions for that material, expressed as specified. Current law defines eligible materials for those purposes to mean carbon steel rebar, flat glass, mineral wool board insulation, or structural steel. This bill would define eligible materials to additionally include gypsum board, insulation, carpet and carpet tiles, and ceiling tiles.

Vote Events:

01/31/2022 ASM. THIRD READING (Y:57 N:17 A:2) (P)
 01/20/2022 ASM. APPR. (Y:12 N:3 A:1) (P)
 01/10/2022 ASM. NAT. RES. (Y:8 N:2 A:1) (P)
 04/14/2021 ASM. A. & A.R. (Y:5 N:1 A:1) (P)

[AB 1445](#)

(Levine D) Planning and zoning: regional housing need allocation: climate change impacts.

Current Analysis: 01/24/2022 [Assembly Floor Analysis \(text 1/3/2022\)](#)

Introduced: 2/19/2021

Last Amend: 1/3/2022

Location: 2/1/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, commencing January 1, 2025, require that a council of governments, a delegate subregion, or the Department of Housing and Community Development, as applicable, additionally consider among these factors emergency evacuation route capacity, wildfire risk, sea level rise, and other impacts caused by climate change.

Vote Events:

01/31/2022 ASM. THIRD READING (Y:57 N:16 A:3) (P)
 01/20/2022 ASM. APPR. (Y:12 N:3 A:1) (P)
 01/12/2022 ASM. L. GOV. (Y:6 N:1 A:1) (P)

[AB 1644](#)

(Burke D) Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021

Introduced: 1/12/2022

Location: 1/20/2022-A. L. & E.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Jobs Plan Act of 2021 requires the State Air Resources Board to work with the Labor and Workforce Development Agency to update, by July 1, 2025, Greenhouse Gas Reduction Fund funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the fund meet specified standards, including fair and responsible employer standards and inclusive procurement policies, as provided. Current law exempts from these standards applicants for certain types of projects. This bill would exempt from these standards applicants for projects for healthy forest and fire prevention programs and projects, and the completion of prescribed fire and other fuel reduction projects.

[AB 1676](#)**(Burke D) Greenhouse gases: carbon capture, utilization, and sequestration.****Introduced:** 1/20/2022**Location:** 1/20/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would state the intent of the Legislature to enact subsequent legislation that would facilitate the deployment of carbon capture, utilization, and sequestration in order to help meet the state's climate change goals and would make related findings and declarations.

[AB 1738](#)**(Boerner Horvath D) Building standards: installation of electric vehicle charging stations: existing buildings.****Introduced:** 1/31/2022**Location:** 2/10/2022-A. H. & C.D.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the Department of Housing and Community Development to propose to the California Building Standards Commission for consideration mandatory building standards for the installation of future electric vehicle charging infrastructure for parking spaces in multifamily dwellings, as specified. Existing law requires the commission to adopt, approve, codify, and publish mandatory building standards for the installation of electric vehicle charging infrastructure for parking spaces in multifamily dwellings and nonresidential development. This bill would recast these provisions to instead require mandatory building standards for the installation of electric vehicle charging stations with Level 2 or direct current fast charger electric vehicle supply equipment, as defined, to be proposed by the Department of Housing and Community Development for the installation in existing multifamily dwellings, hotels, and motels, by the Division of the State Architect for the installation in existing school buildings, and by the commission for the installation in existing nonresidential buildings, as specified.

[AB 1749](#)**(Garcia, Cristina D) Community Air Protection Blueprint: community emissions reduction programs: toxic air contaminants and criteria air pollutants.****Introduced:** 2/1/2022**Location:** 2/10/2022-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the State Air Resources Board to prepare, and to update at least once every 5 years, a statewide strategy, known as the "Community Air Protection Blueprint" or "Blueprint," to reduce emissions of toxic air contaminants and criteria air pollutants in communities affected by a high cumulative exposure burden. Current law requires the state board, based on the assessment and identification of communities with high cumulative exposure burdens, to select locations around the state for preparation of community emissions reduction programs. Current law requires an air district encompassing any location selected by the state board to adopt a community emissions reduction program to achieve emissions reductions for the location selected using cost-effective measures, as specified, to submit the program to the state board for review and approval as prescribed, and to prepare an annual report summarizing the results and actions taken to further reduce emissions pursuant to the community emissions reduction program, among other things. This bill would require the state board to identify in each statewide strategy update measures to reduce criteria air pollutants and toxic air contaminants in disadvantaged communities, as provided.

[AB 1771](#)**(Ward D) Zero-emission vehicles: grants.****Introduced:** 2/2/2022**Location:** 3/3/2022-A. REV. & TAX

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the State Air Resources Board, in conjunction with the State Energy Resources Conservation and Development Commission, to develop and administer a program to provide grants to individuals and various entities to encourage the purchase or lease of a new zero-emission vehicle. This bill would make a nonsubstantive change to that provision.

[AB 1774](#)**(Sevarto R) California Environmental Quality Act: water conveyance or storage projects: judicial review.****Introduced:** 2/3/2022**Location:** 2/10/2022-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that the lead agency proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA establishes a procedure by which a person may seek judicial review of the decision of the lead agency made pursuant to CEQA. This bill would require the Judicial Council to adopt rules of court applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification or adoption of an environmental impact report for water conveyance or storage projects, as defined, or the granting of project approvals, including any appeals to the court of appeal or the Supreme Court, to be resolved, to the extent feasible, within 270 days of the filing of the certified record of proceedings with the court to an action or proceeding seeking judicial review of the lead agency's action related to those projects.

[AB 1795](#)

(Fong R) Open meetings: remote participation.

Introduced: 2/7/2022

Location: 2/18/2022-A. G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Bagley-Keene Open Meeting Act, requires state bodies to allow all persons to attend meetings and provide an opportunity for the public to address the state body regarding any item included in its agenda, except as specified. This bill would require state bodies, subject to existing exceptions, to provide all persons the ability to participate both in-person and remotely, as defined, in any meeting and to address the body remotely.

[AB 1857](#)

(Garcia, Cristina D) Solid waste.

Introduced: 2/8/2022

Location: 2/18/2022-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: (1)The California Integrated Waste Management Act of 1989 requires the department and local agencies to maximize the use of all feasible source reduction, recycling, and composting options in order to reduce the amount of solid waste that must be disposed of by transformation and land disposal. This bill would require the department to certify that a local agency is in compliance with that requirement before approving a permit for a new transformation, EMSW, or land disposal facility serving the local agency.

[AB 1897](#)

(Wicks D) Nonvehicular air pollution control: refineries: penalties.

Introduced: 2/9/2022

Location: 2/18/2022-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law prohibits a person from discharging from nonvehicular sources air contaminants or other materials that cause injury, detriment, nuisance, or annoyance to the public, or that endanger the comfort, repose, health, or safety of the public, or that cause, or have a natural tendency to cause, injury or damage to business or property, as specified. Under existing law, a person who violates this provision is guilty of a misdemeanor, as specified, or is strictly liable for a civil penalty of not more than \$10,000, unless that person alleges by affirmative defense and establishes that the act was not the result of intentional or negligent conduct, in which case the person is strictly liable for a civil penalty of not more than \$5,000. A person who violates this provision and who acts negligently, knowingly, willfully and intentionally, or with reckless disregard, is liable for a civil penalty in a greater amount, as specified. This bill would make a person who violates this provision liable for a civil penalty of not more than \$30,000 if the violation results from a discharge from a stationary source required by federal law to be included in an operating permit program established pursuant to Title V of the federal Clean Air Act, and the stationary source is a refinery, the discharge results in a severe disruption to the community, the discharge contains or includes one or more toxic air contaminants, as specified, and 25 or more people are exposed to the discharge.

[AB 2074](#)

(Gipson D) Air Quality Improvement Program: micromobility devices.

Introduced: 2/14/2022

Location: 2/24/2022-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for the purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality. Pursuant to its existing statutory authority, the state board has established the Clean Vehicle Rebate Project, as a part of the Air Quality Improvement Program, to promote the production and use of zero-emission vehicles by providing rebates for the purchase of new zero-emission vehicles. Current law specifies the types of projects eligible to receive funding under the program. This bill would specify projects providing incentives for purchasing micromobility devices, as defined, as projects eligible for funding under the program. The bill would require the state board, no later than July 1, 2023, to establish a Micromobility Device Incentives Project to provide incentives, in the form of vouchers, to individuals for the purchase of micromobility devices, as provided.

[AB 2078](#)

(Flora R) Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.

Introduced: 2/14/2022

Location: 2/24/2022-A. W.,P. & W.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program in the Department of Water Resources. Current law requires the department, upon an appropriation for purposes of the program, to research climate forecasting and the causes and impacts that climate change has on atmospheric rivers, to operate reservoirs in a manner that improves flood protection, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. This bill would rename that program the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency (AR/FIRO) Program. The bill would, upon the appropriation of \$10,000,000 from the General Fund for these purposes, require the department to research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems through science and technology advances, demonstration and integration into department operations, to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.

[AB 2141](#)

(Garcia, Eduardo D) Air pollution: best available retrofit control technology.

Introduced: 2/15/2022

Location: 2/15/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the State Air Resources Board to establish and maintain a statewide clearinghouse that identifies the best available control technology and best available retrofit control technology for criteria air pollutants, and related technologies for the control of toxic air contaminants. Current law requires air quality management districts and air pollution control districts, when updating their best available technology determinations, to use the information in the statewide clearinghouse. This bill would make a nonsubstantive change to the latter provision.

[AB 2152](#)

(Smith R) Vehicles: off-highway vehicle recreation: City of Needles.

Introduced: 2/15/2022

Location: 2/24/2022-A. TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law authorizes an off-highway motor vehicle that has been issued a plate or device to be operated or driven upon a highway under certain circumstances. Current law authorizes various public entities, and the Director of Parks and Recreation, to designate a highway, or portion thereof, for the combined use of regular vehicular traffic and off-highway motor vehicles if certain requirements are met, including a prohibition on a designation of greater than 3 miles. This bill would authorize, until January 1, 2028, a similar pilot program in the City of Needles. The bill would also require the City of Needles, in conjunction with specified state agencies, to prepare and submit to the Legislature reports evaluating the effectiveness and environmental impacts of the pilot project by January 1, 2027, as specified. This bill contains other existing laws.

[AB 2446](#)

(Holden D) Embodied carbon emissions: construction materials.

Introduced: 2/17/2022

Location: 3/3/2022-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the State Energy Resources Conservation and Development Commission to adopt regulations on building design and construction standards that increase efficiency in the use of energy and water for new

residential and nonresidential buildings, and energy and water conservation performance standards for new residential and nonresidential buildings. This bill would require the commission to develop a framework for measuring and then reducing carbon intensity in the construction of new buildings, including those for residential uses. The bill would require the commission to design the framework to achieve an 80% net reduction in the carbon intensity of construction and materials used in new construction by 2045, with interim goals of 20% below 2020 levels by 2030 and 40% below 2020 levels by 2035.

[AB 2550](#)

(Arambula D) State Air Resources Board: ambient air quality standards: programs, rules, and regulations.

Introduced: 2/17/2022

Location: 2/17/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law generally designates local air districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Current law requires an air district to file with the state board, within 30 days any rule or regulation the air district board adopts, amends, or repeals. Current law requires the state board, to coordinate air pollution control activities throughout the state and to ensure that the entire state is, or will be, in compliance with state standards, to review the rules, regulations, and programs submitted by an air district to determine whether they are sufficiently effective to achieve and maintain the state ambient air quality standards. Current law authorizes the state board, if, after a public hearing, it finds that a program or the rules and regulations of an air district will not likely achieve and maintain the state’s ambient air quality standards, to establish a program, or portion thereof, or rules and regulations it deems necessary to enable the air district to achieve and maintain ambient air quality standards. This bill would make nonsubstantive changes to this latter provision.

[AB 2562](#)

(Bennett D) Clean Transportation Program: hydrogen-fueling stations.

Introduced: 2/17/2022

Location: 2/17/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the State Energy Resources Conservation and Development Commission, if it awards funding to hydrogen-fueling station projects under the program, to provide preference to those projects that are located at a port and are publicly accessible, are located at a fueling station for medium- and heavy-duty trucks, or are located along a state highway designated as a freight corridor. This bill contains other existing laws.

[AB 2563](#)

(Quirk D) Air pollution: permits: mobile fueling on-demand tank vehicles.

Introduced: 2/17/2022

Location: 2/17/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, except as provided, require air pollution control and air quality management districts to establish a mobile fueling on-demand tank vehicle uniform permit program for mobile fueling on-demand tank vehicle operations, as defined. The bill would require that a mobile fueling on-demand tank vehicle uniform permit program provide, among other things, a consolidated permitting process for an operation that requires more than one permit and an expedited permit review and fee schedule. By placing additional duties upon air pollution control and air quality management districts, and expanding the scope of existing crimes, the bill would impose a state-mandated local program.

[AB 2578](#)

(Cunningham R) Climate strategy: carbon capture, utilization, and sequestration.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would state the intent of the Legislature to enact subsequent legislation to incorporate carbon capture, utilization, and sequestration and other engineered carbon removal technologies as a part of California’s climate strategy to meet the various statewide greenhouse gas emission reduction goals.

[AB 2700](#)

(McCarty D) Climate change: scoping plan.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
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1st House	2nd House	Conc.			
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Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases by 2020 and to update the scoping plan at least once every 5 years. This bill would require the scoping plan to be for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases consistent with limits established by the act.

[AB 2793](#)

(Muratsuchi D) California Greenhouse Gas Cap-and-Trade Program.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would state the intent of the Legislature to enact subsequent legislation to require a program review of the California Greenhouse Gas Cap-and-Trade Program adopted by the State Air Resources Board pursuant to the California Global Warming Solutions Act of 2006.

[AB 2802](#)

(Muratsuchi D) Air pollution: carbon tax and dividend.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. Current law requires the state board to adopt greenhouse gas emissions limits and emissions reduction measures by regulation to achieve the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions in furtherance of achieving a specified statewide greenhouse gas emissions limit. This bill would express the intent of the Legislature to enact future legislation that would create a carbon tax and dividend program that would impose charges on entities responsible for air pollution emissions and allocate the revenue from those charges to frontline communities that suffer from the air pollution caused by those emissions.

[AB 2836](#)

(Garcia, Eduardo D) Carl Moyer Memorial Air Quality Standards Attainment Program.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which is administered by the State Air Resources Board. The program authorizes the state board to provide grants to offset the incremental cost of eligible projects that reduce emissions from covered vehicular sources. The program also authorizes funding for a fueling infrastructure demonstration program and for technology development efforts that are expected to result in commercially available technologies in the near-term that would improve the ability of the program to achieve its goals. This bill would make nonsubstantive changes to these provisions.

[AB 2840](#)

(Reyes D) Sacramento Metropolitan Air Quality Management District: air quality improvement strategy.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the Sacramento Metropolitan Air Quality Management District as the local agency within the boundaries of the Sacramento district with the primary responsibility for the development, implementation, monitoring, and enforcement of air pollution control strategies, among other responsibilities. Current law requires the district to adopt an air quality improvement strategy to reduce public exposure to air pollution and toxic air contaminants and to achieve and maintain state and federal ambient air quality standards by the earliest practicable date. Current law requires the district's strategy to provide for the enforcement of regulations adopted pursuant to specified laws and to provide for the implementation and enforcement of the transportation control measures included in the state implementation plan, as required by state and federal law. This bill would make nonsubstantive revisions to this letter

provision.

[AB 2852](#)

(Bloom D) Air pollution control districts and air quality management districts.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law provides for the establishment of air pollution control districts and air quality management districts. Current law declares a district a body corporate and politic and a public agency of the state. This bill would make a nonsubstantive change to that latter provision.

[AB 2862](#)

(Muratsuchi D) California Global Warming Solutions Act of 2006: offset credits.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include the use of market-based compliance mechanisms in regulating greenhouse gas emissions. The act, until January 1, 2031, authorizes a covered entity to meet a certain percentage of its compliance obligation under the act by surrendering offset credits of which no more than 1/2 may be sourced from projects that do not provide direct environmental benefits in the state. This bill would express the intent of the Legislature to enact subsequent legislation limiting the use of offset credits under the California Global Warming Solutions Act of 2006.

[AB 2944](#)

(Petrie-Norris D) Greenhouse gases: carbon capture, utilization, and sequestration.

Introduced: 2/18/2022

Location: 2/18/2022-A. PRINT

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would express the intent of the Legislature to enact later legislation that would streamline the process to obtain a permit for building carbon capture, utilization, and sequestration projects in order to help meet the state’s climate change goals and would make related findings and declarations.

[ACR 109](#)

(Garcia, Eduardo D) Extreme heat: state response.

Current Analysis: 01/07/2022 [Assembly Natural Resources \(text 1/3/2022\)](#)

Introduced: 8/30/2021

Last Amend: 1/12/2022

Location: 2/2/2022-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would declare the California Legislature’s recognition of the threat that extreme heat poses to our communities and calls on the state’s agencies and departments to take immediate action to prepare and protect our communities from its impacts.

Vote Events:

01/20/2022 ASM. CONSENT CALENDAR (Y:62 N:0 A:14) (P)

01/10/2022 ASM. NAT. RES. (Y:11 N:0 A:0) (P)

[SB 45](#)

(Portantino D) Short-lived climate pollutants: organic waste reduction goals: local jurisdiction assistance.

Current Analysis: 01/21/2022 [Senate Floor Analyses \(text 1/3/2022\)](#)

Introduced: 12/7/2020

Last Amend: 1/3/2022

Location: 1/24/2022-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the Department of Resources Recycling and Recovery, in consultation with the State Air Resources Board, to adopt regulations to achieve the organic waste reduction goals established by the state board for 2020 and 2025, as provided. Current law requires the department, no later than July 1, 2020, and in consultation with the state board, to analyze the progress that the waste sector, state government, and local governments have made in achieving these organic waste reduction goals. This bill would require the department, in consultation with the state

board, to provide assistance to local jurisdictions, including, but not limited to, any funding appropriated by the Legislature in the annual Budget Act, for purposes of assisting local agencies to comply with these provisions, including any regulations adopted by the department.

Vote Events:

- 01/24/2022 SEN. Senate 3rd Reading (Y:36 N:0 A:4) (P)
- 01/20/2022 SEN. APPR. (Y:7 N:0 A:0) (P)
- 01/18/2022 SEN. APPR. (Y:6 N:0 A:1) (P)
- 01/10/2022 SEN. E.Q. (Y:6 N:0 A:1) (P)
- 05/20/2021 SEN. APPR. (Y:5 N:2 A:0) (P)
- 05/03/2021 SEN. APPR. (Y:6 N:0 A:1) (P)
- 04/15/2021 SEN. GOV. & F. (Y:5 N:0 A:0) (P)
- 03/16/2021 SEN. N.R. & W. (Y:7 N:2 A:0) (P)

SB 260

(Wiener D) Climate Corporate Accountability Act.

Current Analysis: 01/21/2022 [Senate Floor Analyses \(text 1/3/2022\)](#)

Introduced: 1/26/2021

Last Amend: 1/3/2022

Location: 1/26/2022-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the State Air Resources Board, on or before January 1, 2024, to develop and adopt regulations requiring United States-based partnerships, corporations, limited liability companies, and other business entities with total annual revenues in excess of \$1,000,000,000 and that do business in California, defined as "reporting entities," to publicly disclose to the Secretary of State, and verify, starting in 2025 on a date to be determined by the state board, and annually thereafter, their greenhouse gas emissions, categorized as scope 1, 2, and 3 emissions, as defined, from the prior calendar year, as provided. The bill would require reporting entities to disclose their greenhouse gas emissions in a manner that is easily understandable and accessible to residents of the state.

Vote Events:

- 01/26/2022 SEN. Senate 3rd Reading (Y:23 N:7 A:10) (P)
- 01/20/2022 SEN. APPR. (Y:5 N:2 A:0) (P)
- 05/17/2021 SEN. APPR. (Y:7 N:0 A:0) (P)
- 04/27/2021 SEN. JUD. (Y:8 N:2 A:1) (P)
- 04/12/2021 SEN. E.Q. (Y:4 N:2 A:1) (P)

SB 379

(Wiener D) Residential solar energy systems: permitting.

Current Analysis: 01/21/2022 [Senate Floor Analyses \(text 1/12/2022\)](#)

Introduced: 2/10/2021

Last Amend: 1/12/2022

Location: 1/24/2022-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires a city or county to approve administratively applications to install solar energy systems through the issuance of a building permit or similar nondiscretionary permit. Current law requires every city, county, or city and county to develop a streamlined permitting process for the installation of small residential rooftop solar energy systems, as that term is defined. Current law prescribes and limits permit fees that a city or county may charge for a residential and commercial solar energy system. Current law creates the State Energy Resources Conservation and Development Commission (Energy Commission) in the Natural Resources Agency and prescribes its duties, which include administering programs for the installation of solar energy systems. This bill would require every city, county, or city and county to implement an online, automated permitting platform that verifies code compliance and issues permits in real time for a solar energy system, as defined, that is no larger than 38.4 kilowatts alternating current nameplate rating and an energy storage system, as defined, paired with a solar energy system that is no larger than 38.4 kilowatts alternating current nameplate rating.

Vote Events:

- 01/24/2022 SEN. Senate 3rd Reading (Y:31 N:1 A:8) (P)
- 01/20/2022 SEN. APPR. (Y:5 N:0 A:2) (P)
- 01/18/2022 SEN. APPR. (Y:6 N:0 A:1) (P)
- 01/10/2022 SEN. E. U., & C. (Y:11 N:1 A:2) (P)
- 01/06/2022 SEN. GOV. & F. (Y:3 N:1 A:1) (P)
- 05/10/2021 SEN. APPR. (Y:7 N:0 A:0) (P)
- 04/21/2021 SEN. HEALTH (Y:9 N:2 A:0) (P)
- 03/17/2021 SEN. ED. (Y:5 N:2 A:0) (P)

[SB 542](#)**(Limón D) Sales and use taxes: exemption: medium- or heavy-duty zero-emission trucks.****Current Analysis:** 01/11/2022 [Senate Floor Analyses \(text 5/25/2021\)](#)**Introduced:** 2/18/2021**Last Amend:** 5/25/2021**Location:** 1/18/2022-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current sales and use tax laws impose taxes on retailers measured by gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, measured by sales price. The Sales and Use Tax Law provides various exemptions from those taxes. This bill would provide an exemption from those taxes with respect to the sale in this state of, and the storage, use, or other consumption in this state of, a qualified motor vehicle. The bill would define "qualified motor vehicle" as a specified zero-emission truck. The bill would disallow the exemption for sales or uses made on or after January 1, 2025, if the purchaser also received other specified benefits.

Vote Events:

01/18/2022 SEN. Senate 3rd Reading (Y:33 N:0 A:7) (P)

05/20/2021 SEN. APPR. (Y:7 N:0 A:0) (P)

05/17/2021 SEN. APPR. (Y:7 N:0 A:0) (P)

05/06/2021 SEN. GOV. & F. (Y:4 N:1 A:0) (P)

04/13/2021 SEN. TRANS. (Y:14 N:0 A:3) (P)

[SB 852](#)**(Dodd D) Climate resilience districts: formation: funding mechanisms.****Introduced:** 1/18/2022**Location:** 1/26/2022-S. GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law authorizes certain local agencies to form a community revitalization authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. Existing law provides for the financing of these activities by, among other things, the issuance of bonds serviced by property tax increment revenues, and requires the authority to adopt a community revitalization and investment plan for the community revitalization and investment area that includes elements describing and governing revitalization activities. This bill would authorize a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. The bill would define "eligible project" for these purposes.

[SB 905](#)**(Skinner D) Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act.****Introduced:** 2/2/2022**Last Amend:** 2/18/2022**Location:** 3/2/2022-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 3/28/2022 10 a.m. - John L. Burton Hearing Room (4203) SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

Summary: Would establish the Decarbonized Cement and Geologic Carbon Sequestration Demonstration Act, which would require the state board to develop and administer the Geologic Carbon Sequestration Demonstration Initiative to evaluate and demonstrate the efficacy, safety, and viability of geologic sequestration of carbon dioxide not associated with enhanced oil recovery or fossil fuel production, among other things.

[SB 1010](#)**(Skinner D) Air pollution: state vehicle fleet: zero-emission vehicles.****Introduced:** 2/14/2022**Location:** 2/23/2022-S. G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law, except as provided, requires certain percentages of newly purchased vehicles with a gross vehicle weight of 19,000 pounds or more purchased by the Department of General Services or other state entities for the state vehicle fleet to be zero-emission vehicles by certain dates. This bill would, beginning December 31, 2035, requires 100% of newly purchased vehicles with a gross vehicle weight of 19,000 pounds or more for the state vehicle fleet to be zero-emission vehicles.

[SB 1086](#)

(Melendez R) California Global Warming Solutions Act of 2006: market-based compliance mechanism.

Introduced: 2/15/2022

Location: 2/15/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Global Warming Solutions Act of 2006 authorizes the state board to include the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Current law states the intent of the Legislature that moneys collected pursuant to the market-based compliance mechanism be appropriated to include certain priorities, including air toxic and criteria air pollutants from stationary and mobile sources. This bill would include pollutants from the Salton Sea as air toxic and criteria air pollutants from stationary and mobile sources for purposes of the priorities established in the above-described statement of intent of the Legislature.

[SB 1095](#)

(Durazo D) Air quality: rules and regulations: socioeconomic impacts assessment.

Introduced: 2/16/2022

Location: 2/23/2022-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Calendar: 3/28/2022 10 a.m. - John L. Burton Hearing Room (4203) SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

Summary: Would require the State Air Resources Board to conduct an assessment of the socioeconomic impacts of a proposed adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations, as provided. The bill would expressly authorize the state board and local air districts to contract with a third party to conduct the required assessment of socioeconomic impacts, or portion thereof. The bill would provide that the state board or a local air district require the prospective third-party contractor to include in its proposal for the assessment specified information, including, among other things, a conflicts statement and a proposed schedule and budget for the assessment. The bill would specify minimum standards for the assessment of socioeconomic impacts, and would require the state board, a local air district, or a third-party contractor to include in the assessment of socioeconomic impacts, among other things, an econometric analysis of the proposed adoption, amendment, or repeal of the rule or regulation, as provided.

[SB 1101](#)

(Caballero D) Carbon capture, utilization, and sequestration framework.

Introduced: 2/16/2022

Location: 2/16/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would express the intent of the Legislature to enact subsequent legislation to create a policy framework for carbon capture, utilization, and sequestration and engineered carbon removal technologies in the state that contributes to the achievement of the state’s greenhouse gas emissions reduction goals and that includes, among other components, the establishment of a coordinated process for the streamlined and comprehensive review and permitting of projects and infrastructure that capture, utilize, transport, and sequester carbon.

[SB 1206](#)

(Skinner D) Hydrofluorocarbon gases: sale or distribution.

Introduced: 2/17/2022

Location: 3/2/2022-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would prohibit a person from offering for sale or distribution, or otherwise entering into commerce in the state, bulk hydrofluorocarbons or bulk blends containing hydrofluorocarbons that exceed a specified global warming potential limit beginning January 1, 2025, and a lower global warming potential limit beginning January 1, 2030. The bill would authorize the state board to establish by regulation maximum allowable global warming potential levels for hydrofluorocarbons entered into commerce in the state below these maximum levels. Because a violation of these prohibitions would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

[SB 1235](#)

(Borgeas R) Air pollution: portable equipment: emergency events.

Introduced: 2/17/2022

Location: 3/2/2022-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 3/28/2022 10 a.m. - John L. Burton Hearing Room (4203) SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

Summary: Would codify the State Air Resources Board’s regulation authorizing portable equipment to be operated during an emergency event, as defined above, and would also authorize portable equipment to be operated during a public safety power shut-off event. The bill would define "public safety power shut-off event," in part, as a planned power outage undertaken by an electrical corporation to reduce the risk of wildfires caused by utility equipment.

SB 1297

(Cortese D) Low-embodied carbon building materials: carbon sequestration.

Introduced: 2/18/2022

Location: 3/2/2022-S. E.Q.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Calendar: 3/28/2022 10 a.m. - John L. Burton Hearing Room (4203) SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. Existing law requires the state board, by July 1, 2023, to develop a comprehensive strategy for the state’s cement sector to achieve net zero-emissions of greenhouse gases used within the state as soon as possible, but no later than December 31, 2045. This bill would require the agency, in consultation with specified state agencies, to develop a plan to advance low-carbon materials and methods in building and construction projects that details a strategy and recommendations to minimize embodied carbon and maximize carbon sequestration in building materials, as provided. The bill would require the agency to incorporate, as appropriate, projects using low-embodied carbon building materials or carbon sequestration in building materials into the California Carbon Sequestration and Climate Resiliency Project Registry. The bill would require the state board to develop an accounting protocol to quantify embodied carbon and carbon sequestration in building materials. This bill contains other related provisions and other existing laws.

SB 1399

(Wieckowski D) Carbon capture and storage pilot program: industrial facilities.

Introduced: 2/18/2022

Location: 2/18/2022-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require the State Energy Resources Conservation and Development Commission, in consultation with various local, state, and federal agencies, including the state board, to establish a pilot program to encourage and expedite the design, construction, and operation of carbon capture and storage projects at industrial facilities in the state. As part of the pilot program, the bill would require the commission to establish a competitive grant program to provide funding, upon appropriation by the Legislature, to no more than 3 proposed projects for the design and construction of a carbon capture and storage project at an industrial facility. The bill would require specified state agencies to provide permitting and technical support with regard to a proposed carbon capture and storage project to eligible applicants of the grant program and to entities that receive a grant under the grant program.

Total Measures: 45

Total Tracking Forms: 45

The following page(s) contain the backup material for Agenda Item: [Receive and file minutes of the Technical Advisory Committee \(TAC\) meeting February 23, 2022.](#)

[Presenter: Alan De Salvio, Deputy APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #5

DATE: March 28, 2022

RECOMMENDATION: Receive and file minutes of the Technical Advisory Committee (TAC) meeting February 23, 2022.

SUMMARY: This item provides a copy of the TAC meeting minutes as informational to the Governing Board members.

BACKGROUND: The Board recently requested that the minutes of the TAC be provided as part of the Governing Board agenda.

REASON FOR RECOMMENDATION: Governing Board request.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form, and Brad Poiriez, Executive Director/APCO on or about March 14, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO.

Mojave Desert Air Quality Management District
Brad Poiriez, Executive Director
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TECHNICAL ADVISORY COMMITTEE (TAC)
WEDNESDAY, FEBRUARY 23, 2022 – 2:00 P.M.

MINUTES

TAC MEMBERS IN ATTENDANCE:

Dave Rib, Cement Industry Member – Zoom
Kristine Scott, Utility Member – Zoom
Jennifer Osorio, Environmental Health Member – Zoom
Carol Y. Kaufman, Utility Member – Zoom
Alejandra Vargas Silva, Mining Member – Zoom

DISTRICT STAFF PARTICIPATION:

Alan De Salvio, Deputy APCO – Zoom
Brad Poiriez, Executive Director/APCO
Chris Anderson, AQ Planning/Monitoring Supervisor – Zoom
Bertrand Gaschot, AQ Planner I – Zoom
Michelle Zumwalt, AQ Planner I – Zoom
Deanna Hernandez, Senior Executive Analyst – Zoom

THIS MEETING WAS HELD IN ACCORDANCE WITH RESOLUTION 22-01 OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT AUTHORIZING ATTENDANCE BY COMMITTEE MEMBERS, STAFF AND THE PUBLIC AND CONDUCT OF THE MEETING BY TELECONFERENCE, VIDEOCONFERENCE OR BOTH FOR THE PERIOD OF JANUARY 24, 2022 THROUGH FEBRUARY 24, 2022 PURSUANT TO PROVISIONS OF THE BROWN ACT.

1. Call to order & Roll call – Alan De Salvio called the meeting to order at 2:03 p.m. and Deanna Hernandez called roll of TAC members.
2. Introductions – Introductions were made at 2:04 p.m.
3. Rule 404 – Particulate Matter – Concentration (SIP cleanup) – Alan De Salvio provided background information on Rule 404 and answered questions from members. Following discussion, with no objections, TAC consensus recommends amendment of Rule 404 for adoption February 28, 2022.

4. Rule 405 – Solid Particulate Matter – Weight (SIP cleanup) – Alan De Salvio provided background information on Rule 405 and answered questions from members. Following discussion, with no objections, TAC consensus recommends amendment of Rule 404 for adoption February 28, 2022.
5. Rule 406 – Specific Contaminants (SIP cleanup) – Alan De Salvio provided background information on Rule 406 and answered questions from members. Following discussion, with no objections, TAC consensus recommends amendment of Rule 406 for adoption March 28, 2022.
6. Rule 407 – Liquid and Gaseous Air Contaminants (SIP cleanup) – Alan De Salvio provided background information on Rule 406 and answered questions from members. Following discussion, with no objections, TAC consensus recommends amendment of Rule 407 for adoption March 28, 2022.
7. Rule 315.1 & 315.2 – Federal Clean Air Act Section 185 Penalty (315.1, 315.2) – Alan De Salvio provided background information/presentation on Rule 315.1 & 315.2 and answered questions from members. Following discussion, with no objections, TAC consensus recommends amendment of Rule 315.1 & 315.2 for adoption March 28, 2022.
8. Rule 1160 – Internal Combustion Engines (revision) – Alan De Salvio and Michelle Zumwalt provided background information on Rule 1160 and answered questions from members. Following discussion, with no objections, TAC consensus recommends amendment of Rule 1160. Amendment of Rule 1160 is scheduled for adoption in 2022.
9. Reg III - Fees – Alan De Salvio provided background information on Reg III and answered questions from members. Amendment of Reg III is scheduled for adoption May/June of 2022.
10. 70 ppb Ozone Planning (discussion) – Alan De Salvio provided background information on Ozone planning and answered questions from members. Amendment is scheduled for adoption August/September/October of 2022.
11. PUBLIC COMMENT
Alan De Salvio called for **PUBLIC COMMENT**. No public comment was made in person, electronically or telephonically.
12. Committee Members comments and suggestions for future agenda items –
 - None.
 - Next TAC Meeting – Alan De Salvio informed TAC Members of a future TAC meeting in mid-2022.
13. Adjourn – Being no further business, TAC adjourned at 3:20 p.m.

The following page(s) contain the backup material for Agenda Item: [Set Date of April 25, 2022 to conduct a public hearing to consider the rescission of South Coast Air Quality Management District Rule 408 -Circumvention, as it appears in the SIP for the Blythe/Palo Verde Valley portion of the Mojave Desert Air Quality Management District \(MDAQMD or District\) in Riverside County and replace it with the current MDAQMD Rule 408 - Circumvention and approve California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio, Deputy APCO.](#)
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #6

DATE: March 28, 2022

RECOMMENDATION: Set Date of April 25, 2022 to conduct a public hearing to consider the rescission of South Coast Air Quality Management District *Rule 408 -Circumvention*, as it appears in the SIP for the Blythe/Palo Verde Valley portion of the Mojave Desert Air Quality Management District (MDAQMD or District) in Riverside County and replace it with the current MDAQMD *Rule 408 -Circumvention* and approve California Environmental Quality Act (CEQA) documentation.

SUMMARY: The proposed SIP cleanup of the MDAQMD *Rule 408 -Circumvention*, aims to update the SIP so that the Riverside Country portion of the MDAQMD is subject to the same SIP approved rule as the San Bernardino County jurisdictions of the District.

BACKGROUND: In the late 1950s, air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). Given the regional nature of the air pollution problem in Southern California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino counties entered into a Joint Powers Authority (JPA) agreement on July 1, 1975 to form the Southern California Air Pollution Control District (SoCalAPCD), a short-lived regional agency. This agency adopted Rule 408 – *Circumvention* on May 7, 1976, which applied to Los Angeles, Orange, Riverside and San Bernardino Counties and it was approved into the SIP (43 FR 25684, 6/14/1978).

About a year later, the South Coast Air Quality Management District (SCAQMD) was formed effective February 1, 1977. Only those areas of San Bernardino County located within the South Coast Air Basin (SCAB), including the San Bernardino Valley, were included in SCAQMD’s jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCalAPCD had not yet been dissolved. Based upon this presumption, CARB adopted a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 including Rule 408. On June 14, 1978 USEPA approved SoCalAPCD Rule 408 into the SIP (43 FR 25684, 6/14/1978) for the Los Angeles Air Quality Control Region (AQCR), and on September 8, 1978 USEPA approves Rule 408 into the SIP for the remaining non-SCAB areas of Los Angeles, Riverside and San Bernardino Counties (43 FR 40011, 9/8/1978).

**MINUTES OF THE GOVERNING BOARD
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VICTORVILLE, CALIFORNIA**

AGENDA ITEM #6

PAGE 2

By June of 1977 the SoCalAPCD had been officially dissolved into its component county air districts covering the non-SCAB areas of the respective counties. The San Bernardino County Air Pollution Control District (SBCAPCD – Desert District) thereafter, on July 25, 1977, readopted the entire rule book including Rule 408 with minimal changes. This version of Rule 408 was approved as a SIP revision (43 FR 25684, 6/14/1978). Rule 408 has not been amended since that time making the July 25, 1977 version the current SIP approved version for SBCAPCD – Desert District.

At the end of 1977, the non-SCAB areas of Riverside County (The Riverside County Air Pollution Control District) “opted in” to SCAQMD. CARB submitted this resolution as a SIP revision to replace all the Riverside County rules with SCAQMD rules in the SIP. USEPA approved the replacement of the Riverside County APCD SIP Rules with the SCAQMD rules currently in effect (47 FR 25013, 6/9/1982). This means that the rule in effect in SCAQMD as of this date is the version in the SIP for Riverside County. This is the same rule text as the G-73 rulebook rule.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and SIP. Since Rule 408 had not been amended since its July 25, 1977 re-adoption, that version remains the current SIP approved rule for the San Bernardino County portion of the MDAQMD.

Utilizing a provision of the MDAQMD’s enabling legislation, Riverside County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1, 1994. Since Rule 408 was not amended and no SIP action had been taken on it prior to July 1, 1994 the SIP rule for the Riverside County portion of the MDAQMD remains the SCAQMD Rule 408 approved into the SIP on June 9, 1982 (47 FR 25013, 6/9/1982).

The current action is intended to request that USEPA rescind the SCAQMD version of Rule 408 (which was previously adopted by the SoCalAPCD on May 7, 1976 and inherited by the newly formed SCAQMD on February 1, 1977), from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replace it with the current SIP version effective within the rest of the MDAQMD; namely, the SBCAPCD July 25, 1977 version of Rule 408.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #6

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A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the Rescission of SCAQMD Rule 408 -*Circumvention* as in the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD (MDAQMD or District) in Riverside County and replacement with current MDAQMD Rule 408 -*Circumvention*.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy APCO on or about March 9, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO

The following page(s) contain the backup material for Agenda Item: [Set Date of April 25, 2022 to conduct a public hearing to consider the rescission of South Coast Air Quality Management District Rule 409 — Combustion Contaminants, as it appears in the SIP for the Blythe/Palo Verde Valley portion of the Mojave Desert Air Quality Management District \(MDAQMD or District\) in Riverside County and replace it with the current MDAQMD Rule 409 — Combustion Contaminants and approve California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio, Deputy APCO.](#)
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #7

DATE: March 28, 2022

RECOMMENDATION: Set Date of April 25, 2022 to conduct a public hearing to consider the rescission of South Coast Air Quality Management District *Rule 409 — Combustion Contaminants*, as it appears in the SIP for the Blythe/Palo Verde Valley portion of the Mojave Desert Air Quality Management District (MDAQMD or District) in Riverside County and replace it with the current MDAQMD *Rule 409 — Combustion Contaminants* and approve California Environmental Quality Act (CEQA) documentation.

SUMMARY: The proposed SIP cleanup of the MDAQMD *Rule 409 — Combustion Contaminants*, aims to update the SIP so that the Riverside Country portion of the MDAQMD is subject to the same SIP approved rule as the San Bernardino County jurisdictions of the District.

BACKGROUND: In the late 1950s, air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). Given the regional nature of the air pollution problem in Southern California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino counties entered into a Joint Powers Authority (JPA) agreement on July 1, 1975 to form the Southern California Air Pollution Control District (SoCalAPCD), a short-lived regional agency. This agency adopted Rule 409 – *Combustion Contaminants* on May 7, 1976, which applied to Los Angeles, Orange, Riverside and San Bernardino Counties and it was approved into the SIP (43 FR 25684, 6/14/1978).

About a year later, the South Coast Air Quality Management District (SCAQMD) was formed effective February 1, 1977. Only those areas of San Bernardino County located within the South Coast Air Basin (SCAB), including the San Bernardino Valley, were included in SCAQMD’s jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCalAPCD had not yet been dissolved. Based upon this presumption, CARB adopted a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 including Rule 409. On June 14, 1978 USEPA approved SoCalAPCD Rule 409 into the for the Los Angeles Air Quality Control Region (AQCR) SIP (43 FR 25684, 6/14/1978), and a few month later, on September 8, 1978 USEPA approved Rule 409 into the SIP for the remaining non-SCAB areas of Los Angeles, Riverside and San Bernardino Counties (43 FR 40011, 9/8/1978).

**MINUTES OF THE GOVERNING BOARD
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AGENDA ITEM #7

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By June of 1977 the SoCalAPCD had been officially dissolved into its component county air districts covering the non-SCAB areas of the respective counties. The San Bernardino County Air Pollution Control District (SBCAPCD – Desert District) thereafter, on July 25, 1977, readopted the entire rule book including Rule 409 with minimal changes. This version of Rule 409 was approved as a SIP revision (43 FR 25684, 6/14/1978). Rule 409 has not been amended since that time making the July 25, 1977 version the current SIP approved version for SBCAPCD – Desert District.

At the end of 1977, the non-SCAB areas of Riverside County (The Riverside County Air Pollution Control District) “opted in” to SCAQMD. CARB submitted this resolution as a SIP revision to replace all the Riverside County rules with SCAQMD rules in the SIP. USEPA approved the replacement of the Riverside County APCD SIP Rules with the SCAQMD rules currently in effect (47 FR 25013, 6/9/1982).

On August 7, 1981 SCAQMD amended Rule 409, and USEPA approved Rule 409 into the SIP on June 9, 1982 (47 FR 25013, 6/9/1982). This means that the August 7, 1981 SCAQMD Rule 409 is the current version in the SIP for Riverside County portion of the MDAQMD.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and SIP. Since Rule 409 had not been amended since its July 25, 1977 re-adoption, that version remains the current SIP approved rule for the San Bernardino County portion of the MDAQMD.

The following year, utilizing a provision of the MDAQMD’s enabling legislation, Riverside County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1, 1994.

The current action is intended to request that USEPA rescind the SCAQMD version of Rule 409 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replace it with the current SIP version effective within the rest of the MDAQMD; namely, the SBCAPCD July 25, 1977 version of Rule 409.

**MINUTES OF THE GOVERNING BOARD
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VICTORVILLE, CALIFORNIA**

AGENDA ITEM #7

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A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the Rescission of SCAQMD Rule 409 -*Combustion Contaminants* as in the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD (MDAQMD or District) in Riverside County and replacement with current MDAQMD Rule 409 -*Combustion Contaminants*.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy APCO on or about March 9, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO

The following page(s) contain the backup material for Agenda Item: [Set date of April 25, 2022 to conduct a public hearing to consider the rescission of MDAQMD Rule 432 - Gasoline Specifications, removal of this rule from the SIP for both the San Bernardino County and Riverside County portions of the MDAQMD and approve California Environmental Quality Act \(CEQA\) documentation. Presenter: Alan De Salvio, Deputy APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #8

DATE: March 28, 2022

RECOMMENDATION: Set date of April 25, 2022 to conduct a public hearing to consider the rescission of MDAQMD Rule 432 - *Gasoline Specifications*, removal of this rule from the SIP for both the San Bernardino County and Riverside County portions of the MDAQMD and approve California Environmental Quality Act (CEQA) documentation.

SUMMARY: This action sets the date for the mandatory public hearing regarding the rescission of Rule 432 and its removal from the SIP as the provisions have been superseded both locally and in the SIP by the California Reformulated Gasoline provisions (13 Cal. Code Regs. §§2250 et seq.)

BACKGROUND: In the late 1950s air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). This full county district was succeeded in July of 1976 by the Southern California Air Pollution Control District (SoCal APCD), a Joint Powers Authority (JPA) for air pollution consisting of Los Angeles, Orange, Riverside and San Bernardino counties. On May 7, 1976 the SoCalAPCD adopted Rule 432 – Gasoline Specifications which was submitted as a SIP revision and approved (43 FR 25684, 6/14/1978).

The South Coast Air Quality Management District was formed via legislation effective February 1, 1977. Only those areas of San Bernardino County located within the South Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in SCAQMD's jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCal APCD had not yet been dissolved. Based upon this presumption, CARB adopted a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 (G-73 Rulebook). This rulebook, including Rule 432 as unchanged from the May 7, 1976 So.Cal.APCD version, was submitted as a SIP revision and approved (43 FR 40011, 9/8/1978).

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #8

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By June of 1977 the SoCalAPCD was formally dissolved into its component county air districts covering the non-SCAB areas of the respective counties. The San Bernardino County Air Pollution Control District (SBCAPCD – Desert District) thereafter, on 7/25/1977, readopted the entire rule book with minimal changes. Rule 432 was not changed and has not changed to the present day. Thus the current MDAQMD Rule 432 is the G-73 rule which also happens to be exactly the same as the rule adopted by the So.Cal.APCD on May 7, 1976.

At the end of 1977, the non-SCAB areas of Riverside County opted in to SCAQMD. CARB submitted this resolution opting in as a SIP revision to replace all the Riverside County rules with SCAQMD rules both in the rulebook and in the SIP. This action was SIP approved at 47 FR 25013, 6/9/1982. The Riverside County “opt in” resulted in that area gaining SCAQMD Rule 432 which, once again, was unchanged from the So.Cal.APCD version of May 7, 1976 as acquired by SCAQMD upon its creation.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that area. Since Rule 432 has not been amended or resubmitted since the G-73 rulebook version, the G-73 version remains in the SIP for the San Bernardino County portion of the MDAQMD.

Utilizing a provision of the MDAQMD’s enabling legislation, Riverside County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1, 1994. Since the SIP in effect in Riverside County at this time included SCAQMD Rule 432 as it existed on that date the version in effect in the SIP for the Riverside County portion of the MDAQMD is the So.Cal.APCD May 7, 1976 version.

In May of 1994 USEPA proposed a Federal Implementation Plan for multiple areas of California (59 FR 23264, 5/5/1994). Reformulated gasoline was one of the areas which USEPA found the California SIP insufficient so in response CARB amended its state-wide gasoline specifications (13 Cal. Code Regs. §§2250 et seq.) and submitted them as a SIP revision. These regulations were approved into the SIP by USEPA (60 FR 43379, 8/21/1995 and 75 FR 26653, 5/12/2010). The net effect of this action is that the state-wide gasoline specifications supersede the provisions of Rule 432 in both local effect and in the SIP. Therefore, Rule 432 can be rescinded and removed from the SIP as it is no longer in effect.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the rescission of Rule 432 pursuant to the requirements of CEQA.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #8

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REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(1) (FCAA §110) requires that all SIP revisions be adopted after public notice and hearing.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Chris Anderson, Planning and Air Monitoring Supervisor on or about March 14, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO

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

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #11

DATE: March 28, 2022

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

SUMMARY: Rules 315.1 - *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and 315.2 - *Federal Clean Air Act Section 185 Penalty (2008 Standard)* are proposed for adoption.

BACKGROUND: 42 U.S.C. 7511d (Federal Clean Air Act Section 185, or Section 185) requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within an area classified as severe or extreme ozone which fail to attain the standard by the applicable attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a specified baseline amount. USEPA has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. A portion of the jurisdiction of the MDAQMD is located within the Federal Ozone Nonattainment Area (FONA) which has been classified as severe for the 1979 1-hour ozone standard as well as the 1997 and 2008 standards. Therefore, this portion of the MDAQMD is subject to the provisions of Section 185. The remainder of the MDAQMD is not located within the FONA and is therefore not subject to the provisions of Section 185.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #11

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

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

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

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about March 7, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO

RESOLUTION NO. 01- _____

1 **A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT**
2 **AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING**
3 **THE NOTICE OF EXEMPTION, ADOPTING RULE 315.1 - FEDERAL CLEAN AIR**
4 **ACT SECTION 185 PENALTY (1997 STANDARD) AND 315.2 - FEDERAL CLEAN AIR**
5 **ACT SECTION 185 PENALTY (2008 STANDARD) AND DIRECTING STAFF**
6 **ACTIONS.**

7 On March 28, 2022, on motion by Member _____, seconded by
8 Member _____, and carried, the following resolution is adopted:

9 **WHEREAS**, the Mojave Desert Air Quality Management District (MDAQMD) has
10 authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728
11 to adopt, amend or repeal rules and regulations; and

12 **WHEREAS**, the MDAQMD is proposing to adopt Rules 315.1 - *Federal Clean Air*
13 *Act Section 185 Penalty (1997 Standard)* and 315.2- *Federal Clean Air Act Section 185*
14 *Penalty (2008 Standard)*; and

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

20 **WHEREAS**, USEPA has indicated that such penalty provisions need to be adopted in
21 case of a failure to meet the attainment date for each nonattainment standard; and

22 **WHEREAS**, a portion of the jurisdiction of the MDAQMD is located within the
23 FONA which has been classified severe for various ozone standards; and

24 **WHEREAS**, this portion of the MDAQMD is therefore subject to the provisions of
25 Section 185; and

26 **WHEREAS**, Rule 315 was previously adopted to implement the section 185 penalty
27 within the MDAQMD portion of the Federal Ozone Nonattainment Area (FONA) in order to
28 implement the Section 185 penalty for the 1979 1-hour ozone standard; and

WHEREAS, Rule 315.1 is now proposed for adoption in order to implement the
 mandatory Section 185 penalty for the 1997 8-hour ozone NAAQS of 0.08 ppm; and

RESOLUTION NO. 01-_____

1 **WHEREAS**, Rule 315.2 is also proposed for adoption in order to implement the
2 mandatory Section 185 penalty for the 2008 8-hour ozone NAAQS of 0.075 ppm; and

3 **WHEREAS**, these proposed rules were reviewed by the Technical Advisory
4 Committee (TAC), a committee consisting of a variety of regulated industry and local
5 governmental entities on February 16th, 2022; and

6 **WHEREAS**, the proposed adoption of Rules 315.1 and 315.2 is necessary in order to
7 implement the Clean Air Act section 185 penalty within the MDAQMD FONA as USEPA has
8 indicated that such penalty provisions need to be adopted in case of a failure to meet the
9 attainment date for each nonattainment standard; and

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

12 **WHEREAS**, the proposed adoption of Rules 315.1 and 315.2 is in harmony with, and
13 not in conflict with, or contradictory to existing statutes, court decisions, or state or federal
14 regulations; and

15 **WHEREAS**, the proposed adoption of Rules 315.1 and 315.2 does not impose the
16 same requirements as any existing state or federal regulation because EPA has determined that
17 each standard will require separate provisions; and

18 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H
19 & S Code §40725, concerning the adoption of rules 315.1 and 315.2; and

20 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR
21 §15308) for the proposed adoption of Rules 315.1 and 315.2, completed in compliance with
22 the California Environmental Quality Act (CEQA), has been presented to the MDAQMD
23 Board; each member having reviewed, considered and approved the information contained
24 therein prior to acting on the proposed adoption of 315.1 and 315.2, and the MDAQMD Board
25 having determined that the proposed adoption will not have any potential for resulting in any
26 adverse impact upon the environment; and

27 **WHEREAS**, staff recommends that the Governing Board of the Mojave Desert Air
28 Quality Management District adopt proposed Rules 315.1 and 315.2 and approve the

RESOLUTION NO. 01-_____

1 appropriate California Environmental Quality Act (CEQA) documentation; and

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

4 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the
5 MDAQMD finds that the adoption of Rules 315.1 and 315.2 is necessary, authorized, clear,
6 consistent, non-duplicative and properly referenced; and

7 **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD hereby
8 makes a finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies
9 the Notice of Exemption for the proposed adoption of Rules 315.1 and 315.2; and

10 **BE IT FURTHER RESOLVED**, that the Board of the MDAQMD does hereby adopt,
11 pursuant to the authority granted by law, the proposed Rules 315.1 and 315.2 as set forth in the
12 attachments to this resolution and incorporated herein by this reference; and

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

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RESOLUTION NO. 01-_____

1 **PASSED, APPROVED and ADOPTED** by the Governing Board of the Mojave Desert Air
2 Quality Management District by the following vote:

3 **AYES:** **MEMBER:**

4 **NOES:** **MEMBER:**

5 **ABSENT:** **MEMBER:**

6 **ABSTAIN:** **MEMBER:**

7)

8 STATE OF CALIFORNIA)

9) SS:

10 COUNTY OF SAN BERNARDINO)

11)

12 I, Deanna Hernandez, Senior Executive Analyst – Confidential of the Mojave Desert
13 Air Quality Management District, hereby certify the foregoing to be a full, true and correct
14 copy of the record of the action as the same appears in the Official Minutes of said Governing
Board at its meeting of March 28, 2022.

15 _____, Senior Executive Analyst – Confidential
16 Mojave Desert Air Quality Management District

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

(A) General

(1) Purpose

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

(2) Applicability

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

(3) Exemption

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

(B) Definitions

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

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

(C) Requirements

- (1) Verification of Actual Emissions

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

(D) Calculations

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

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

(2) Penalty Determination

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

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

Where:

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

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

(E) Equivalency Determination

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

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

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

(3) Equivalency Determination

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

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

Where:

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

(4) Partial Equivalency Determination and Calculation of Penalty

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

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

Where:

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

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

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

(F) Reporting Requirements

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

See SIP Table at www.mdaqmd.ca.gov.

Rule 315.2

Federal Clean Air Act Section 185 Penalty (2008 Standard)

(A) General

(1) Purpose

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

(2) Applicability

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

(3) Exemption

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

(B) Definitions

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

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

(C) Requirements

- (1) Verification of Actual Emissions

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

(D) Calculations

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

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

(2) Penalty Determination

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

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

Where:

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

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

(E) Equivalency Determination

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

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

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

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

Where:

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

(4) Partial Equivalency Determination and Calculation of Penalty

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

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

Where:

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

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

(F) Reporting Requirements

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

See SIP Table at www.mdaqmd.ca.gov.



DRAFT
Staff Report

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

for presentation to the
Mojave Desert AQMD Governing Board
on **March 28, 2022**

**Mojave Desert
Air Quality
Management
District**

14306 Park Avenue
Victorville, CA 92392-2310
760.245.1661 • Fax 760.245.2022

www.MDAQMD.ca.gov • @MDAQMD

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STAFF REPORT

Rule 315 Series

I. PURPOSE OF STAFF REPORT

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

II. EXECUTIVE SUMMARY

42 U.S.C. 7511d (Federal Clean Air Act Section 185, or Section 185) requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within an area classified as severe or extreme ozone which fail to attain the standard by the applicable attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a specified baseline amount. USEPA has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. A portion of the jurisdiction of the MDAQMD is located within the Federal Ozone Nonattainment Area (FONA) which has been classified as severe for the 1979 1-hour ozone standard as well as the 1997 and 2008 standards. Therefore, this portion of the MDAQMD is subject to the provisions of Section 185. The remainder of the MDAQMD is not located within the FONA and is therefore not subject to the provisions of Section 185.

The Mojave Desert Air Quality Management District (MDAQMD) previously adopted Rule 315 – Federal Clean Air Act Section 185 Penalty in 2011 in order to implement the Section 185 penalty for the 1979 1-hour ozone standard within the MDAQMD portion of the Federal Ozone Nonattainment Area (FONA). The MDAQMD is now proposing to adopt Rule 315.1 – *Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 - *Clean Air Act Section 185 Penalty (2008 Standard)* in order to comply with the Section 185 penalty for the 1997 and 2008 standards. A public hearing to consider the proposed adoption of Rules 315.1 and 315.2 has been noticed for March 28, 2022.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Mojave Desert Air Quality Management District (District) adopt, after conducting a public hearing, a resolution approving the adoption of Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)* and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)*. The proposed adoptions of Rule

315.1 and Rule 315.2 are necessary to implement the requirements of Section 185 of the Federal Clean Air Act to the FONAs.

IV. LEGAL REQUIREMENTS CHECKLIST

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

FINDINGS REQUIRED FOR RULES & REGULATIONS:

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

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

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

ELEMENTS OF A FEDERAL SUBMISSION:

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

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

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

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

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

OTHER:

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

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

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

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

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

a. Necessity:

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

b. Authority:

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

c. Clarity:

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

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

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

d. Consistency:

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

e. Non-duplication:

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

f. Reference:

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

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed adoption of Rules 315.1 and 315.2 was published on February 25, 2022 for the March 28, 2022 Governing Board Meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

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

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

a. Satisfaction of Underlying Federal Requirements:

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

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

b. Public Notice and Comment:

Notice for the public hearing for the proposed adoption of the Rule 315 series was published on February 25, 2022 for the March 28, 2022 Governing Board Meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

c. Availability of Document:

A copy of the proposed Rules 315.1 and 315.2 was made available to the public on February 11, 2022 and the accompanying draft staff report was made available to the public on February 11, 2022.

d. Notice to Specified Entities:

A copy of the proposed adoption of Rules 315.1 and 315.2 was made available to all affected agencies, including but not limited to CARB and USEPA on February 11, 2022, and the accompanying draft staff report was made available to all affected agencies, including but not limited to CARB and USEPA on February 11, 2022.

e. Public Hearing:

A public hearing to consider the proposed adoption of Rule 315.1 and Rule 315.2 was noticed for March 28, 2022.

f. Legal Authority to Adopt and Implement:

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

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S Code §40727.2. See Section (V)(C) for compliance with economic

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

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The adoption of the Rule 315 series implements the requirements of Section 185 of the Federal Clean Air Act through the adoption of a non-attainment area fee equivalency strategy. USEPA has also indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. Therefore, the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

C. ECONOMIC ANALYSIS

1. General

Rule 315 was adopted to implement a mandatory penalty pursuant to Section 185 of the Federal Clean Air Act (42 U.S.C. §7511d) within the MDAQMD portion of the Federal Ozone Nonattainment Area (FONA) 42 U.S.C. 7511d (Federal Clean Air Act Section 185, or Section 185) requires the imposition of a penalty of \$5,000 per ton (adjusted for inflation) on major facilities within an area classified as severe or extreme ozone which fail to attain the standard by the applicable attainment date unless such major facilities have reduced their ozone precursor emissions by twenty percent (20%) from a specified baseline amount. USEPA has indicated that such penalty provisions need to be adopted in case of a failure to meet the attainment date for each nonattainment standard. A portion of the jurisdiction of the MDAQMD is located within the FONA which has been classified severe for various ozone standards. Therefore, this portion of the MDAQMD is subject to the provisions of Section 185. The remainder of the MDAQMD is not located within the FONA and is therefore not subject to the provisions of Section 185.

The original version of Rule 315 allowed for aggregating the major facilities emissions in order to show the twenty percent (20%) reduction in emissions across the entire non-attainment area. Using this aggregation method, and based on actual emissions to date, the MDAQMD did not expect any facilities to have to pay the penalty.

The amendments made on 10/24/11 to Rule 315 removed the emissions aggregation method, and instead established a non-attainment fee equivalency strategy. This fee equivalency strategy established a “Tracking Account” for those districts that are located wholly, or in part, in the FONA (MDAQMD, Antelope Valley Air Quality Management District (AVAQMD)). The “Tracking

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

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

2. Incremental Cost Effectiveness

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

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

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed adoption of the Rule 315 series was determined.

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

2. The adoption of Rules 315.1 and 315.2 is exempt from CEQA review because Rule 315 is a penalty rule. There is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts. Therefore, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D.”

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

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

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

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

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

These rules are applicable to any facility within the FONA¹ which emits or has the potential to emit NO_x or VOCs in an amount sufficient to make it a Major Facility as defined in District Rule 1301.

B. EMISSIONS

The amended rule does not regulate emissions or impose control requirements. Therefore, there will be no direct impact upon emissions.

Rules 315.1, and 315.2 specify calculations that involve specific facility calendar year inventories of actual NO_x and VOC emissions. The proposed rules include a requirement for the APCO to request each applicable facility provide an emissions inventory in writing each year. This provision does not create an additional emission inventory

¹ Formerly the SEDAB Modified AQMA

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

The proposed rule 315 series include a non-attainment area fee equivalency strategy, as provided by Section 172(e) of the Federal Clean Air Act. Section 172(e) allows for alternative programs that are no less stringent than the mandated Section 185 program. Under USEPA guidance, such programs may be either “fee equivalent” or “emissions equivalent” or a combination of both strategies. This rule amendment proposed a “fee equivalent” program which recognizes funding from fee programs that are surplus to the SIP and are used for air quality improvement projects in the MDAQMD. USEPA guidance requires fees collected under such program be directed towards the reduction of NO_x or VOC emissions. Such funds will be accumulated into a fee equivalency “tracking account” and used to offset the burden otherwise required under the Section 185 penalty collection approach. This “fee equivalency” approach must be used to facilitate pollution reduction efforts, whereas the Federal Clean Air Act does not specify how Section 185 penalty revenues are to be used. Therefore, this “fee equivalent” strategy will have a greater potential for an air quality benefit than the Section 185 penalty.

The district anticipates using programs, including but not limited to, the Carl Moyer Program, AB2766, and the Lawn and Garden Equipment Replacement Program, as part of such fee equivalency trackers. Table 1 is an example of how the shown programs would be determined (using fiscal year 2020 as an example) in the case of an official finding of failure to attain.

Sample List of Qualified Programs for Section 172(e) Equivalency Tracking Account 2008 Standard			
Name	Ongoing/One-Time	Year	Expenditure
Carl Moyer	Ongoing	Fiscal Year 2020	\$927,923
AB2766	Ongoing	Fiscal Year 2020	\$500,000
Lawn and Garden Equipment Replacement Program	One-Time	Fiscal Year 2020	\$170,554

The 2008 NAAQS of 75 ppb has been superseded by the 2015 NAAQS of 70 ppb, however the 2008 standard still has not been revoked by an official USEPA action. Thus, in the case of an official finding of failure to attain, the fee equivalency amount for the

non-modified 2008 standard would be \$0 using the methodology for the example year of 2020.

C. CONTROL REQUIREMENTS

The amended rule does not impose any control requirements.

D. PROPOSED RULE SUMMARY

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

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

E. SIP HISTORY

1. SIP History.

Rule 315 – *Federal Clean Air Act Section 185 Penalty (1979 Standard)* was submitted for inclusion in the SIP in 2011. No EPA actions have been taken since the submittal.

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

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

2. SIP Analysis.

The MDAQMD will also be requesting CARB to submit Rule 315.1 – *Federal Clean Air Act Section 185 Penalty (1997 Standard)*, and Rule 315.2 – *Federal Clean Air Act Section 185 Penalty (2008 Standard)* as new rules for inclusion in the MDAQMD SIP. The MDAQMD will also request that these actions be taken either near in time or in conjunction with action of Rule 315.

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Appendix “A” Rule 315 Series Iterated Revisions

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

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

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Rule 315.1

Federal Clean Air Act Section 185 Penalty (1997 Standard)

(A) General

(1) Purpose

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

(2) Applicability

- (a) This Rule is applicable to any Major Facility within the District portion of the FONA.
- (b) This Rule shall become applicable if and when the FONA is determined to have failed to attain the 1997 8-hour ~~National Ambient Air Quality Standard (NAAQS) for ozone (0.08 Parts per Millions (ppm))~~ ozone NAAQS, not before the applicable attainment date (2019).
- (c) ~~This Rule shall cease to be applicable when the EPA takes a final action to terminate the anti-backsliding requirement associated with the Section 185 penalty for the 1997 8-hour ozone NAAQS. This Rule shall cease to be applicable when the FONA is designated as attaining (or no longer nonattainment for) the 1997 8-hour ozone NAAQS for ozone (0.08 parts per million (ppm)).~~

(3) Exemption

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

fee equivalency **for the FONA** in accordance with the procedures contained in Section (E) below.

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

(B) Definitions

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

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

(C) Requirements

- (1) Verification of Actual Emissions

By June 1, on an annual (calendar year) basis, any Facility subject to the provisions of this Rule shall submit a verified inventory of Actual Emissions **for**

the previous calendar year in accordance with Rule 107 – *Certification and Emission Statements* and FCAA Section 182(a)(3)(B).

(D) Calculations

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

- (a) For a Facility that began operation prior to 2018, the Baseline Emissions shall be the lower of:
 - (i) The Actual Emissions during 2018; or
 - (ii) The amount of emissions allowed by permit condition.
- (b) For a Facility that began operation during 2018, the Baseline Emissions shall be the lower of:
 - (i) The amount of emissions allowed by permit condition; or
 - (ii) The Actual Emissions from the operation period extrapolated over calendar year 2018 using the inverse of the fraction of the duration of actual operation in days over 365.
- (c) For a Facility that begins operation after 2018, the Baseline Emissions shall be the amount allowed under the applicable implementation plan.
- ~~(d) For an irregular, cyclical or otherwise significantly varying Facility that began operation prior to 2014, Baseline Emissions may be calculated as the average of the verified Actual Emissions for any two (2) years of the years 2014 through 2018 that the Air Pollution Control Officer (APCO) determines are the most representative of operation, if the Facility demonstrates in writing to the satisfaction of the APCO and United States Environmental Enforcement Agency (USEPA) that they are not a regular Facility.~~
- ~~(e) For a Facility whose Baseline Emissions, when calculated in accordance with (D)(1)(a) through (d), would be less than 25 tons per year, the Baseline Emissions for that Facility and pollutant shall be 25 tons per year.~~

(2) Penalty Determination

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

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

Where:

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

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

(E) Equivalency Determination

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

- (a) The APCO shall establish and maintain a Federal Clean Air Act Section 185 Equivalency “Tracking Account.” Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning the first calendar year in which ~~this Rule is adopted~~ fees are due on qualified programs that are designed to fund projects which:
- (i) Are surplus to the SIP for the ~~Federal 1997 8-hour ozone standard~~ 1997 8-hour ozone NAAQS;
 - (ii) Have been certified in writing by the APCO, the Executive Officer of the California Air Resources Board (CARB) and USEPA as being surplus to the SIP; and
 - (iii) Are designed to result in direct, or to facilitate future, NO_x or VOC reductions within the District ~~from uses~~ as approved by USEPA.
- (b) Expenditures credited to the FCAA Section 185 Equivalency “Tracking Account” need not actually be held by or disbursed by the District provided the source of the expenditures is an eligible project in a qualified program.
- (c) Expenditures shall be credited on a dollar for dollar basis and shall not be discounted due to the passage of time.
- (d) If expenditures credited for a given year are greater than those necessary for the demonstration of equivalency for that year the surplus may accumulate and be used as needed to demonstrate equivalency in subsequent years.

(2) FONA Accounting

- (a) By July 1, on an annual basis, the APCO shall request submit an accounting of applicable expenditures for the previous calendar year, as defined in subsection (E)(1)(a), made within the portions of the FONA that are under the jurisdiction of the ~~Antelope Valley Air Quality~~

~~Management District from the APCO or Executive Officer of that district District to the APCO of the AVAQMD.~~

- (b) By July 1, on an annual basis, the APCO shall ~~request submit~~ an accounting of the applicable penalty obligation for the previous calendar year, as determined in subsection (D)(2), for sources within the portions of the FONA that are under the jurisdiction of the ~~Antelope Valley Air Quality Management District from the APCO or the Executive Officer of that~~ District to the APCO of the AVAQMD.
- (c) By July 1, on an annual basis, the APCO shall ~~request submit~~ an accounting of the applicable penalty fees collected for the previous calendar year within the portions of the FONA that are under the jurisdiction of the ~~Antelope Valley Air Quality Management District from the APCO or the Executive of that~~ District to the APCO of the AVAQMD.
- (d) The annual applicable expenditures made within the portions of the two (2) districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Equivalency Tracking Account” for that calendar year.
- (e) The annual applicable penalty obligations determined within the portions of the two (2) districts that are within the FONA together during a given calendar year shall be referred to as the “Combined FONA Penalty” for that calendar year.

(3) Equivalency Determination

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

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

Where:

- B_i = The initial balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account as existing at the beginning of the calendar year for which the equivalency determination is being made.
- E = The expenditures credited to the FCAA Section 185 Combined FONA Equivalency Tracking Account during the calendar year for which the equivalency determination is being made.
- AP = The Combined FONA Penalty amount determined by the APCO pursuant to subsections (E)(2)(b) and (E)(2)(e) above.

B_f = The balance of the FCAA Combined FONA Equivalency Tracking Account to be carried over into the subsequent calendar year as B_1 if such amount is greater than zero. The remaining penalty to be allocated to applicable Facilities pursuant to subsection (E)(4) below if such amount is less than zero.

(4) Partial Equivalency Determination and Calculation of Penalty

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

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

Where:

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

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

(F) Reporting Requirements

- (1) Commencing in 2019, and on or before the last day of each calendar year thereafter, the APCO shall file a report for the prior year accounting with CARB and USEPA that contains the following:

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

See SIP Table at www.mdaqmd.ca.gov

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

(A) General

(1) Purpose

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

(2) Applicability

- (a) This Rule is applicable to any Major Facility within the District portion of the FONA.
- (b) This Rule shall become applicable if and when the FONA is determined to have failed to attain the 2008 8-hour ozone NAAQS, not before the applicable attainment date (2027).
- (c) ~~This Rule shall cease to be applicable when the EPA takes a final action to terminate the anti-backsliding requirement associated with the Section 185 penalty for the 1997 8-hour ozone NAAQS. This Rule shall cease to be applicable when the FONA is designated as attaining (or no longer nonattainment for) the 2008 8-hour ozone NAAQS.~~

(3) Exemption

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

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

Definitions

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

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

(C) Requirements

- (1) Verification of Actual Emissions

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

(D) Calculations

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

Penalty Determination

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

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

Where:

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

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

(E) Equivalency Determination

- (1) Federal Clean Air Act Section 185 Equivalency “Tracking Account”
 - (a) The APCO shall establish and maintain a Federal Clean Air Act Section 185 Equivalency “Tracking Account.” Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning

the first calendar year in which fees are due on qualified programs that are designed to fund projects which:

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

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

(3) Equivalency Determination

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

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

Where:

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

(4) Partial Equivalency Determination and Calculation of Penalty

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

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

Where:

- P_{ry} = Residual penalty for calendar year y

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

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

Reporting Requirements

- (1) Commencing in 2019, and on or before the last day of each calendar year thereafter, the APCO shall file a report for the prior year accounting with CARB and USEPA that contains the following:
- (a) A listing of all Facilities subject to this Rule and the potential penalty obligation as calculated pursuant to Section (D) above for the prior calendar year;
 - (b) The Combined FONA Penalty for the prior calendar year;
 - (c) The balance of the FCAA Section 185 Combined FONA Equivalency Tracking Account, if any, at the beginning of the prior calendar year;
 - (d) A listing of all qualified programs, program descriptions, description of funding, certification of eligibility for each program, and expenditures associated with each program that were credited into the FCAA Section 185 Combined FONA Equivalency Tracking Account during the prior calendar year;
 - (e) The results of the calculation pursuant to subsection (E)(3)(a) above; and
 - (f) The results of the remaining penalty allocation calculation pursuant to subsection (E)(4)(a) if any.

See SIP Table at www.mdaqmd.ca.gov

Appendix “B”
Public Notice Documents

1. Proof of Publication – Daily Press, 2/25/2022
2. Proof of Publication – Riverside Press Enterprise, 2/25/2022

PROOF OF PUBLICATION

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 25

All in the year 2022.

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

Dated this: 25th day of February, 2022.

Janet Baldwin

Signature

Janet Baldwin

This space is the County Clerk's Filing Stamp

**RECEIVED
MOJAVE DESERT AQMD**

MAR 02 2022

CLERK OF THE BOARD

BY

**Proof of Publication of
NOTICE OF HEARING**

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the amendment of Rule 315 - Federal Clean Air Act Section 185 - Penalty (1979 Standard), and adoption of Rules 315.1 - Federal Clean Air Act Section 185 Penalty (1997 Standard); Rule 315.2 - Federal Clean Air Act Section 185 Penalty (2008 Standard).

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed amendment of Rule 315 - Federal Clean Air Act Section 185 - Penalty (1979 Standard), and adoption of Rules 315.1 - Federal Clean Air Act Section 185 Penalty (1997 Standard), Rule 315.2 - Federal Clean Air Act Section 185 Penalty (2008 Standard) are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poiriez, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gachot at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the MDAQMD has determined that a Categorical Exemption (Class B - 14 Cal. Code Reg 153308) applies and has prepared a Notice of Exemption for this action.

Published in the
Daily Press
February 25, 2022
(P-32)

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)**

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: MD 315 Series Public Notice /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02/25/2022

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

Date: February 25, 2022
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD
14306 PARK AVE
ATTN: D. HERNANDEZ
VICTORVILLE, CA 92392

Ad Number: 0011519875-01

P.O. Number:

Ad Copy:

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the amendment of Rule 315 - Federal Clean Air Act Section 185 - Penalty (1979 Standard), and adoption of Rules 315.1 - Federal Clean Air Act Section 185 Penalty (1997 Standard), Rule 315.2 - Federal Clean Air Act Section 185 Penalty (2008 Standard).

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed amendment of Rule 315 - Federal Clean Air Act Section 185 - Penalty (1979 Standard), and adoption of Rules 315.1 - Federal Clean Air Act Section 185 Penalty (1997 Standard), Rule 315.2 - Federal Clean Air Act Section 185 Penalty (2008 Standard) are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poiriez, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gaschof at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.

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

Press-Enterprise: 2/25

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MOJAVE DESERT AQMD

FEB 25 2022

CLERK OF THE BOARD
BY 

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Appendix “C”
Public Comments and Responses

1. Transmittal of Preliminary EPA Review of Mojave Desert AQMD Draft Rule 315.1, August 16, 2018
2. Transmittal of Preliminary EPA review of MDAQMD Draft Rules 315.1 and 315.2, March 10, 2022

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Comment 1

From: Lo, Doris [mailto:Lo.Doris@epa.gov]
Sent: Thursday, August 16, 2018 3:46 PM
To: Alan De Salvio
Cc: Tracy Walters; Kay, Rynda; Bushey, Douglas; Kelly, ThomasP
Subject: Preliminary review of Mojave Desert AQMD Draft Rule 315.1

Alan,

Thank you for talking with us today. As we discussed, we are providing comments based on our preliminary review of the Mojave Desert Air Quality Management District (AQMD) Draft Rule 315.1 "Federal Clean Air Act Section 185 Penalty (1997 Ozone Standard)".

- 1 → • The 1997 8-hour ozone NAAQS is referred to differently throughout the rule. Consider revising all to "1997 8-hour ozone NAAQS" to be consistent throughout (e.g., Sections (A)(1), (A)(2)(b), (A)(2)(c), (E)(1)(a)(i)).
- 2 → • Section (A)(3)(a) and (A)(3)(b) – Please revise these sections as follows: "No Facility otherwise subject to this Rule shall be required to remit a FCAA Section 185 penalty ~~during~~ for any calendar year..."
- 3 → • Section (A)(3)(c) - Please amend this section to address the fee amount due when a source is subject to 185 fees for multiple ozone standards e.g., "A Facility's applicable FCAA Section 185 penalty for any calendar year shall be the largest of the calculated penalties for each ozone standard."
- 4 → • Section (D)(1)(b)(ii) - Please revise this section to clearly state how this extrapolation should be calculated e.g., based on emissions rate during the part of the year the source was in operation.
- 5 → • Section (D)(1)(d) – Consider removing this section. There is presently no section 185 alternative baseline guidance for the 1997 8-hour ozone standard, and the EPA is not planning to issue such guidance in the immediate future. Because the statute only allows for the use of alternate baselines when the Administrator issues guidance authorizing such baselines (185(b)(2)), we cannot at this time approve a SIP submission with an alternative baseline provision for the 1997 standard.
- 6 → • Section (D)(1)(e) - Please remove this section. CAA 185(b)(2) does not provide a basis for this alternative calculation of the baseline emissions.
- 7 → • Section (E)(1)(a) - Revise to clarify that only funds beginning the first year that fees are due will be included in the tracking account, e.g.: "Such Tracking Account shall be credited with actual expenditures occurring in calendar years beginning the first calendar year in which ~~this Rule is adopted~~ fees are due on qualified programs that are designed to fund projects which..."
- 8 → • Section (E)(1)(a)(ii) - Revise this section to specify that funded projects "[h]ave been certified in writing by the APCO, the Executive Officer of the California Air Resources Board (CARB) and USEPA as being surplus to the SIP;"
- 9 → • Section (E)(1)(a)(iii) – Revise as follows: "Are designed to result in direct, or to facilitate future, NOx or VOC reductions within the District ~~from~~ uses, as approved by USEPA."

- 10 → • Section (E)(2) – If the AVAQMD and MDAQMD plan to adopt parallel rules to address the entire nonattainment area, the rules must require that each district provide the necessary information to the other district. Consider revising (a)-(c) to require that the Mojave Desert AQMD APCO provide the necessary documentation to the Antelope Valley AQMD APCO by a date certain without the need to request information. Please note, Antelope Valley AQMD would need to adopt and submit an analogous rule for the Mojave Desert AQMD rule to be approvable and ensure section 185 Fee requirements for the nonattainment area are met.
- 11 → • Section (E)(4)(a) - We believe there is a typo as follows: “ $|B_{ty}|$ = Absolute value of negative balance of equivalency tracking account for calendar year y as calculated in subsection (E)(3).”
- 12 → • Section (E)(4)(a) - Modify to clarify that APy is the sum of penalties for both Antelope Valley and Mojave Desert as follows: “APy = Sum of all Combined FONA Py as calculated in subsection (D)(2).”
- 13 → • Section (E)(4)(b): If changes are made to A(3)(c) then consider adding language as to which NAAQS penalty will be due.
- 14 → • Section (F)(1)(d): Revise to specify that information supporting qualifying programs will be provided: “A listing of all qualified programs, program descriptions, description of funding, certification of eligibility for each program, and expenditures associated with each program ...”
- 15 → • Section (F)(1)(d): Please include with the rule submittal to EPA a list of potential funding sources as is done in South Coast AQMD Rule 317 Attachment A for EPA to evaluate in our action on this rule. Also, include additional information about these sources as described in the South Coast’s “Part 1 (Dec 11 letter from SC).pdf” questions 1-4 attached.

Feel free to contact me at (415) 972-3959 or Rynda Kay (415) 947-4118 if you have questions or would like to discuss further.

Doris Lo
 Manager, Rules Office (AIR4)
 EPA Region 9 Air Division
 (415) 972-3959

District Response to Comment 1

1. Sections (A)(1), (A)(2)(b), (A)(2)(c), and (E)(1)(a)(i) have been revised for consistency.
2. Section (A)(3)(a) and (A)(3)(b) have been revised to address EPA comments for consistency.
3. Section (A)(3)(c) has been amended to address the fee amount due when a source is subject to 185 fees for multiple ozone standards.
4. Section (D)(1)(b)(ii) has been revised to clearly state how the Actual Emissions from the operation period is extrapolated.
5. Section (D)(1)(d) has been removed to address EPA intention to not issue a Section 185 alternative baseline guidance for the 1997 8-hour ozone standard.
6. Section (D)(1)(e) has been removed to address EPA comment of CAA 185(b)(2) not providing a basis for the included alternative calculation of the baseline emissions.
7. Section (E)(1)(a) has been revised to clarify that only funds beginning the first year that fees are due will be included in the tracking account.
8. Section (E)(1)(a)(ii) has been revised to require that funded projects be certified in writing.
9. Section (E)(1)(a)(iii) has been revised to remove the phrase “from uses” to clarify USEPA approval of qualified programs designed to reduce NO_x and VOC within the District.
10. Section (E)(2) has been revised to require the Mojave Desert AQMD APCO to provide necessary documentation to the Antelope Valley AQMD APCO without the need to request information.
11. Section (E)(4)(a) has been revised to correct typo.
12. Section (E)(4)(a) has been revised clarify that “all” refers to “Combined FONAs”.
13. Section (E)(4)(b) has been revised to refer to Section (A)(3)(c) with regards to NAAQS penalty.
14. Section (F)(1)(d) has been revised to require that the APCO report program descriptions, description of funding, and certification of eligibility for each program as well as a listing of all qualified programs and expenditures associated with each program credited into the FCAA Section 185 Combined FONAs Equivalency Tracking Account.
15. Additional information for Attachment A of Rule 315.1 are as follows:

Rule 315.1 is designed to satisfy the requirements specified in Section 185 of the Federal Clean Air Act (42 U.S.C. §7511d) within the District portion of the Western Mojave Desert 8-hour Federal Ozone Non-Attainment Area (FONA) for the 1997 8-hour ozone NAAQS of 0.08 ppm by utilizing a fee equivalency approach as allowed under Section 172(e) of the CAA. The rule establishes and maintains a Section 172(e) fee equivalency account for the District portion of the Western Mojave Desert 8-hour FONA classified as “Severe 15”. The basin’s equivalency account is credited with expenditures from certain “qualified” programs and debited with Section 185 fees that would otherwise be applicable to major stationary sources. Only programs that satisfy all the criteria listed in Rule 315.1, subparagraph (E)(1)(a) are considered “qualified” and eligible for credited the fee equivalency account.

The programs listed in Attachment A are considered “qualified” because they satisfy all criteria listed in Rule 315.1 subparagraph (E)(1)(a) as follows:

- a. They satisfy clause (E)(1)(a)(i) of Rule 315.1 because, as demonstrated below, they are all surplus to the approved 8-hour ozone SIP, and
- b. They satisfy clause (E)(1)(a)(iii) of Rule 315.1 because they facilitate VOC and NOx emission reductions (in addition to other criteria and toxic emissions) from the mobile source sector (mostly from on-road sources and to a limited extent from some off-road sources) in the Mojave Desert AQMD operations area and providing incentive funding that advances the state of mobile source technology, improves fuel and engine infrastructure, and accelerates fleet turnover through vehicle retrofit and/or replacement. These reductions are not included in the one-hour ozone SIP as part of the attainment, and are therefore surplus to the SIP, and
- c. They satisfy clause (E)(1)(a)(iii) of Rule 315.1 because the equivalency accounts will be credited with actual program expenditures incurred during a given year and not the program funding that may be available but remain unspent during the same year. USEPA will be able to verify compliance with the two clauses through review of the annual equivalency emission reports MDAQMD will be providing pursuant to section (F) of Rule 315.1.

Attachment A to this Rule lists a compilation of programs that will be used to pre-fund the equivalency accounts for the FONA. These programs are typically funded by local, state, and/or federal funding. It should be noted that the fee equivalency account will be credited with actual expenditures in 2018 and beyond, invested in projects that reduce or facilitate the reduction of VOC and/or NOx emissions, and not by the funding that may be available for a given year. For illustration purposes, Attachment A also includes estimates of the actual expenditures in 2018 for most of the listed programs that will be used to pre-fund the equivalency account. Please note that the availability of additional local, state, and /or federal matching funds for many of the programs listed in Attachment A allowed the actual expenditures to exceed the funding level estimates included in the staff report for the same programs.

Attachment A also provides a compilation of programs that meet all criteria in (E)(1)(a) of Rule 315.1 and will be used to fund on an on-going basis the equivalency account in the future. As stated above, the actual expenditures may vary from the funding estimates depending on the availability of additional matching funds from local, state, or federal sources.

A careful evaluation of the base year, future year baseline, and controlled emission inventories revealed that MDAQMD’s attainment demonstration for the one-hour ozone standard does not reference nor rely upon the implementation of any of the programs listed in Attachment A. Based on this analysis, MDAQMD staff concludes that the programs identified in Attachment A are surplus to the one-hour ozone SIP, and, therefore, eligible for funding the u Section 172(e) fee equivalency account.

Comment 2

From: [Sherman, Donnique](#)
To: [Alan De Salvo](#); [Lo, Doris](#); [Bertrand Gascho](#); [Brad Poiriez](#); [Karen Nowak](#); [Chris Anderson](#); [Michelle Zumwalt](#); "ARB District Rules"; [Fidelity.Ariel@ARB](#); [Vanderspek.Sylvia@ARB](#)
Cc: [Lakin, Matt](#); [Bushey, Douglas](#)
Subject: EPA Comments on MDAQMD Rule 315.1 RE: Amendment/Adoption of MDAQMD Rule 315 series
Date: Thursday, March 10, 2022 2:57:03 PM
Attachments: [image001.png](#)
[image003.png](#)

Hello All,

Thank you for meeting with us to discuss the Amendment/Adoption of MDAQMD Rule 315 series, and being receptive to our comments. The discussed comments on Rule 315.1 are below. Please feel free to contact us if there are any further comments or questions.

1

- (A)(2)(c): Because the 1997 standard has been revoked, the area technically is "no longer [designated] nonattainment" for that standard. Accordingly, this provision could turn off the rule prematurely. If a sunset provision is desired, we suggest: "This Rule shall cease to be applicable when the EPA takes a final action to terminate the antibacksliding requirement associated with the Section 185 penalty for the 1997 8-hour ozone NAAQS."

2

- (A)(3)(a) and (b): Phrased too broadly. Recommended edit: "No facility otherwise subject to this rule shall be required to remit a FCAA Section 185 penalty under this rule for any calendar year...." In paragraph (b), recommend specifying equivalency "for the FONAs."

3

- (A)(3)(c): This provision is not approvable. Facilities must pay Section 185 penalties for any standard for which fee is due.

4

- (C)(1): Recommend specifying that the inventory is for the previous calendar year.

5

- (D)(2)(a): The variable C is defined as the percent change in the CPI. If this is the definition of C, the equation should multiply by 1+C as opposed to C. In addition, the definition should specify that C is the percent change in the CPI since 1990.

6

- (E)(2)(a), (b), and (c): Recommend specifying "for the previous calendar year."

7

- (E)(2)(d): The term "Combined FONAs Equivalency Tracking Account" is defined as just the "applicable expenditures." This does not appear consistent with how the term is used in paragraph (3).

8

- Attachment A: Recommend moving table to staff report. Staff report should also indicate how the values in the table are calculated.

Thanks and Best Regards,
Dannique Sherman (she/her)
U.S. EPA Region 9, Air Rules Office (AIR 3-2)
75 Hawthorne Street

District Response to Comment 2

1. Section (A)(2)(c) has been revised to clarify applicability and account for future EPA actions.
2. Section (A)(3)(a) and (b) has been revised to improve clarity and broad phrasing of previous language.
3. Section (A)(3)(c) will not be changed at this time.
4. Section (C)(1) has been revised to specify that inventory data from come from the previous calendar year.
5. Section (D)(2)(a) has been revised to fix an error in the formula and variable definition.
6. Section (E)(2)(a), (b), and (c) have been revised in order to specify that submitted information must be from the previous calendar year.
7. The District has reviewed the comment and determined that the language referenced in comment 7 in Section (E)(2)(d) is consistent throughout the rule.
8. Attachment A has been removed and moved to the staff report to be used as an example for how the fee equivalency strategy would be implemented.

Appendix “D”
California Environmental Quality Act
Documentation

1. DRAFT Notice of Exemption – San Bernardino County
2. DRAFT Notice of Exemption – Riverside County

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[Riverside County NOE to be posted here.]

[San Bernardino County NOE to be posted here.]

Appendix “E” Bibliography

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

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

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NOTICE OF EXEMPTION



TO: Clerk/Recorder
Riverside County
3470 12th St.
Riverside, CA 92501
FROM: Mojave Desert
Air Quality Management District
14306 Park Ave
Victorville, CA 92392-2310

X MDAQMD Senior Executive Analyst

PROJECT TITLE: Adoption of Rules 315.1 and 315.2

PROJECT LOCATION – SPECIFIC: San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

PROJECT LOCATION – COUNTY: San Bernardino and Riverside Counties

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

NAME OF PUBLIC AGENCY APPROVING PROJECT: Mojave Desert AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Mojave Desert AQMD

EXEMPT STATUS (CHECK ONE)

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

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

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

REASONS WHY PROJECT IS EXEMPT: The proposed adoption of Rules 315.1 and 315.2 is exempt from CEQA review because the proposed rules will not create any adverse impacts on the environment as they are penalty rules. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Brad Poiriez **PHONE:** (760) 245-1661

SIGNATURE: _____ **TITLE:** Executive Director **DATE:** 03/28/2022

DATE RECEIVED FOR FILING:

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD

NOTICE OF EXEMPTION



TO: County Clerk
San Bernardino County
385 N. Arrowhead, 2nd Floor
San Bernardino, CA 92415
FROM: Mojave Desert
Air Quality Management District
14306 Park Ave
Victorville, CA 92392-2310

X MDAQMD Senior Executive Analyst

PROJECT TITLE: Adoption of Rules 315.1 and 315.2

PROJECT LOCATION – SPECIFIC: San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

PROJECT LOCATION – COUNTY: San Bernardino and Riverside Counties

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LEAD AGENCY CONTACT PERSON: Brad Poiriez **PHONE:** (760) 245-1661

SIGNATURE: _____ **TITLE:** Executive Director **DATE:** 03/28/2022

DATE RECEIVED FOR FILING:

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION (2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: MD 315 Series Public Notice /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02/25/2022

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

Date: February 25, 2022
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD
14306 PARK AVE
ATTN: D. HERNANDEZ
VICTORVILLE, CA 92392

Ad Number: 0011519875-01

P.O. Number:

Ad Copy:

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the amendment of Rule 315 - Federal Clean Air Act Section 185 - Penalty (1979 Standard), and adoption of Rules 315.1 - Federal Clean Air Act Section 185 Penalty (1997 Standard), Rule 315.2 - Federal Clean Air Act Section 185 Penalty (2008 Standard).

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed amendment of Rule 315 - Federal Clean Air Act Section 185 - Penalty (1979 Standard), and adoption of Rules 315.1 - Federal Clean Air Act Section 185 Penalty (1997 Standard), Rule 315.2 - Federal Clean Air Act Section 185 Penalty (2008 Standard) are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poiriez, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gaschot at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.

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

Press-Enterprise: 2/25

RECEIVED
MOJAVE DESERT AQMD

FEB 25 2022

CLERK OF THE BOARD
BY 

PROOF OF PUBLICATION

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
County of San Bernardino**

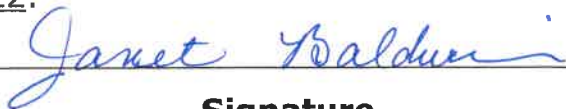
I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 25

All in the year 2022.

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

**Dated this: 25th day of February,
2022.**



Signature

Janet Baldwin

This space is the County Clerk's Filing Stamp

**RECEIVED
MOJAVE DESERT AQMD**

MAR 02 2022

CLERK OF THE BOARD

BY 

**Proof of Publication of
NOTICE OF HEARING**

NOTICE OF HEARING

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Published in the
Daily Press
February 25, 2022
(F-32)



Mojave Desert AQMD

CAA Section 185 Penalty Provision *Adoption of Rules 315.1 and 315.2*

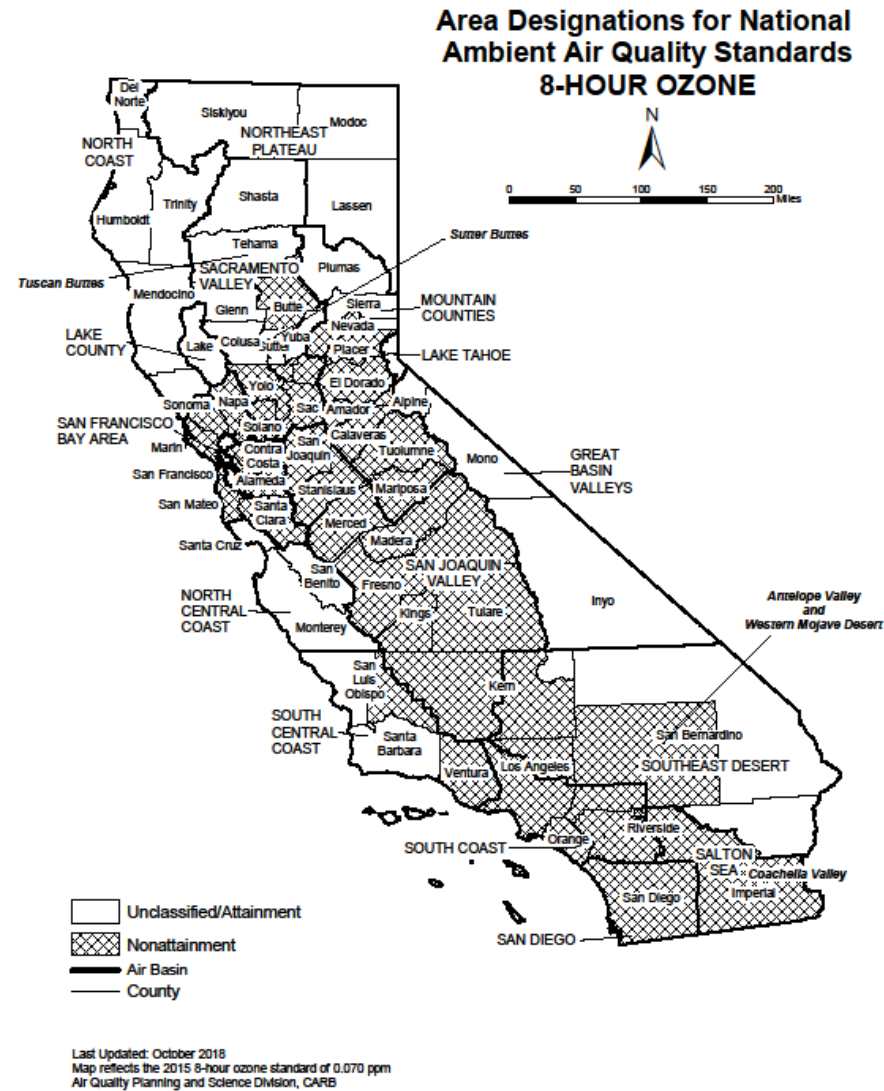
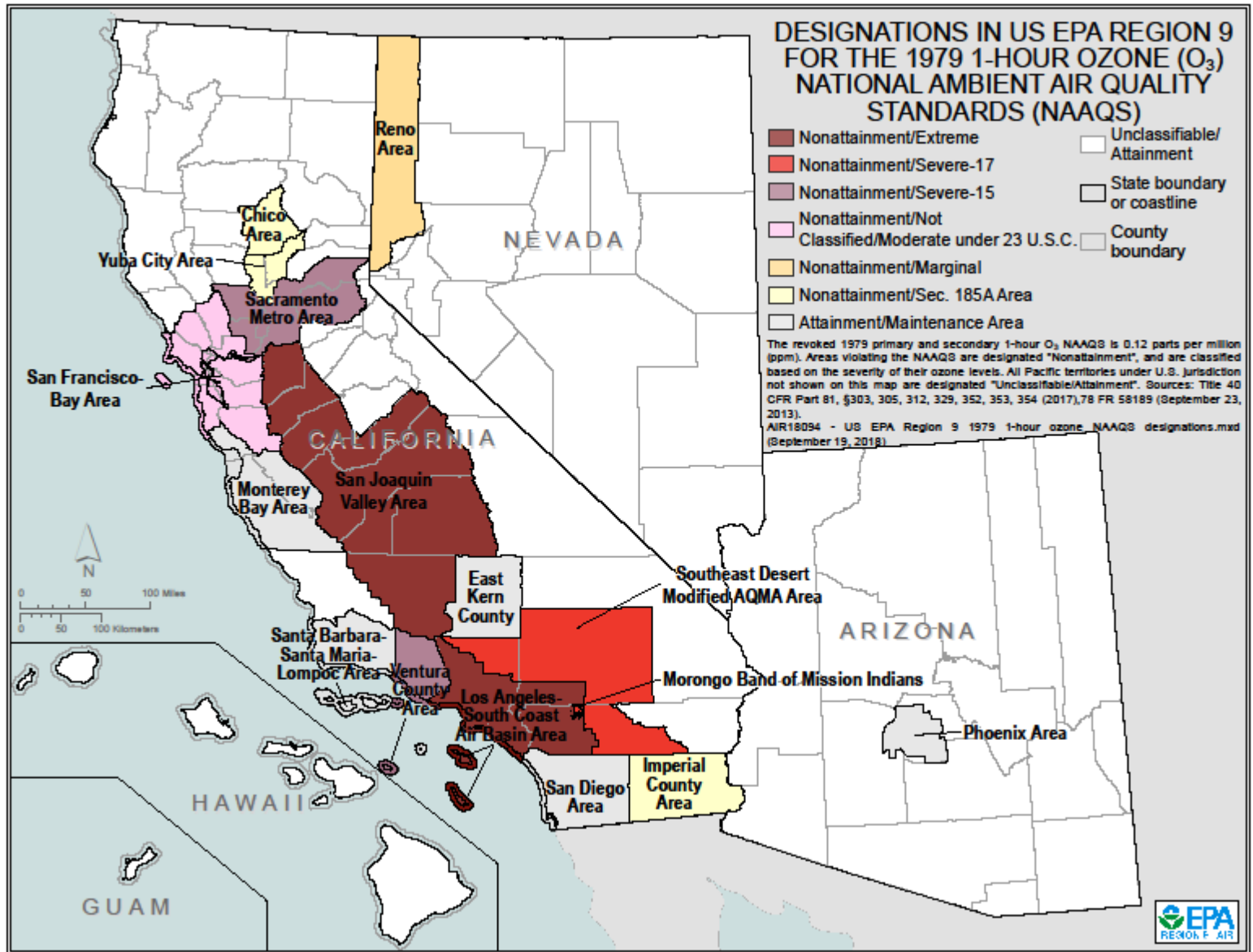
Alan De Salvio
Deputy APCO
MDAQMD and AVAQMD

February 16, 2022

CAA Section 185 Penalty Provision Introduction

- The a portion of the District (and the AVAQMD) is a federal ozone nonattainment area (or FONA).
- The Federal government has promulgated several ozone standards that apply to the FONA, each of which has (or had) a different attainment date:
 - 1990 one hour (120 ppb) – attainment date 2007
 - 1997 eight hour (84 ppb) – attainment date 2019
 - 2008 eight hour (75 ppb) – attainment date 2027
 - 2015 eight hour (70 ppb) – attainment date 2033





CAA Section 185 Penalty Provision

Clean Air Act Section 185

- This section of the Clean Air Act (CAA) applies to severe and extreme ozone nonattainment areas which fail to attain the ozone standard by the applicable attainment date (for us 2007, 2019, 2027 and soon 2033 for the various federal ozone standards)
- It applies to each major stationary source of ozone precursors (VOC and NOx) in the ozone nonattainment area
- The ozone nonattainment area boundary has not changed within the District for any federal ozone standard, up to and including the latest 70 ppb standard



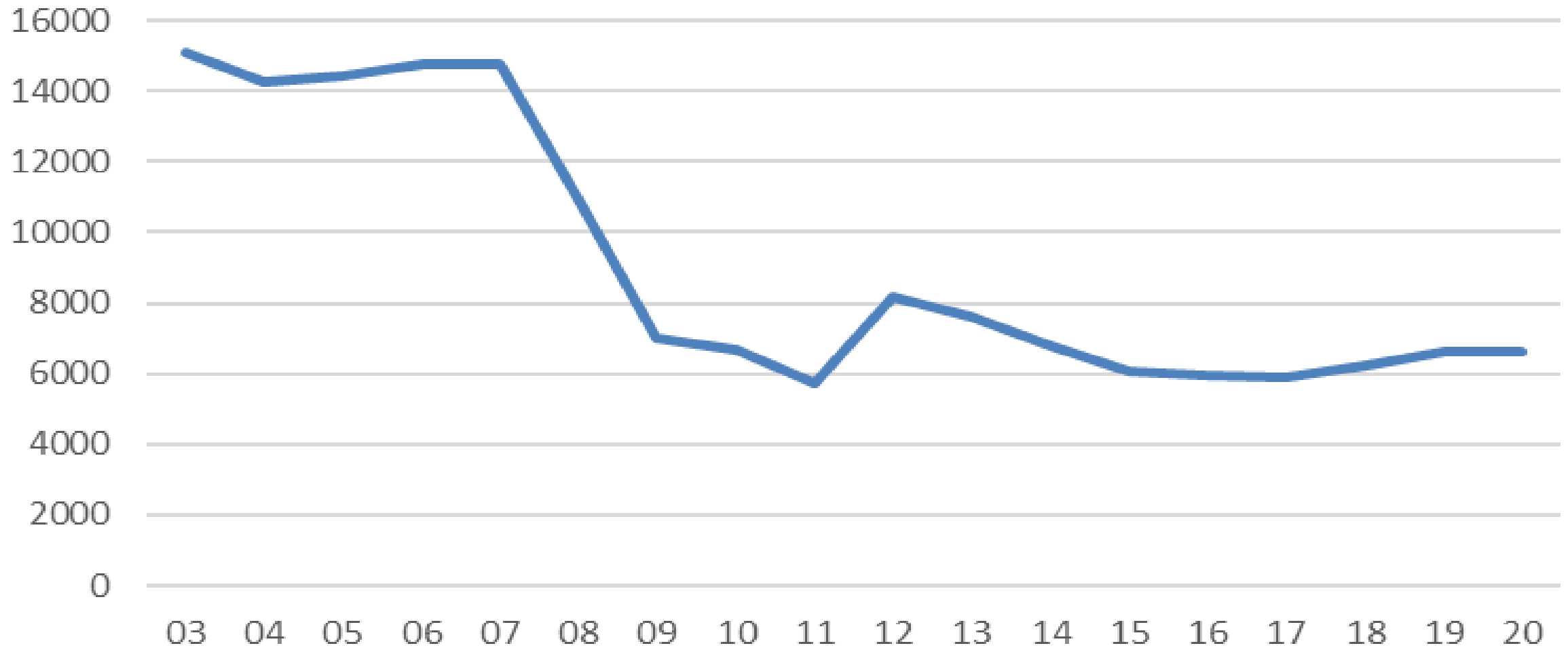
CAA Section 185 Penalty Provision Major Sources

As of 2007, the list included:

Nox Major?		VOC Major?		Facility Name
PTE	Act'l	PTE	Act'l	
yes	yes	yes	yes	CEMEX Quarry and River
yes	yes	yes	yes	PG&E Hinkley
yes	yes	yes	yes	NRG Coolwater
yes	yes	yes	yes	SCG Newberry Springs
yes	yes	yes	yes	High Desert Power Project
yes	yes	yes	no	SEGS III-VII (Kramer)
yes	yes	yes	no	SEGS VIII & IX (Harper)
yes	yes	yes	yes	USMCLB Yermo
yes	yes	yes	yes	Mitsubishi Cement
yes	yes	yes	no	AGC Glass
no	no	yes	no	C&M Wood Industries
no	no	yes	no	CalNev Barstow
no	no	yes	yes	Mobile Pipe Lining and Coating
no	no	yes	yes	Molded Fiberglass
no	no	yes	no	Northwest Pipe & Casing
yes	no	yes	no	SCG Adelanto
yes	no	no	no	SEGS I & II (Sunray)
yes	yes	yes	yes	CalPortland
yes	no	yes	yes	Lockheed Martin Aeronautical Co.
yes	yes	yes	yes	Northrop Grumman Systems Corp.



Major Source Emission Trend (tons of NOx and VOC)



CAA Section 185 Penalty Provision Affected Facilities

- 18 facilities in the District (and 2 in the AVAQMD)
- Major for either or both of NO_x and VOC (major is 25 tons per year potential to emit)
- No penalty provision has been activated by any agency, as there has been no finding of failure to attain
- Section 185 is triggered by failure to attain, without regard to reason for failure (or actual source of ozone causing failure)
- For the purpose of Section 185, a portion of the District and the AVAQMD are the same federal ozone nonattainment area and are therefore linked



CAA Section 185 Penalty Provision

Section 185 Penalty Structure

- Upon finding of failure to attain a given standard, mandatory penalties are levied on each major source during each year (after attainment year) that standard is not attained
- Penalty is based on emissions over 80 percent of actual facility emissions during attainment year (so 2007, 2019, 2027 and soon 2033 become baseline years for various standards)
- An indexed penalty per ton over the 80 percent baseline, which began at \$5000 per ton (and is up to \$10,663 per ton in 2021)
- For NOx and VOC (if major for that pollutant)





CAA Section 185 Penalty Provision

Multiple Penalty Potential

- As there are multiple standards, in theory there could be multiple penalties (based on different attainment years and therefore different baselines):

	Two Applicable Ozone Standards						Three Applicable Ozone Standards					Four			
2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034

- Proposed rule language will only apply one penalty per year (the greatest)

CAA Section 185 Penalty Provision

Any good news?

- Carl Moyer, AB2766 and lawn and garden equipment replacement program revenues have been deemed qualified as 'equivalent' to Section 185 penalties and will therefore proportionately reduce the penalty amounts
- In fiscal 2018, these totaled ~\$1.9 million in MD and another ~1.6 million in AV – in a theoretical scenario where we were not attaining the one hour standard that year (the only applicable standard that year), the equivalency account would have met the entire \$760,000 penalty amount. However – the theoretical scenario penalty amount in 2020 totals \$13.5 million...



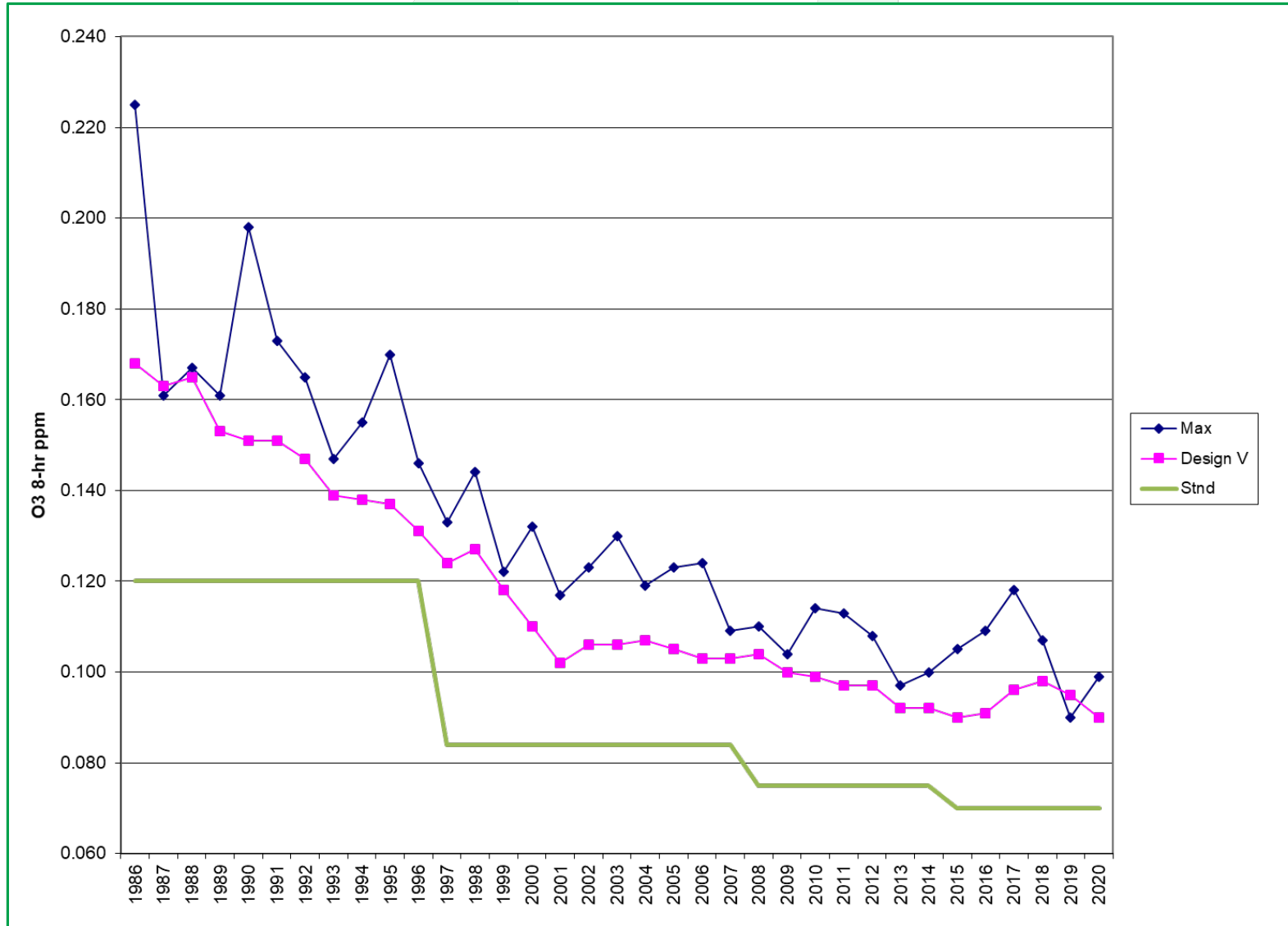
CAA Section 185 Penalty Provision

Ozone history

- Ozone history has been good since 2010
- Clean data finding for one hour (120 ppb) standard
- However, eight hour standards are problematical



CAA Section 185 Penalty Provision



CAA Section 185 Penalty Provision

Federal requirement

- District staff are concerned that, in the unlikely, but potential, case of a finding of failure to attain, without proposed rule structure USEPA could levy the Section 185 penalty(s) directly
- District position is that levying the penalty locally is preferred (and District would return the penalty through grants/projects to affected facilities)
- Also note that USEPA can be litigated and forced to take action, as could the District(s)



CAA Section 185 Penalty Provision

Rule history

- Rule 315 was adopted in 2011 to meet the one hour standard Section 185 required in each District
- Note the one hour standard nonattainment area includes a portion of SCAQMD
- This Rule version included aggregating language and other creative language
- USEPA commented negatively
- District does not plan to touch this rule as it should never be activated and it includes SCAQMD (the one hour FONAs were larger)



CAA Section 185 Penalty Provision USEPA Discussion

- These rules address existing Federal requirements, and USEPA has been litigated
- District staff have had extensive discussion with USEPA staff over several years on the subject of these rules
- District has incorporated all but one USEPA suggestions – the exception is the ‘only one applicable penalty’ language
- These rules address the requirement to have penalty rules, but are not expected to be fully approvable
- District staff proposes adoption to localize penalty and address submission requirement



CAA Section 185 Penalty Provision Staff Recommendation

- Adopt 315.1 - *Federal Clean Air Act Section 185 Penalty (1997 Standard)* which addresses first eight hour standard (1997 84 ppb standard)
- Adopt 315.2 - *Federal Clean Air Act Section 185 Penalty (2008 Standard)* which addresses second eight hour standard (2008 75 ppb standard)
- Questions?



The following page(s) contain the backup material for Agenda Item: Conduct a public hearing to consider the rescission of the applicable portions of SCAQMD Rule 407 – Liquid and Gaseous Air Contaminants and prior rules from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 406 – Specific Contaminants: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Alan De Salvio, Deputy APCO.
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #12

DATE: March 28, 2022

RECOMMENDATION: Conduct a public hearing to consider the rescission of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* and prior rules from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 406 – *Specific Contaminants*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

SUMMARY: The proposed SIP cleanup of the MDAQMD Rule 406 – *Specific Contaminants*, aims to update the SIP so that the Riverside County portion of the MDAQMD is subject to the same SIP approved rule as the San Bernardino County jurisdictions of the District.

BACKGROUND: In the late 1950s air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). This full county district adopted the predecessors of Rule 406 which included Rules 53A – *Specific Air Contaminants*, 52.1 – *Scavenger Plants*, 53.2 – *Sulfur Recovery Units*, and 53.3 – *Sulfuric Acid Units*. Similarly, air pollution control in the entire county of Riverside was governed by the Riverside County Air Pollution Control District (RCAPCD). The RCAPCD also had a predecessor to Rule 406 namely Rule 53 – *Specific Air Contaminants*. These rules were submitted by CARB as part of the initial California SIP submission which were approved by USEPA at 37 FR 19812, 9/22/1972.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #12

PAGE 2

Given the regional nature of the air pollution problem in Southern California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino counties entered into a Joint Powers Authority (JPA) Agreement on July 1, 1975 to form the Southern California Air Pollution Control District (SoCal APCD), a short-lived regional agency.

SoCal APCD held a hearing regarding the adoption of Rule 406 – *Specific Contaminants* to replace the Rule 53 series but the action was continued to June whereupon the SoCalAPCD Board requested that “set date” item was to be placed on the agenda for August with potential action in September of that year. It is unclear if any actions were taken on the rule as no agendas have been found for the August and September 1976 meetings.

The South Coast Air Quality Management District (SCAQMD) was formed effective February 1, 1977. Only those areas of San Bernardino County located within the South Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in SCAQMD’s jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCal APCD had not yet been dissolved. Based upon this presumption, CARB adopted a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 (G-73 Rulebook).

There is no version of Rule 406 in the G-73 Rulebook, however it did contain a number of variations on Rule 53 specifically: Riverside County APCD Rule 53 – *Specific Air Contaminants*; San Bernardino County APCD Rule 53A – *Specific Contaminants*; San Bernardino County APCD Rule 53.1 – *Scavenger Plants*. CARB submitted this rulebook as a SIP revision and it was approved into the SIP at 43 FR 40011, 9/8/1978.

By June of 1977 the SoCalAPCD was formally dissolved into its component county air districts covering the non-SCAB areas of the respective counties. The San Bernardino County Air Pollution Control District (SBCAPCD – Desert District) thereafter, on 7/25/1977, readopted the entire rule book with minimal changes. One of the changes included the replacement of the Rule 53 series with Rule 406. CARB submitted the 7/25/1977 rulebook and USEPA only approved Rule 406(a) as a SIP revision taking no action on subpart (b) at 43 FR 59489, 12/21/1978. Unfortunately, the action did not specifically remove rule 53A from the SIP and therefore both Rule 406(a) and Rule 53A remain in the SIP for the San Bernardino County portion of the MDAQMD.

At the end of 1977, the non-SCAB areas of Riverside County opted in to SCAQMD. CARB submitted a resolution opting in a SIP revision to replace all the Riverside County rules with SCAQMD rules both in the rulebook and in the SIP. This action was SIP approved at 47 FR 25013, 6/9/1982.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #12

PAGE 3

The Riverside County “opt in” resulted in that area gaining SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* which was substantively identical to Riverside County APCD. In 1982 SCAQMD amended Rule 407. CARB submitted SCAQMD Rule 407 and USEPA approved at 47 FR 50864, 11/10/1982. Once again, the action did not delete the old RCAPCD Rule 53. This means that RCAPCD Rule 53 as well as SCAQMD Rule 407 are in the SIP for Riverside County portion of the MDAQMD.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that area. Since Rule 406 has not been amended since the 7/25/1977 rulebook that version, along with Rule 53A which was never deleted from the SIP, remains in the SIP for the San Bernardino County portion of the MDAQMD.

Utilizing a provision of the MDAQMD’s enabling legislation, Riverside County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1, 1994. Since the SIP in effect in Riverside County at this time included both SCAQMD 407 and RCAPCD Rule 53 these rules remain in the SIP for the Riverside County Portion of the MDAQMD.

The current action is intended to request that USEPA rescind SBCAPCD Rule 53A and RSCAPCD Rule 53 (the 2-digit versions of MDAQMD Rule 406), as well as the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the rescission of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* and prior rules from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 406 – *Specific Contaminants* the pursuant to the requirements of CEQA.

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

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #12

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REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about March 7, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO

RESOLUTION NO. 01-_____

1 **A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT**
2 **AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING**
3 **THE NOTICE OF EXEMPTION, RESCINDING THE APPLICABLE PORTIONS OF**
4 **SCAQMD RULE 407 – *LIQUID AND GASEOUS AIR CONTAMINANTS* AND PRIOR**
5 **RULES FROM THE STATE IMPLEMENT PLAN (SIP) FOR THE BLYTHE/PALO**
6 **VERDE VALLEY PORTION OF THE MDAQMD AND REPLACING THEM WITH**
7 **THE CURRENT MDAQMD SIP RULE 406 – *SPECIFIC CONTAMINANTS* AND**
8 **DIRECTING STAFF ACTIONS.**

9 On March 28, 2022, on motion by Member _____, seconded by
10 Member _____, and carried, the following resolution is adopted:

11 **WHEREAS**, the Mojave Desert Air Quality Management District (MDAQMD) has
12 authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728
13 to adopt, amend or repeal rules and regulations; and

14 **WHEREAS**, the MDAQMD is proposing to rescind SCAQMD Rule 407 – *Liquid and*
15 *Gaseous Air Contaminants* and prior rules from the SIP for the Blythe/Palo Verde Valley
16 portion of the MDAQMD in Riverside County and replace them with the current MDAQMD
17 SIP Rule 406 – *Specific Contaminants*; and

18 **WHEREAS**, in the late 1950s air pollution control in the entire County of San
19 Bernardino was governed by the San Bernardino County Air Pollution Control District
20 (SBCAPCD – Full County District); and

21 **WHEREAS**, this full county district adopted the predecessors of Rule 406 which
22 included Rules 53A – *Specific Air Contaminants*, 52.1 – *Scavenger Plants*, 53.2 – *Sulfur*
23 *Recovery Units*, and 53.3 – *Sulfuric Acid Units*; and

24 **WHEREAS**, RCAPCD also had a predecessor to Rule 406, namely Rule 53 – *Specific*
25 *Air Contaminants*; and

26 **WHEREAS**, these rules were submitted by CARB as part of the initial California SIP
27 submission and were approved by into the SIP (37 FR 19812, 9/22/1972); and

28 **WHEREAS**, given the regional nature of the air pollution problem in Southern
California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino
counties entered into a Joint Powers Authority (JPA) Agreement on July 1, 1975 to form the
Southern California Air Pollution Control District (SoCal APCD), a short-lived regional

RESOLUTION NO. 01-_____

1 agency; and

2 **WHEREAS**, SoCal APCD held a hearing regarding the adoption of Rule 406 –
3 *Specific Contaminants* to replace the Rule 53 series but the action was continued and never
4 submitted to EPA; and

5 **WHEREAS**, the South Coast Air Quality Management District (SCAQMD) was
6 formed effective February 1, 1977

7 **WHEREAS**, only those areas of San Bernardino County located within the South
8 Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in SCAQMD’s
9 jurisdiction; and

10 **WHEREAS**, non-SCAB areas were presumed to revert to county districts despite the
11 fact that the SoCalAPCD had not yet been dissolved; and

12 **WHEREAS**, based upon this presumption, CARB adopted a rulebook for the non-
13 SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73
14 (G-73 Rulebook); and

15 **WHEREAS**, there was no version of Rule 406 in the G-73 Rulebook, however it did
16 contain a number of variations on Rule 53 specifically: Riverside County APCD Rule 53 –
17 *Specific Air Contaminants*; San Bernardino County APCD Rule 53A – *Specific Contaminants*;
18 San Bernardino County APCD Rule 53.1 – *Scavenger Plants*, and

19 **WHEREAS**, CARB submitted this rulebook as a SIP revision and it was approved into
20 the SIP (43 FR 40011, 9/8/1978); and

21 **WHEREAS**, by June of 1977 the SoCalAPCD was formally dissolved into its
22 component county air districts covering the non-SCAB areas of the respective counties, and

23 **WHEREAS**, The San Bernardino County Air Pollution Control District (SBCAPCD –
24 Desert District) thereafter, on 7/25/1977, readopted the entire rule book which included the
25 replacement of the Rule 53 series with Rule 406; and

26 **WHEREAS**, USEPA only approved Rule 406(a) as a SIP revision taking no action on
27 subpart (b) (43 FR 59489, 12/21/1978), and

28 **WHEREAS**, the action did not specifically remove rule 53A from the SIP and

RESOLUTION NO. 01-_____

1 therefore both Rule 406(a) and Rule 53A remain in the SIP for the San Bernardino County
2 portion of the MDAQMD, and

3 **WHEREAS**, at the end of 1977, the non-SCAB areas of Riverside County opted in to
4 SCAQMD; and

5 **WHEREAS**, CARB submitted a resolution including a SIP revision to replace all the
6 Riverside County rules with SCAQMD rules both in the rulebook and in the SIP, later
7 approved by USEPA (47 FR 25013, 6/9/1982); and

8 **WHEREAS**, the Riverside County “opt in” resulted in that area gaining SCAQMD
9 Rule 407 – *Liquid and Gaseous Air Contaminants* which was substantively identical to
10 RCAPCD; and

11 **WHEREAS**, in 1982 SCAQMD amended Rule 407 and it was submitted and approved
12 for inclusion in the SIP (47 FR 50864, 11/10/1982); and

13 **WHEREAS**, the action did not delete the old RCAPCD Rule 53, meaning that
14 RCAPCD Rule 53 as well as SCAQMD Rule 407 are in the SIP for Riverside County portion
15 of the MDAQMD; and

16 **WHEREAS**, on July 1, 1993, the SBCAPCD became, pursuant to statute, the
17 autonomous agency known as the Mojave Desert Air Quality Management District
18 (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that
19 area; and

20 **WHEREAS**, since Rule 406 has not been amended since the 7/25/1977 rulebook that
21 version, along with Rule 53A, remains in the SIP for the San Bernardino County portion of the
22 MDAQMD, and

23 **WHEREAS**, utilizing a provision of the MDAQMD’s enabling legislation, Riverside
24 County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the
25 MDAQMD effective July 1, 1994; and

26 **WHEREAS**, since the SIP in effect in Riverside County at this time included both
27 SCAQMD 407 and RCAPCD Rule 53 these rules remain in the SIP for the Riverside County
28 Portion of the MDAQMD; and

RESOLUTION NO. 01-_____

1 **WHEREAS**, the current action is intended to request that USEPA rescind SBCAPCD
2 Rule 53A and RSCAPCD Rule 53 as well as the applicable portions of SCAQMD Rule 407
3 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction
4 of the MDAQMD from the SIP and replace them with the current MDAQMD Rule 406; and

5 **WHEREAS**, the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and
6 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
7 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement
8 with the current MDAQMD Rule 406 was reviewed by the Technical Advisory Committee
9 (TAC), a committee consisting of a variety of regulated industry and local governmental
10 entities; and

11 **WHEREAS**, the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and
12 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
13 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement
14 with the current MDAQMD Rule 406 is necessary to make the same SIP provisions applicable
15 to the entire MDAQMD jurisdiction; and

16 **WHEREAS**, the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and
17 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
18 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement
19 with the current MDAQMD Rule 406 is clear in that the meaning can be easily understood by
20 the persons impacted by the Rule; and

21 **WHEREAS**, the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and
22 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
23 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement
24 with the current MDAQMD Rule 406 is in harmony with, and not in conflict with, or
25 contradictory to existing statutes, court decisions, or state or federal regulations; and

26 **WHEREAS**, the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and
27 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
28 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement

RESOLUTION NO. 01-_____

1 with the current MDAQMD Rule 406 does not impose the same requirements as any existing
2 state or federal regulation because the applicable CFR subparts require state and/or local
3 regulations for implementation; and

4 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H
5 & S Code §40725, concerning the proposed rescission of SBCAPCD Rule 53A, RSCAPCD
6 Rule 53 and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde
7 Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP
8 and replacement with the current MDAQMD Rule 406; and

9 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR
10 §15308) for the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and
11 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
12 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement
13 with the current MDAQMD Rule 406 – *Specific Contaminants*, completed in compliance with
14 the California Environmental Quality Act (CEQA), has been presented to the MDAQMD
15 Board; each member having reviewed, considered and approved the information contained
16 therein prior to acting on the proposed SIP action regarding Rule 406, and the MDAQMD
17 Board having determined that the proposed amendment will not have any potential for
18 resulting in any adverse impact upon the environment; and

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

21 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the
22 MDAQMD finds that the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53
23 and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe
24 area of Riverside County within the jurisdiction of the MDAQMD from the SIP and
25 replacement with the current MDAQMD Rule 406 – *Specific Contaminants* is necessary,
26 authorized, clear, consistent, non-duplicative and properly referenced; and

27 **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD hereby
28 makes a finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies

RESOLUTION NO. 01-_____

1 the Notice of Exemption for the proposed SIP action standardizing Rule 406 applicability to the
2 entire MDAQMD; and

3 **BE IT FURTHER RESOLVED**, that the Board of the MDAQMD does hereby adopt,
4 pursuant to the authority granted by law, the proposed amendment of Rule 406 as set forth in
5 the attachments to this resolution and incorporated herein by this reference; and

6 **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately
7 upon adoption, and that the Senior Executive Analyst – Confidential is directed to file the
8 Notice of Exemption in compliance with the provisions of CEQA.

9 //

10 **PASSED, APPROVED and ADOPTED** by the Governing Board of the Mojave Desert Air
11 Quality Management District by the following vote:

12 **AYES:** MEMBER:

13 **NOES:** MEMBER:

14 **ABSENT:** MEMBER:

15 **ABSTAIN:** MEMBER:

16)

17 STATE OF CALIFORNIA)

18) SS:

19 COUNTY OF SAN BERNARDINO)

20)

21 I, Deanna Hernandez, Senior Executive Analyst – Confidential of the Mojave Desert
22 Air Quality Management District, hereby certify the foregoing to be a full, true and correct
23 copy of the record of the action as the same appears in the Official Minutes of said Governing
24 Board at its meeting of March 28, 2022.

25 _____, Senior Executive Analyst – Confidential
26 Mojave Desert Air Quality Management District
27
28



Draft

Staff Report

Rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53 and applicable portions of SCAQMD Rule 407 as in the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD in Riverside County and replacement with the current MDAQMD **Rule 406** – *Specific Contaminants*.

For presentation to the
Mojave Desert AQMD Governing Board on
March 28, 2022

**Mojave Desert
Air Quality
Management District**

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Victorville, CA 92392-2310
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STAFF REPORT
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List of Acronyms

APCO	Air Pollution Control Officer
BACT	Best Available Control Technology
BAAQMD	Bay Area Air Quality Management District
BARCT	Best Available Retrofit Control Technology
CARB	California Air Resources Board
CCAA	California Clean Air Act
CEQA	California Environmental Quality Act
CTG	Control Techniques Guidelines
DCP	Dust Control Plan
FCAA	Federal Clean Air Act
H&S Code	California Health & Safety Code
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
NAAQS	National Ambient Air Quality Standards
NO _x	Oxides of Nitrogen
PM ₁₀	Ultrafine particles with an aerodynamic diameter less than 0.1 micrometers
RACM	Reasonably Available Control Measures
RACT	Reasonably Available Control Technology
SCAQMD	South Coast Air Quality Management District
SIP	State Implementation Plan
SJVUAPCD	San Joaquin Valley Unified Air Quality Management District
SO _x	Oxides of Sulfur
USEPA	United States Environmental Protection Agency
VOC	Volatile Organic Compounds

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STAFF REPORT

Rule 406 – *Specific Contaminants*

I. PURPOSE OF STAFF REPORT

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

II. EXECUTIVE SUMMARY

The Mojave Desert Air Quality Management Board (MDAQMD or District) has the authority pursuant to California Health & Safety (H&S) Code §40702 to adopt, amend or repeal rules and regulations. Mojave Desert Air Quality Management District is proposing to take a rule action in order to adopt a SIP Submittal to rescind SBCAPCD Rule 53A and RSCAPCD Rule 53 (the 2-digit predecessors of MDAQMD Rule 406), as well as the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replace them with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

In the late 1950s air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). This full county district adopted the predecessors of Rule 406 which included Rules 53A – *Specific Contaminants*, 52.1 – *Scavenger Plants*, 53.2 – *Sulfur Recovery Units*, and 53.3 – *Sulfuric Acid Units*. Similarly, air pollution control in the entire county of Riverside was governed by the Riverside County Air Pollution Control District (RCAPCD). The RCAPCD also had a predecessor to Rule 406 namely Rule 53 – *Specific Air Contaminants*. These rules were submitted by CARB as part of the initial California SIP submission which were approved by USEPA at 37 FR 19812, 9/22/1972.

Given the regional nature of the air pollution problem in Southern California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino counties entered into a Joint Powers Authority (JPA) Agreement on July 1, 1975 to form the Southern California Air Pollution Control District (SoCal APCD), a short-lived regional agency.

SoCal APCD held a hearing regarding the adoption of Rule 406 – *Specific Contaminants* to replace the Rule 53 series but the action was continued to June whereupon the SoCalAPCD Board requested that “set date” item was to be placed on the agenda for August with potential action in September of that year. It is unclear if any actions were taken on the rule as no agendas have been found for the August and September 1976 meetings.

The South Coast Air Quality Management District (SCAQMD) was formed effective February 1, 1977. Only those areas of San Bernardino County located within the South Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in SCAQMD's jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCal APCD had not yet been dissolved. Based upon this presumption, CARB adopted a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 (G-73 Rulebook).

There is no version of Rule 406 in the G-73 Rulebook, however it did contain a number of variations on Rule 53 specifically: Riverside County APCD Rule 53 – Specific Air Contaminants; San Bernardino County APCD Rule 53A – Specific Contaminants; San Bernardino County APCD Rule 53.1 – Scavenger Plants. CARB submitted this rulebook as a SIP revision and it was approved into the SIP at 43 FR 40011, 9/8/1978.

By June of 1977 the SoCalAPCD was formally dissolved into its component county air districts covering the non-SCAB areas of the respective counties. The San Bernardino County Air Pollution Control District (SBCAPCD – Desert District) thereafter, on 7/25/1977, readopted the entire rule book with minimal changes. One of the changes included the replacement of the Rule 53 series with Rule 406. CARB submitted the 7/25/1977 rulebook and USEPA only approved Rule 406(a) as a SIP revision taking no action on subpart (b) at 43 FR 59489, 12/21/1978. Unfortunately, the action did not specifically remove rule 53A from the SIP and therefore both Rule 406(a) and Rule 53A remain in the SIP for the San Bernardino County portion of the MDAQMD.

At the end of 1977, the non-SCAB areas of Riverside County opted in to SCAQMD. CARB submitted this resolution opting in as a SIP revision to replace all the Riverside County rules with SCAQMD rules both in the rulebook and in the SIP. This action was SIP approved at 47 FR 25013, 6/9/1982.

The Riverside County “opt in” resulted in that area gaining SCAQMD Rule 407 – Liquid and Gaseous Air Contaminants which was substantively identical to Riverside County APCD. In 1982 SCAQMD amended Rule 407. CARB submitted SCAQMD Rule 407 and USEPA approved at 47 FR 50864, 11/10/1982. Once again, the action did not delete the old RCAPCD Rule 53. This means that RCAPCD Rule 53 as well as SCAQMD Rule 407 are in the SIP for Riverside County portion of the MDAQMD.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that area. Since Rule 406 has not been amended since the 7/25/1977 rulebook that version, along with Rule 53A which was never deleted from the SIP, remains in the SIP for the San Bernardino County portion of the MDAQMD.

Utilizing a provision of the MDAQMD's enabling legislation, Riverside County's Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1,

1994. Since the SIP in effect in Riverside County at this time included both SCAQMD 407 and RCAPCD Rule 53 these rules remain in the SIP for the Riverside County Portion of the MDAQMD.

The current action is intended to request that USEPA rescind SBCAPCD Rule 53A and RSCAPCD Rule 53 (the 2-digit versions of MDAQMD Rule 406), as well as the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD or District) rescind SBCAPCD Rule 53A and RSCAPCD Rule 53, as well as the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replace them with the current MDAQMD Rule 406 – *Specific Contaminants*. This action is necessary so that Blythe and the rest of the Palo Verde Valley are subject to the SIP approved Rule 406 currently published in the MDAQMD Rulebook.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendment of Rule 406 – *Specific Contaminants*. Each item is discussed, if applicable, in Section V. Copies of related documents are included in the appropriate appendices.

FINDINGS REQUIRED FOR RULES & REGULATIONS:

- Necessity
- Authority
- Clarity
- Consistency
- Nonduplication
- Reference
- Public Notice & Comment
- Public Hearing

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

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

ELEMENTS OF A FEDERAL SUBMISSION:

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

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

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

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

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

OTHER:

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

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed SIP rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replacement with current MDAQMD Rule 406 – *Specific Contaminants*. These are actions that need to be performed and/or information that must be provided in order to rescind and replace the SIP rule in a procedurally correct manner.

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

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

a. Necessity:

The proposed action standardizing Rule 406 applicability to the entire MDAQMD is necessary so that Blythe and the Palo Verde Valley are subject to the same SIP approved Rule 406 as is currently published in the MDAQMD rulebook.

b. Authority:

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

c. Clarity:

The proposed action standardizing Rule 406 applicability to the entire MDAQMD is clear in that it is written so that the persons subject to the rule can easily understand the meaning.

d. Consistency:

The proposed action standardizing Rule 406 applicability to the entire MDAQMD is in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions because this SIP action will ensure that all portions of the MDAQMD are subject to the same SIP

approved Rule 406 currently published in the MDAQMD rulebook.

e. Non-duplication:

The proposed action standardizing Rule 406 applicability to the entire MDAQMD does not impose the same requirements as any existing state or federal law or regulation. This SIP action will simply ensure that all portions of the MDAQMD are subject to the same approved Rule 406 currently published in the MDAQMD rulebook.

f. Reference:

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

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed action standardizing Rule 406 applicability to the entire MDAQMD was published February 25, 2022 for the March 28, 2022 meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

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

Submittals to United States Environmental Protection Agency (USEPA) are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. The information below indicates which elements are required for the proposed SIP rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replace it with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

a. Satisfaction of Underlying Federal Requirements:

The amendments to the SIP regarding Rule 406 are subject to all the requirements for a State Implementation Plan (SIP) submittal because Rule 406 and several older versions of the rule containing the same language are currently in the SIP. The proposed action would rescind SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replace them with current MDAQMD Rule 406 – *Specific Contaminants*.

The criteria for determining completeness of SIP submissions are set forth in 40 CFR Part 51, Appendix V, 2.0.

b. Public Notice and Comment:

Notice for the public hearing for proposed action standardizing Rule 406 applicability to the entire MDAQMD was published on or about February 25, 2022 for the March 28, 2022 meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

c. Availability of Document:

Copies of proposed action standardizing Rule 406 applicability to the entire MDAQMD and the accompanying draft staff report was made available to the public on February 11th.

d. Notice to Specified Entities:

Copies of proposed action standardizing Rule 406 applicability to the entire MDAQMD, and the accompanying draft staff report were sent to all affected agencies. The proposed SIP rule action was sent to the California Air Resources Board (CARB) and U.S. Environmental Protection Agency (USEPA) on February 11th, 2022.

e. Public Hearing:

A public hearing to consider the proposed SIP rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replacement with current MDAQMD Rule 406 – Specific Contaminants was conducted on March 28, 2022.

f. Legal Authority to Adopt and Implement:

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

g. Applicable State Laws and Regulations Were Followed:

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

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

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The proposed SIP rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replacement with current MDAQMD Rule 406 – *Specific Contaminants*, only changes applicability of the SIP and does not affect existing requirements.

C. ECONOMIC ANALYSIS

1. General

The proposed action standardizing Rule 406 applicability to the entire MDAQMD, only changes applicability of the SIP and does not affect existing requirements.

2. Incremental Cost Effectiveness

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act (CCAA) requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds (VOCs), oxides of nitrogen (NO_x) or oxides of sulfur (SO_x). Proposed action standardizing Rule 406 applicability to the entire MDAQMD is not subject to incremental cost effectiveness calculations because it does not involve BARCT or “all feasible measures.”

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed SIP rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replacement with current MDAQMD Rule 406 – *Specific Contaminants* was determined.

1. The proposed action standardizing Rule 406 applicability to the entire MDAQMD meets the CEQA definition of “project.” They are not “ministerial” actions.

2. The proposed action standardizing Rule 406 applicability to the entire MDAQMD is exempt from CEQA review because the proposed amendments and rescissions will not create any adverse impacts on the environment. Copies of the documents relating to CEQA can be found in Appendix “D”.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The potential environmental impacts of compliance with the proposed action standardizing Rule 406 applicability to the entire MDAQMD will not have any environmental consequences, because the language of the rule will not be changed.

2. Mitigation of Impacts

N/A.

3. Alternative Methods of Compliance

N/A.

F. PUBLIC REVIEW

See Staff Report Appendix “B.”

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

No sources will be impacted by the action. MDAQMD Rule 406 is currently enforced throughout the District. The language in the rule will not be changed.

B. EMISSIONS

No emissions will be impacted by the action. MDAQMD Rule 406 is currently enforced throughout the District. The language in the rule will not be changed.

C. CONTROL REQUIREMENTS

N/A

D. PROPOSED RULE SUMMARY

There are no proposed changes to any of the rules discussed in this staff report, this is a rule action to remove old and duplicate language regarding the rule from the California SIP.

E. SIP HISTORY

1. SIP History

SIP and Rule history timeline for both the San Bernardino and Riverside County Portions of MDAQMD

6/19/1956 – San Bernardino County APCD – full county district (SBCAPCD – full county district) formed.

11/6/1961 – SBCAPCD – full county district full rulebook publication. Note: Rules at this point were in ## format

6/11/1968 – SBCAPCD – full county district full rulebook amended, effective 7/11/1968. Note: Rules still numbered ##.

8/18/1970 – SBCAPCD – full county district full rulebook published. Note: Rules now primarily 2 digits with a few 3-digit rules.

6/30/1972 - Original Rule 53 – Specific Air Contaminants of Riverside County APCD and Rules 53A – Specific Air Contaminants, 52.1 – Scavenger Plants, 53.2 – Sulfur Recovery Units, and 53.3 – Sulfuric Acid Units of SBCAPCD – full county district submitted by CARB as SIP revision 6/30/1972 as part of initial CA SIP submission.

9/22/1972 – USEPA acted at 37 FR 19812, 9/22/1972 and presumably approved the rules (40 CFR 52.220(c)(1-2)) but noted that the provisions of 40 CFR 51.15(c) were not met in either the Metropolitan Los Angeles Interstate region and the southeast Desert Intrastate region because SBCAPCD Rules 53A(a), 53A(b), 53A(c), 53.2, 53.3 and Riverside County APCD Rule 53A did not provide increments of Progress. (See 40 CFR 52.240(a)(1)(i), (a)(1)(ii), (a)(5)(i) and (a)(5)(ii)).

2/13/1973 – SBCAPCD – full county district rulebook published. Rules still mostly 2 digits with a few 3-digit rules.

3/31/1975 – SBCAPCD – full county district rulebook update published. Rules still mostly 2 digits with a few 3-digit rules.

7/1/1975 – Los Angeles, Orange, Riverside and San Bernardino Counties formed the Southern California APCD (SoCalAPCD), a JPA for regional air pollution control. All Rules of respective air districts remain in effect for the original area until changed by the SoCalAPCD.

5/7/1976 - SoCalAPCD Agenda indicated hearing on adoption of 406. Minutes indicated item was continued to June meeting.

6/4/1976 – SoCalAPCD June meeting agenda indicated “set date” in August for September hearing on Rule 406. Don’t have either minutes or Agendas for August or September meetings (But by this time SCAQMD was on the horizon with an effective date in February so I suspect nothing much was done.)

2/1/1977 – Effective date of legislation (Stats 1976 Ch 324 §5) creating SCAQMD in the South Coast Air Basin (See also H&S Code 40410). County areas outside SCAB could “contract” for air pollution control services in the non-SCAB areas (See former H&S Code 40413).

2/1/1977 – CARB adopts a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino County via Executive Order G-73 (the G-73 rulebook). There is no version of Rule 406 in this rulebook. However, the rulebook contains a number of variations on Rule 53 as follows: Los Angeles County Rule 53 – Sulfur Compounds – Concentration, Riverside County APCD Rule 53 – Specific Air Contaminants, San Bernardino County APCD Rule 53A – Specific Contaminants, San Bernardino County APCD Rule 53.1 – Scavenger Plants

6/6/1977 – CARB submits the G-73 Rulebook as a SIP revision to USEPA (See 42 FR 46554, 9/16/1977). Does NOT contain Rule 406, see above notation.

7/25/1977 – SBCAPCD readopts, with minor changes, the entire rulebook. Rule 406 appears to have been added to replace various Rule 53 items.

10/1/1977 – Effective date of legislation allowing non-SCAB areas of Los Angeles, Riverside and San Bernardino County to “opt in” to SCAQMD.

12/1/1977 – Effective date of Riverside County Resolution 77-362 that “opted in” to SCAQMD for the non-SCAB areas of Riverside County.

6/14/1978 – USEPA acted at 43 FR 25684, 6/14/1978 approving SBCAPCD 53A and Riverside County 53. Textually the FR notice applied to only the Los Angeles Metropolitan AQCR area of Los Angeles, Riverside and San Bernardino Counties BUT the CFR citations make no such distinction. (See 40 CFR 52.220(c)(21)(xv)(A) and (c)(28)(x)(A)).

9/8/1978 – USEPA acts at 43 FR 40011, 9/8/1978 approving SBCAPCD Rule 53A and Riverside County 53 into the SIP for the “desert portion” of each county. This appears to be the G-73 Rulebook version of these rules. This implies that SBCAPCD Rule 53A and Riverside County 53 remain in the SIP for their respective areas. (See SCAQMD Reg IV Addendum, however, SCAQMD Rule 407 containing the Riverside County APCD Rule 53 language is ALSO in the SIP...see below.)

11/4/1978 – CARB submits SBCAPCD Rule 406 as a SIP revision (43 FR 24071, 6/2/1978)

12/21/1978 – USEPA acts at 43 FR 59489, 12/21/1978 approves Rule 406(a) but takes no action on part (b) as it “is not specifically directed at attainment or maintenance of the NAAQS.” Therefore 406(a) is in the SIP for the San Bernardino County Portion of the MDAQMD.

6/12/1979 – The SBCAPCD was in the process of gearing up to create its own staff for the district and SCAQMD was refusing to provide historical records without an astronomical amount of funds for “copying charges” for either the SoCal APCD or the SBCAPCD (See draft memo of 1979 12 Jun).

8/11/1980 – CARB submits Riverside County Resolution 77-362 as a SIP revision. The intent is that the SCAQMD Rules would replace any Riverside County APCD rules in effect as of the effective date of the resolution.

1/16/1981 – USEPA acts on realignment of various CA air basin boundaries and conforms Air Quality Control Regions to match at 46 FR 3883, 1/16/1981. Quite a few shifts in the CFR are made to “conform” previous actions with shifts in designations of certain regions as they move from one AQCR to another. Of these Rule 53A of SBCAPCD is noted as not having appropriate compliance schedules/increments of progress as is Riverside County APCD Rule 53 (aka 40 CFR 51.15(c) requirements are not met, See 40 CFR 52.240).

4/2/1982 – SCAQMD amends Rule 407 to add language identical (except that the limits are now expressed in PPM) to that in Riverside County APCD Rule 53. (See also Rule 407 Timeline).

6/9/1982 – USEPA approves at 47 FR 25013, 6/9/1982 the action replacing Riverside County APCD rules with SCAQMD APCD rules in the non-SCAB areas of Riverside County. Unfortunately, this notation only occurs in the FR text and no CFR citations are changed.

8/6/1982 – CARB submits Rule 407 (with the Riverside Co APCD Rule 53 language added) as a SIP revision.

11/10/1982 – USEPA approves Rule 407 (with the Riverside Co APCD Rule 53 language included) at 47 Fr 50864, 11/10/1982. Rule 53 is NOT deleted from the SIP nor is the quasi-disapproval of 1/16/1981. This means that the Rule 53 language as contained in Rule 407 is in the SIP for Riverside County portion of the MDAQMD.

7/1/1986 – SBCAPCD republishes entire rulebook.

11/20/1989 – SBCAPCD republishes entire rulebook.

7/1/1993 – effective date of MDAQMD (statutory). MDAQMD assumes all powers, duties and rules of former SBCAPCD (the desert district.)

7/1/1994 – effective date of Blythe/Palo Verde Valley region leaving SCAQMD and becoming part of the MDAQMD.

2. SIP Analysis

Rule 406 as adopted on February 20, 1977 was submitted and approved for both the San Bernardino and Riverside County portions of the MDAQMD.

The current action is intended to request that USEPA rescind SBCAPCD Rule 53A and RSCAPCD Rule 53 (the 2-digit versions of MDAQMD Rule 406), as well as applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

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Appendix “A”
Rule 406 – *Specific Contaminants* Iterated Version

There is no iterated version of Rule 406 as there are no changes being made. However, a comparison between the various SIP versions has been provided:

Highlighted Yellow = In SB Sip but not in Palo Verde/Blythe SIP

Highlighted Green = In Palo Verde/Blyth SIP but not in SB SIP

Underlined = Not Applicable by terms in either SB or Palo/Verde Valley

Blue text = Language not in SIP.

Rule 406 Specific Contaminants

A person shall not discharge into the atmosphere from any single source of emission whatsoever, any one or more of the following contaminants in any state or combination thereof, exceeding in concentration:

- (a) Sulfur compounds, which would exist as a liquid or gas at standard conditions, calculated as sulfur dioxide (SO₂):

500 ppm by volume.

- (b) The following elements and compounds which would exist as liquid or gas at standard conditions:

<u>ELEMENT OR COMPOUND</u>	<u>LIMITATIONS (PPM BY VOLUME)</u>
Hydrogen Fluoride (HF)	400
Hydrogen Chloride (HCl)	800
Hydrogen Bromide (HBr)	50
Bromine (Br)	50
Chlorine (Cl ₂)	450
Fluorine (F ₂)	50

This rule does not apply to combined fluorides, chlorides or bromides, other than the acid version. With respect to fluorides, the rule applies only to the combustion of hydrogen-containing fuels and fluorine-containing oxidizers to form hydrogen fluoride.

Compliance of aerospace vehicle rocket engine firings with the limits of this rule shall be determined by measurement of contaminant concentrations at ground level at the property line, or boundary, of the military base, reservation, or property on which the test site is located.

Riverside County APCD
Rule 53 – Specific Air Contaminants
(Transcription of G-73 Rulebook)

(a) Sulfur Compounds. A person shall not discharge into the atmosphere from any single source within the following areas of Riverside County, sulfur compounds in any state or combination thereof, in excess of the following concentrations at the point of discharge:

(1) In the West-Central Area, 0.05 percent by volume calculated as sulfur dioxide (SO₂).* *(Handwritten note that this reference is to an area located within SCAQMD)*

(2) In all portions of Riverside County not within the West-Central Area, 0.15 percent by volume calculated as sulfur dioxide (SO₂).

San Bernardino County APCD Rule 53A – Specific Contaminants (Transcription of G-73 Rulebook)

A person shall not discharge into the atmosphere from any single source of emission whatsoever, any one or more of the following contaminants in any state or combination thereof, exceeding in concentration:

- (a) Sulfur compounds, which would exist as a liquid or gas at standard conditions, calculated as sulfur dioxide (SO₂): 500 ppm by volume.

Rule 53(a) is effective until January 1, 1975 for all existing operations. Rule 53A(a) is effective immediately for all new sources and is effective after January 1, 1975 for all sources.

- (c) The following elements and compounds which would exist as liquid or gas at standard conditions:

ELEMENT OR COMPOUND	LIMITATIONS (PPM BY VOLUME)
Hydrogen Fluoride (HF)	400
Hydrogen Chloride (HCl)	800
Hydrogen Bromide (HBr)	50
Bromine (Br)	50
Chlorine (Cl ₂)	450
Fluorine (F ₂)	50

This rule does not apply to combined fluorides, chlorides or bromides, other than the acid version. With respect to fluorides, the rule applies only to the combustion of hydrogen-containing fuels and fluorine-containing oxidizers to form hydrogen fluoride. Any owner or operator of a system exceeding these limits shall comply with the following schedule:

- (1) By March 1, 1975 – apply for an Authority to Construct from the Air Pollution Control Officer for the installation of the needed control systems.
- (2) By April 1, 1975 – Submit to the Air Pollution Control Officer, evidence that all necessary contracts for the design, procurement and installation of the required emissions control systems have been negotiated and signed, or evidence that orders for the purchase of component parts necessary to accomplish emission control have been issued.
- (3) By August 1, 1975 – initiate on-site construction or installation of emission control equipment.

(4) By November 1, 1975 – complete on-site construction or installation of emission control equipment.

(5) By January 1, 1976 – secure the Air Pollution Control Officer’s approval of all equipment and assure final compliance with this Rule.

This rule is effective September 10, 1974.

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Appendix “B”
Public Notice Documents

1. Proof of Publication – Daily Press
2. Proof of Publication – Riverside Press Enterprise

PROOF OF PUBLICATION

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 25

All in the year 2022.

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

Dated this: 25th day of February, 2022.



Signature

Janet Baldwin

This space is the County Clerk's Filing Stamp

**RECEIVED
MOJAVE DESERT AQMD**

MAR 02 2022

CLERK OF THE BOARD

BY

**Proof of Publication of
NOTICE OF HEARING**

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 25, 2022 at 10:00 A.M. to consider the revision of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current SIP version effective within the rest of the District. **MDAQMD Rule 406 - Specific Contaminants.**

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14304 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed revision of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current **MDAQMD Rule 406 - Specific Contaminants** are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poirier, Executive Director/AQCD at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Ganchot at (760) 243-1661 x4020 for further information. Traducción esta disponible por solicitud.

This action is proposed to allow USEPA to clean up and consolidate the SIP rules for the MDAQMD such that Blythe and the rest of the Palo Verde Valley are subject to the same SIP approved Rule 406 currently published in the MDAQMD Rulebook.

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

Published in the Daily Press February 25, 2022 (P-13)

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION (2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: MD 406 Public Notice /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02/25/2022

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

Date: February 25, 2022
At: Riverside, California


Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD
14306 PARK AVE
ATTN: D. HERNANDEZ
VICTORVILLE, CA 92382

Ad Number: 0011519877-01

P.O. Number:

Ad Copy:

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current SIP version effective within the rest of the District, **MDAQMD Rule 406 - Specific Contaminants.**

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current **MDAQMD Rule 406 - Specific Contaminants** are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poiriez, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gaschof at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.

This action is proposed to allow USEPA to clean up and consolidate the SIP rules for the MDAQMD such that Blythe and the rest of the Palo Verde Valley are subject to the same SIP approved Rule 406 currently published in the MDAQMD Rulebook.

Pursuant to the California Environmental Quality Act (CEQA) the MDAQMD has determined that a Categorical Exemption (Class 6 - 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

Press-Enterprise: 2/25

RECEIVED
MOJAVE DESERT AQMD

FEB 25 2022

CLERK OF THE BOARD
BY 

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Appendix “C”
Public Comments and Responses

[Comments will be posted here in chronological order.]

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Appendix “D”
California Environmental Quality Act
Documentation

1. Draft Notice of Exemption – San Bernardino County
2. Draft Notice of Exemption – Riverside County

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Appendix “E” Bibliography

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

1. 17 CCR 60104 SCAB
2. 17 CCR 60109 MDAB
3. 37 FR 10842 NPRM 1972 31 May
4. 37 FR 19812 Final 1972 22 Sep
5. 40 CFR 52.240 No Increments
6. 40 CFR 81.17 LA Metro Interstate AQCR
7. 40 CFR 81.167 SED Intrastate AQCR
8. 42 FR 27000 NPRM 1977 26 May
9. 42 FR 46554 NPRM 1977 16 Sep
10. 43 FR 24071 NPRM 1978 02 Jun
11. 43 FR 25684 Final 1978 14 Jun
12. 43 FR 40011 Final 1978 08 Sep
13. 43 FR 59489 Final 1978 21 Dec
14. 46 FR 3883 Final 1981 16 Jan
15. 47 FR 50864 Final 1982 10 Nov
16. Action L.A. Co JPA termination 1977 03 Mar
17. Action Orange Co JPA termination 1977 26 Apr
18. Agmt 77-102 JPA Termination
19. CARB Ex. Order G-73 1977 01 Feb
20. CARB to EPA Ltr Riv Co Opt in SCAQMD 1980 11 Aug
21. Creation Old SBCAPCD
22. JPA Creating SoCal APCD
23. MDAQMD 404 as published 1993 22 Dec
24. Memo Re SC Records 1979 12 Jul
25. RCAPCD 53 EPA 94 SIP Book
26. SB Action Creating SoCal APCD 1975 21 Jul
27. SBCAPCD 53 Rulebook 1970 18 Aug
28. SBCAPCD 53 Rulebook 1973 13 Feb
29. SBCAPCD 53A-53.3 Rulebook 1973 13 Feb
30. SBCAPCD 53A-53.3 Rulebook 1975 31 March
31. SBCAPCD 406 94 SIP Book
32. SBCAPCD 406 1977 25 Jul
33. SBCAPCD 406 Rulebook 1979 04 Sep
34. SBCAPCD 406 Rulebook 1986 01 Jul
35. SBCAPCD 406 Rulebook 1989 20 Nov
36. SBCAPCD 406 Rulebook 1991 26 Nov
37. SCAQMD 407 current 1982 02 Apr
38. SCAQMD 407 EPA 94 SIP Book
39. SCAQMD reg-iv-addendum
40. SoCalAPCD Agenda 1976 04 Jun

41. SoCalAPCD Agenda 1976 07 May
42. SoCalAPCD Minutes 1976 04 Jun
43. SoCalAPCD Minutes 1976 07 May
44. USEPA Ltr MD SIP Clarification 2020 16 Mar
45. USEPA Ltr Thread Old SC SIP submittals 2015 1 Apr
46. Various Rule 53 G73 Rulebook 1977 01 Feb

NOTICE OF EXEMPTION

TO: Clerk/Recorder
Riverside County
3470 12th St.
Riverside, CA 92501
FROM: Mojave Desert
Air Quality Management District
14306 Park Ave
Victorville, CA 92392-2310



X MDAQMD Senior Executive Analyst

PROJECT TITLE: SIP update of Rule 406 – *Specific Contaminants*.

PROJECT LOCATION – SPECIFIC: San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

PROJECT LOCATION – COUNTY: San Bernardino and Riverside Counties

DESCRIPTION OF PROJECT: Rule 406 – *Specific Contaminants* is proposed for a SIP update in order to rescind SBCAPCD Rule 53A and RSCAPCD Rule 53 (the 2-digit versions of MDAQMD Rule 406), and applicable portions SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace them with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Mojave Desert AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Mojave Desert AQMD

EXEMPT STATUS (CHECK ONE)

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

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

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

REASONS WHY PROJECT IS EXEMPT: The proposed SIP action standardizing Rule 406 applicability to the entire MDAQMD is exempt from CEQA review because the action will not create any adverse impacts on the environment. There are no changes to the rule language. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Brad Poiriez **PHONE:** (760) 245-1661

SIGNATURE: _____ **TITLE:** Executive Director **DATE:** 03/28/2022

DATE RECEIVED FOR FILING:

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD

NOTICE OF EXEMPTION



TO: County Clerk
San Bernardino County
385 N. Arrowhead, 2nd Floor
San Bernardino, CA 92415
FROM: Mojave Desert
Air Quality Management District
14306 Park Ave
Victorville, CA 92392-2310

X MDAQMD Senior Executive Analyst

PROJECT TITLE: SIP update of Rule 406 – *Specific Contaminants*.

PROJECT LOCATION – SPECIFIC: San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

PROJECT LOCATION – COUNTY: San Bernardino and Riverside Counties

DESCRIPTION OF PROJECT: Rule 406 – *Specific Contaminants* is proposed for a SIP update in order to rescind SBCAPCD Rule 53A and RSCAPCD Rule 53 (the 2-digit versions of MDAQMD Rule 406), and applicable portions SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace them with the current SIP version effective within the rest of the MDAQMD, namely the February 20, 1979 version of MDAQMD Rule 406.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Mojave Desert AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Mojave Desert AQMD

EXEMPT STATUS (CHECK ONE)

- Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)
- Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))
- X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

REASONS WHY PROJECT IS EXEMPT: The proposed SIP action standardizing Rule 406 applicability to the entire MDAQMD is exempt from CEQA review because the action will not create any adverse impacts on the environment. There are no changes to the rule language. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Brad Poiriez **PHONE:** (760) 245-1661

SIGNATURE: _____ **TITLE:** Executive Director **DATE:** 03/28/2022

DATE RECEIVED FOR FILING:

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION (2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: MD 406 Public Notice /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02/25/2022

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

Date: February 25, 2022
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD
14306 PARK AVE
ATTN: D. HERNANDEZ
VICTORVILLE, CA 92392

Ad Number: 0011519877-01

P.O. Number:

Ad Copy:

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current SIP version effective within the rest of the District, **MDAQMD Rule 406 - Specific Contaminants.**

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed rescission of SBCAPCD Rule 53A, RSCAPCD Rule 53, and applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current **MDAQMD Rule 406 - Specific Contaminants** are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poiriez, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gaschoy at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.

This action is proposed to allow USEPA to clean up and consolidate the SIP rules for the MDAQMD such that Blythe and the rest of the Palo Verde Valley are subject to the same SIP approved Rule 406 currently published in the MDAQMD Rulebook.

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

Press-Enterprise: 2/25

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FEB 25 2022

BY 
CLERK OF THE BOARD

PROOF OF PUBLICATION

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 25

All in the year 2022.

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

Dated this: 25th day of February, 2022.



Signature

Janet Baldwin

This space is the County Clerk's Filing Stamp

**RECEIVED
MOJAVE DESERT AQMD**

MAR 02 2022

CLERK OF THE BOARD

BY

**Proof of Publication of
NOTICE OF HEARING**

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

Published in the
Daily Press
February 25, 2022
(F-33)



Rule 406 – Specific Contaminants

Rule 407 – Liquid and Gaseous Air Contaminants

Proposed SIP Actions

Rule 406/407 SIP Actions

- No changes to the existing Rules 406 & 407 in the MDAQMD Rulebook.
- Currently, the Riverside County portion of the MDAQMD is subject to:
 - Rule 53 series; the 2-digit predecessors to Rule 406
 - SCAQMD 407; portions contains the same language found MDAQMD Rules 406 and 407.
- These rules were adopted and approved into the SIP prior to Riverside County leaving the SCAQMD for the MDAQMD in 1994.
- This action will only update the SIP to acknowledge that the Riverside County portion of the MDAQMD is subject to Rules 406 & 407 as they exist in the MDAQMD Rulebook.



Effect of SIP Update

The District does not expect an impact to our sources as both Rules 406 & 407 are currently enforced in all areas of our District, including Riverside County.



Questions?



The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the rescission of the applicable portions of SCAQMD Rule 407 – Liquid and Gaseous Air Contaminants from the state implement plan \(SIP\) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 407 – Liquid and Gaseous Air Contaminants; a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act \(CEQA\) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions. Presenter: Alan De Salvio, Deputy APCO.](#)
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #13

DATE: March 28, 2022

RECOMMENDATION: Conduct a public hearing to consider the rescission of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 407 – *Liquid and Gaseous Air Contaminants*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the California Environmental Quality Act (CEQA) Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending the Rule and directing staff actions.

SUMMARY: The proposed SIP cleanup of the MDAQMD Rule 407 – *Liquid and Gaseous Air Contaminants*, aims to update the SIP so that the Riverside County portion of the MDAQMD is subject to the same SIP approved rule as the San Bernardino County jurisdictions of the District.

BACKGROUND: In the late 1950s air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). This full county district adopted Rules 53A – Specific Air Contaminants, 52.1 – Scavenger Plants, 53.2 – Sulfur Recovery Units, and 53.3 – Sulfuric Acid Units. Similarly, air pollution control in the entire county of Riverside was governed by the Riverside County Air Pollution Control District (RCAPCD) which also had a Rule 53A. These rules primarily involved limitations on sulfur emissions and made no mention of CO. These rules were submitted by CARB as part of the initial California SIP submission which was approved by USEPA at 37 FR 19812, 9/22/1972.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #13

PAGE 2

Given the regional nature of the air pollution problem in Southern California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino counties entered into a Joint Powers Authority (JPA) Agreement on July 1, 1975 to form the Southern California Air Pollution Control District (SoCal APCD), a short-lived regional agency. The SoCalAPCD adopted rule 407- *Liquid and Gaseous Air Contaminants* in May of 1976, and CARB submitted the rule to EPA as a SIP revision.

The South Coast Air Quality Management District (SCAQMD) was formed effective February 1, 1977. Only those areas of San Bernardino and Riverside County located within the South Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in SCAQMD's jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCal APCD had not yet been dissolved. Based upon this presumption, CARB adopted a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 (G-73 Rulebook). This rulebook included Rule 407 for all three non-SCAQMD districts and only contained CO limitations with no mention of SO₂ limits.

CARB submitted this rulebook, including Rule 407 as a SIP revision and it was approved into the SIP at 43 FR 40011, 9/8/1978. USEPA acted at 43 FR 40011, 9/8/1978 approving SBCAPCD Rule and Riverside County rule 407 into the SIP for the "desert portion" of each county. No mention was made of removing the 53 series rules from the SIP in this action. It appears that this is the G-73 Rulebook version of the rule. This is the version of the rule in effect in the San Bernardino County portion of the MDAQMD.

In late 1977 the SCAQMD enabling legislation was changed to allow non-SCAB areas of counties within SCAQMD to request to be included within SCAQMD. Riverside County "opted in" to SCAQMD effective 12/1/1977 which resulted in that area gaining the SCAQMD version of Rule 407 – *Liquid and Gaseous Air Contaminants* which was substantively identical to the Riverside County APCD's G73 Rulebook version. In 1982 SCAQMD amended Rule 407 and added the sulfur limitations from the older Rule 53 series which was still in the SIP for all areas then located within SCAQMD. CARB submitted and USEPA approved this version into the SIP at 47 FR 50864, 11/10/1982. Thus the 4/2/1982 version of SCAQMD Rule 407 is in the SIP for Riverside County portion of the MDAQMD along with the never deleted RCAPCD Rule 53A.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that area. Since Rule 406 has not been amended since the 7/25/1977 rulebook that version, along with Rule 53A which was never deleted from the SIP, remains in the SIP for the San Bernardino County portion of the MDAQMD.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #13

PAGE 3

Utilizing a provision of the MDAQMD's enabling legislation, Riverside County's Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1, 1994. Since the SIP in effect in Riverside County at this time included both SCAQMD 407 and RCAPCD Rule 53A these rules remain in the SIP for the Riverside County Portion of the MDAQMD.

The current action is intended to request that USEPA rescind the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the July 25, 1977 version of MDAQMD Rule 407.

A Notice of Exemption, Categorical Exemption (Class8; 14 Cal. Code Reg. §15308) will be prepared by the MDAQMD for the rescission of the applicable portions of SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* from the state implement plan (SIP) for the Blythe/Palo Verde Valley portion of the MDAQMD and replacement with the current MDAQMD SIP Rule 407 – *Liquid and Gaseous Air Contaminants* pursuant to the requirements of CEQA.

REASON FOR RECOMMENDATION: Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation. Also, 42 U.S.C. §7410(1) (FCAA §110(1)) requires that all SIP revisions be adopted after public notice and hearing.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel as to legal form and by Alan De Salvio, Deputy Director – Mojave Desert Operations on or about March 7, 2022.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Alan De Salvio, Deputy APCO

RESOLUTION NO. 01- _____

1 **A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT**
2 **AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING**
3 **THE NOTICE OF EXEMPTION, RESCINDING THE APPLICABLE PORTIONS OF**
4 **SCAQMD RULE 407 – LIQUID AND GASEOUS AIR CONTAMINANTS FROM THE**
5 **STATE IMPLEMENT PLAN (SIP) FOR THE BLYTHE/PALO VERDE VALLEY**
6 **PORTION OF THE MDAQMD AND REPLACEMENT WITH THE CURRENT**
7 **MDAQMD SIP RULE 407 – LIQUID AND GASEOUS AIR CONTAMINANTS AND**
8 **DIRECTING STAFF ACTIONS.**

6 On March 28, 2022, on motion by Member _____, seconded by
7 Member _____, and carried, the following resolution is adopted:

8 **WHEREAS**, the Mojave Desert Air Quality Management District (MDAQMD) has
9 authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728
10 to adopt, amend or repeal rules and regulations; and

11 **WHEREAS**, the MDAQMD is proposing to rescind the applicable portions of
12 SCAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* from the SIP for the Blythe/Palo
13 Verde Valley portion of the MDAQMD in Riverside County and replace them with the current
14 MDAQMD SIP Rule 407 – *Liquid and Gaseous Air Contaminants*; and

15 **WHEREAS**, in the late 1950s air pollution control in the entire County of San
16 Bernardino was governed by the San Bernardino County Air Pollution Control District
17 (SBCAPCD – Full County District); and

18 **WHEREAS**, given the regional nature of the air pollution problem in Southern
19 California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino
20 counties entered into a Joint Powers Authority (JPA) Agreement on July 1, 1975 to form the
21 Southern California Air Pollution Control District (SoCal APCD), a short-lived regional
22 agency; and; and

23 **WHEREAS**, the SoCalAPCD adopted Rule 407- *Liquid and Gaseous Air*
24 *Contaminants* in May of 1976, and CARB submitted the rule to EPA as a SIP revision.; and

25 **WHEREAS**, the South Coast Air Quality Management District (SCAQMD) was
26 formed effective February 1, 1977; and

27 **WHEREAS**, only those areas of San Bernardino and Riverside County located within
28 the South Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in

RESOLUTION NO. 01-_____

1 SCAQMD’s jurisdiction; and

2 **WHEREAS**, non-SCAB areas were presumed to revert to county districts despite the
3 fact that the SoCal APCD had not yet been dissolved

4 **WHEREAS**, based upon this presumption, CARB adopted a rulebook for the non-
5 SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73
6 (G-73 Rulebook)

7 **WHEREAS**, this rulebook included Rule 407 for all three non-SCAQMD districts and
8 only contained CO limitations with no mention of SO2 limits; and

9 **WHEREAS**, CARB submitted this rulebook, including Rule 407 as a SIP revision and
10 it was approved into the SIP (43 FR 40011, 9/8/1978)

11 **WHEREAS**, USEPA approved SBCAPCD Rule 407 and Riverside County rule 407
12 into the SIP for the “desert portion” of each county (43 FR 40011, 9/8/1978); and

13 **WHEREAS**, in late 1977 the SCAQMD enabling legislation was changed to allow
14 non-SCAB areas of counties within SCAQMD to request to be included within SCAQMD;
15 and

16 **WHEREAS**, Riverside County “opted in” to SCAQMD (effective 12/1/1977) which
17 resulted in that area gaining the SCAQMD version of Rule 407 – *Liquid and Gaseous Air*
18 *Contaminants* which was substantively identical to the Riverside County APCD’s G73
19 Rulebook version; and

20 **WHEREAS**, in 1982 SCAQMD amended Rule 407 and added the sulfur limitations
21 from the older Rule 53 series which was still in the SIP for all areas then located within
22 SCAQMD; and

23 **WHEREAS**, CARB submitted and USEPA approved this version into the SIP (47 FR
24 50864, 11/10/1982); and

25 **WHEREAS**, meaning the 4/2/1982 version of SCAQMD Rule 407 is in the SIP for
26 Riverside County portion of the MDAQMD along with the never deleted RCAPCD Rule 53A;
27 and

28 //

RESOLUTION NO. 01-_____

1 **WHEREAS**, on July 1, 1993, the SBCAPCD became, pursuant to statute, the
2 autonomous agency known as the Mojave Desert Air Quality Management District
3 (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that
4 area; and

5 **WHEREAS**, since Rule 406 has not been amended since the 7/25/1977 rulebook that
6 version, along with Rule 53A, remains in the SIP for the San Bernardino County portion of the
7 MDAQMD; and

8 **WHEREAS**, utilizing a provision of the MDAQMD’s enabling legislation, Riverside
9 County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the
10 MDAQMD effective July 1, 1994; and

11 **WHEREAS**, Since the SIP in effect in Riverside County at this time included both
12 SCAQMD 407 and RCAPCD Rule 53A these rules remain in the SIP for the Riverside County
13 Portion of the MDAQMD; and

14 **WHEREAS**, the current action is intended to request that USEPA rescind the
15 applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area
16 of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with
17 the current MDAQMD SIP Rule 407; and

18 **WHEREAS**, the proposed rescission of the applicable portions of SCAQMD Rule 407
19 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction
20 of the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407 was
21 reviewed by the Technical Advisory Committee (TAC), a committee consisting of a variety of
22 regulated industry and local governmental entities; and

23 **WHEREAS**, the proposed rescission of the applicable portions of SCAQMD Rule 407
24 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction
25 of the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407 is
26 necessary to make the same SIP provisions applicable to the entire MDAQMD jurisdiction;
27 and

28 //

RESOLUTION NO. 01-_____

1 **WHEREAS**, the proposed rescission of the applicable portions of SCAQMD Rule 407 from
2 the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of
3 the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407 is clear in
4 that the meaning can be easily understood by the persons impacted by the Rule; and

5 **WHEREAS**, the proposed rescission of the applicable portions of SCAQMD Rule 407
6 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction
7 of the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407 is in
8 harmony with, and not in conflict with, or contradictory to existing statutes, court decisions, or
9 state or federal regulations; and

10 **WHEREAS**, the proposed rescission of the applicable portions of SCAQMD Rule 407
11 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction
12 of the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407 does
13 not impose the same requirements as any existing state or federal regulation because the
14 applicable CFR subparts require state and/or local regulations for implementation; and

15 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H
16 & S Code §40725, concerning the proposed rescission of the applicable portions of SCAQMD
17 Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the
18 jurisdiction of the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule
19 407; and

20 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR
21 §15308) for the proposed rescission of the applicable portions of SCAQMD Rule 407 from the
22 SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the
23 MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407, completed
24 in compliance with the California Environmental Quality Act (CEQA), has been presented to
25 the MDAQMD Board; each member having reviewed, considered and approved the
26 information contained therein prior to acting on the proposed rescission of the applicable
27 portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of
28 Riverside County within the jurisdiction of the MDAQMD from the SIP and replacement with

RESOLUTION NO. 01-_____

1 current MDAQMD SIP Rule 407, and the MDAQMD Board having determined that the
2 proposed amendment will not have any potential for resulting in any adverse impact upon the
3 environment; and

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

6 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the
7 MDAQMD finds that the rescission of the applicable portions of SCAQMD Rule 407 from the
8 SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the
9 MDAQMD from the SIP and replacement with current MDAQMD SIP Rule 407 is necessary,
10 authorized, clear, consistent, non-duplicative and properly referenced; and

11 **BE IT FURTHER RESOLVED**, that the Governing Board of the MDAQMD hereby
12 makes a finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies
13 the Notice of Exemption for the proposed rescission of the applicable portions of SCAQMD
14 Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the
15 jurisdiction of the MDAQMD from the SIP and replacement with current MDAQMD SIP Rule
16 407; and

17 **BE IT FURTHER RESOLVED**, that the Board of the MDAQMD does hereby adopt,
18 pursuant to the authority granted by law, the proposed rescission of the applicable portions of
19 SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County
20 within the jurisdiction of the MDAQMD from the SIP and replacement with current
21 MDAQMD SIP Rule 407 as set forth in the attachments to this resolution and incorporated
22 herein by this reference; and

23 **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately
24 upon adoption, and that the Senior Executive Analyst – Confidential is directed to file the
25 Notice of Exemption in compliance with the provisions of CEQA.

26 //
27 //
28 //

RESOLUTION NO. 01-_____

1 **PASSED, APPROVED and ADOPTED** by the Governing Board of the Mojave Desert Air
2 Quality Management District by the following vote:

3 **AYES:** **MEMBER:**

4 **NOES:** **MEMBER:**

5 **ABSENT:** **MEMBER:**

6 **ABSTAIN:** **MEMBER:**

7)

8 STATE OF CALIFORNIA)

9) SS:

10 COUNTY OF SAN BERNARDINO)

11)

12 I, Deanna Hernandez, Senior Executive Analyst – Confidential of the Mojave Desert
13 Air Quality Management District, hereby certify the foregoing to be a full, true and correct
14 copy of the record of the action as the same appears in the Official Minutes of said Governing
Board at its meeting of March 28, 2022.

15 _____, Senior Executive Analyst – Confidential
16 Mojave Desert Air Quality Management District

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Draft

Staff Report

Rescission of the applicable portions of SCAQMD Rule 407 as in the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD in Riverside County and replacement with the current MDAQMD **Rule 407** – *Liquid and Gaseous Air Contaminants*.

For presentation to the
Mojave Desert AQMD Governing Board on
March 28, 2022

**Mojave Desert
Air Quality
Management District**

14306 Park Avenue
Victorville, CA 92392-2310
760.245.1661 • Fax 760.245.2022

www.MDAQMD.ca.gov • @MDAQMD

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**STAFF REPORT
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List of Acronyms

APCO	Air Pollution Control Officer
BACT	Best Available Control Technology
BAAQMD	Bay Area Air Quality Management District
BARCT	Best Available Retrofit Control Technology
CARB	California Air Resources Board
CCAA	California Clean Air Act
CEQA	California Environmental Quality Act
CTG	Control Techniques Guidelines
DCP	Dust Control Plan
FCAA	Federal Clean Air Act
H&S Code	California Health & Safety Code
MDAB	Mojave Desert Air Basin
MDAQMD	Mojave Desert Air Quality Management District
NAAQS	National Ambient Air Quality Standards
NO _x	Oxides of Nitrogen
PM ₁₀	Ultrafine particles with an aerodynamic diameter less than 0.1 micrometers
RACM	Reasonably Available Control Measures
RACT	Reasonably Available Control Technology
SCAQMD	South Coast Air Quality Management District
SIP	State Implementation Plan
SJVUAPCD	San Joaquin Valley Unified Air Quality Management District
SO _x	Oxides of Sulfur
USEPA	United States Environmental Protection Agency
VOC	Volatile Organic Compounds

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STAFF REPORT

Rule 407 – *Liquid and Gaseous Air Contaminants*

I. PURPOSE OF STAFF REPORT

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

II. EXECUTIVE SUMMARY

The Mojave Desert Air Quality Management Board (MDAQMD or District) has the authority pursuant to California Health & Safety (H&S) Code §40702 to adopt, amend or repeal rules and regulations. Mojave Desert Air Quality Management District is proposing to take a rule action in order to adopt a SIP Submittal to rescind the applicable portions of SCAQMD Rule 407 from the SIP for the Blythe/Palo Verde Valley portion of the MDAQMD and replace it with MDAQMD Rule 407 as currently in the SIP for the San Bernardino County portion of the MDAQMD.

In the late 1950s air pollution control in the entire County of San Bernardino was governed by the San Bernardino County Air Pollution Control District (SBCAPCD – Full County District). This full county district adopted Rules 53A – *Specific Contaminants*, 52.1 – *Scavenger Plants*, 53.2 – *Sulfur Recovery Units*, and 53.3 – *Sulfuric Acid Units*. Similarly, air pollution control in the entire county of Riverside was governed by the Riverside County Air Pollution Control District (RCAPCD) which also had a Rule 53A. These rules primarily involved limitations on sulfur emissions and made no mention of CO. These rules were submitted by CARB as part of the initial California SIP submission which were approved by USEPA at 37 FR 19812, 9/22/1972.

Given the regional nature of the air pollution problem in Southern California the Boards of Supervisors of Los Angeles, Orange, Riverside and San Bernardino counties entered into a Joint Powers Authority (JPA) Agreement on July 1, 1975 to form the Southern California Air Pollution Control District (SoCal APCD), a short-lived regional agency. The SoCalAPCD adopted rule 407- *Liquid and Gaseous Air Contaminants* in May of 1976, and CARB submitted the rule to EPA as a SIP revision.

The South Coast Air Quality Management District (SCAQMD) was formed effective February 1, 1977. Only those areas of San Bernardino and Riverside County located within the South Coast Air Basin (SCAB), primarily the San Bernardino Valley, were included in SCAQMD's jurisdiction. Non-SCAB areas were presumed to revert to county districts despite the fact that the SoCal APCD had not yet been dissolved. Based upon this presumption, CARB adopted a

rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino counties via Executive Order G-73 (G-73 Rulebook). This rulebook included Rule 407 for all three non-SCAQMD districts and only contained CO limitations with no mention of SO2 limits.

CARB submitted this rulebook, including Rule 407 as a SIP revision and it was approved into the SIP at 43 FR 40011, 9/8/1978. USEPA acted at 43 FR 40011, 9/8/1978 approving SBCAPCD Rule and Riverside County rule 407 into the SIP for the “desert portion” of each county. No mention was made of removing the 53 series rules from the SIP in this action. It appears that this is the G-73 Rulebook version of the rule. This is the version of the rule in effect in the San Bernardino County portion of the MDAQMD.

In late 1977 the SCAQMD enabling legislation was changed to allow non-SCAB areas of counties within SCAQMD to request to be included within SCAQMD. Riverside County “opted in” to SCAQMD effective 12/1/1977 which resulted in that area gaining the SCAQMD version of Rule 407 – Liquid and Gaseous Air Contaminants which was substantively identical to the Riverside County APCD’s G73 Rulebook version. In 1982 SCAQMD amended Rule 407 and added the sulfur limitations from the older Rule 53 series which was still in the SIP for all areas then located within SCAQMD. CARB submitted and USEPA approved this version into the SIP at 47 FR 50864, 11/10/1982. Thus the 4/2/1982 version of SCAQMD Rule 407 is in the SIP for Riverside County portion of the MDAQMD along with the never deleted RCAPCD Rule 53A.

On July 1, 1993, the SBCAPCD became, pursuant to statute, the autonomous agency known as the Mojave Desert Air Quality Management District (MDAQMD) acquiring both the SBCAPCD-Desert District rules and the SIP in effect for that area. Since Rule 406 has not been amended since the 7/25/1977 rulebook that version, along with Rule 53A which was never deleted from the SIP, remains in the SIP for the San Bernardino County portion of the MDAQMD.

Utilizing a provision of the MDAQMD’s enabling legislation, Riverside County’s Palo Verde Valley including the City of Blythe left SCAQMD and joined the MDAQMD effective July 1, 1994. Since the SIP in effect in Riverside County at this time included both SCAQMD 407 and RCAPCD Rule 53A these rules remain in the SIP for the Riverside County Portion of the MDAQMD.

The current action is intended to request that USEPA rescind the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the July 25, 1977 version of MDAQMD Rule 407.

III. STAFF RECOMMENDATION

MDAQMD staff recommends that the Governing Board of the MDAQMD rescind the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP, replace it with the current MDAQMD Rule 407 and approve the appropriate California Environmental Quality Act

(CEQA) documentation. Such actions are necessary to ensure compliance with the Federal Clean Air ACT and CEQA requirements.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct SIP action of Rule 407 – *Liquid and Gaseous Air Contaminants*. Each item is discussed, if applicable, in Section V. Copies of related documents are included in the appropriate appendices.

FINDINGS REQUIRED FOR RULES & REGULATIONS:

- X Necessity
- X Authority
- X Clarity
- X Consistency
- X Nonduplication
- X Reference
- X Public Notice & Comment
- X Public Hearing

REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):

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

ELEMENTS OF A FEDERAL SUBMISSION:

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

CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):

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

SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):

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

OTHER:

- X Written analysis of existing air pollution control requirements
- N/A Economic Analysis
- X Public Review

V. DISCUSSION OF LEGAL REQUIREMENTS

A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed SIP rescission the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replacement with current MDAQMD SIP Rule 407 – *Liquid and Gaseous Air Contaminants*. These are actions that need to be performed and/or information that must be provided in order to rescind and replace the SIP rule in a procedurally correct manner.

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

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

a. Necessity:

The proposed action standardizing Rule 407 applicability to the entire MDAQMD is necessary in order to ensure that all portions of the MDAQMD are subject to the same approved Rule 407 currently published in the MDAQMD rulebook.

b. Authority:

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

c. Clarity:

The proposed action standardizing Rule 407 applicability to the entire MDAQMD is clear in that it is written so that the persons subject to the rule can easily understand the meaning.

d. Consistency:

The proposed action standardizing Rule 407 applicability to the entire MDAQMD is in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions. This SIP action will ensure that all portions of the MDAQMD are subject to the same approved Rule 407 currently published in the MDAQMD rulebook.

e. Non-duplication:

The proposed action standardizing Rule 407 applicability to the entire MDAQMD does not impose the same requirements as any existing state or federal law or regulation. This action ensures that all portions of the MDAQMD are subject to the same approved Rule 407 currently published in the MDAQMD rulebook.

f. Reference:

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

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed action standardizing Rule 407 applicability to the entire MDAQMD was published February 25, 2022 for the March 28, 2022 meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

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

Submittals to United States Environmental Protection Agency (USEPA) are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. The information below indicates which elements are required for the proposed SIP rescission the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current SIP version effective within the rest of the MDAQMD, namely the July 25, 1977 version of MDAQMD Rule 407.

a. Satisfaction of Underlying Federal Requirements:

The Rule 407 SIP amendments are subject to all the requirements for a State Implementation Plan (SIP) submittal because Rule 407 and several older versions of the rule containing the same language are currently in the SIP. The proposed action would rescind the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replace them with current MDAQMD Rule 407 – Liquid and Gaseous Air Contaminants. The criteria for determining completeness of SIP submissions are set forth in 40 CFR Part 51, Appendix V, 2.0.

b. Public Notice and Comment:

Notice for the public hearing for the proposed rule action of Rule 407 was published February 25, 2022 for the March 28, 2022

meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

c. Availability of Document:

Copies of the proposed action standardizing Rule 407 applicability to the entire MDAQMD and the accompanying draft staff report were made available to the public on February 11, 2022.

d. Notice to Specified Entities:

Copies of the proposed action standardizing Rule 407 applicability to the entire MDAQMD and the accompanying draft staff report were sent to all affected agencies.

e. Public Hearing:

A public hearing to consider the proposed action standardizing Rule 407 applicability to the entire MDAQMD was conducted on March 28, 2022.

f. Legal Authority to Adopt and Implement:

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

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S Code §40727.2. See Section (V)(C) for compliance with economic analysis requirements pursuant to H&S Code §40920.6. See Section (V)(D) below for compliance with provisions of the CEQA.

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district.

C. ECONOMIC ANALYSIS

1. General

The proposed SIP action will not create any additional costs. The proposed action standardizing Rule 407 applicability to the entire MDAQMD, only changes applicability of the SIP and does not affect existing requirements.

2. Incremental Cost Effectiveness

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the California Clean Air Act (CCAA) requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds (VOCs), oxides of nitrogen (NOX) or oxides of sulfur (SOX). The proposed SIP action will not create any additional costs. The proposed action standardizing Rule 407 applicability to the entire MDAQMD is not subject to incremental cost effectiveness calculations because it does not involve BARCT or “all feasible measures.”

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed rescission of the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County and replacement with current MDAQMD SIP Rule 407 – Liquid and Gaseous Air Contaminants was determined.

1. The proposed action standardizing Rule 407 applicability to the entire MDAQMD meets the CEQA definition of “project.” They are not “ministerial” actions.

2. The proposed action standardizing Rule 407 applicability to the entire MDAQMD is exempt from CEQA review because the proposed amendments and rescissions will not create any adverse impacts on the environment. Because there is no potential that the rule action might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

There are no potential adverse environmental impacts of compliance with the proposed action standardizing Rule 407 applicability to the entire MDAQMD.

2. Mitigation of Impacts

N/A.

3. Alternative Methods of Compliance

N/A.

F. PUBLIC REVIEW

See Staff Report Appendix “B.”

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

No sources will be impacted by this action. Rule 407 is currently enforced throughout the District and the rule language will not be changed.

B. EMISSIONS

The proposed rule action does not cause the release of additional air contaminants or create any environmental impacts. No rule language will be changed.

C. CONTROL REQUIREMENTS

N/A

D. PROPOSED RULE SUMMARY

There are no proposed changes to any of the rules discussed in this staff report, this is a proposed action standardizing Rule 407 applicability to the entire MDAQMD.

E. SIP HISTORY

1. SIP History

SIP and Rule history timeline for both the San Bernardino County and Riverside Portions of MDAQMD

6/19/1956 – San Bernardino County APCD – full county district (SBCAPCD – full county district) formed.

11/6/1961 – SBCAPCD – full county district full rulebook publication. Note: Rules at this point were in ## format

6/11/1968 – SBCAPCD – full county district full rulebook amended, effective 7/11/1968. Note: Rules still numbered ##.

8/18/1970 – SBCAPCD – full county district full rulebook published. Note: Rules now primarily 2 digits with a few 3-digit rules.

6/30/1972 - Original Rule 53 – Specific Air Contaminants of Riverside County APCD and Rules 53A – Specific Air Contaminants, 52.1 – Scavenger Plants, 53.2 – Sulfur Recovery Units, and 53.3 – Sulfuric Acid Units of SBCAPCD – full county district submitted by CARB as SIP revision 6/30/1972 as part of initial CA SIP submission. Please Note that these are Sulfur limitations and NO mention is made of CO in these rules.

9/22/1972 – USEPA acted at 37 FR 19812, 9/22/1972 and presumably approved the rules (40 CFR 52.220(c)(1-2) but noted that the provisions of 40 CFR 51.15(c) were not met in either the Metropolitan Los Angeles Interstate region and the southeast Desert Intrastate region because SBCAPCD Rules 53A(a), 53A(b), 53A(c), 53.2, 53.3 and Riverside County APCD Rule 53A did not provide increments of Progress. (See 40 CFR 52.240(a)(1)(i), (a)(1)(ii), (a)(5)(i) and (a)(5)(ii)).

2/13/1973 – SBCAPCD – full county district rulebook published. Rules still mostly 2 digits with a few 3-digit rules.

3/31/1975 – SBCAPCD – full county district rulebook update published. Rules still mostly 2 digits with a few 3-digit rules.

7/1/1975 – Los Angeles, Orange, Riverside and San Bernardino Counties formed the Southern California APCD (SoCalAPCD), a JPA for regional air pollution control. All Rules of respective air districts remain in effect for the original area until changed by the SoCalAPCD.

5/7/1976 - SoCalAPCD Agenda indicated hearing on adoption of 407. Minutes indicated item was adopted.

8/2/1976 – CARB Submits SoCalAPCD Rule 407 as a SIP revision.

2/1/1977 – Effective date of legislation (Stats 1976 Ch 324 §5) creating SCAQMD in the South Coast Air Basin (See also H&S Code 40410). County areas outside SCAB could “contract” for air pollution control services in the non-SCAB areas (See former H&S Code 40413).

2/1/1977 – CARB adopts a rulebook for the non-SCAB areas of Los Angeles, Riverside and San Bernardino County via Executive Order G-73 (the G-73 rulebook) which includes Rule 407 for all 3 non-SCAQMD districts. Rule contains CO limitations (but no mention of SO2 limits.)

6/6/1977 – CARB submits the G-73 Rulebook as a SIP revision to USEPA (See 42 FR 46554, 9/16/1977 & 43 FR 40011 9/8/1978) containing Rule 407. (See above notation re coverage).

7/25/1977 – SBCAPCD readopts, with minor changes, the entire rulebook including Rule 407.

10/1/1977 – Effective date of legislation allowing non-SCAB areas of Los Angeles, Riverside and San Bernardino County to “opt in” to SCAQMD.

12/1/1977 – Effective date of Riverside County Resolution 77-362 that “opted in” to SCAQMD for the non-SCAB areas of Riverside County.

6/14/1978 – USEPA acted at 43 FR 25684, 6/14/1978 approving SoCalAPCD Rule 407. Textually the FR notice allegedly applied to only the Los Angeles Metropolitan AQCR area of Los Angeles, Riverside and San Bernardino Counties BUT the CFR citations make no such distinction. (See 40 CFR 52.220(c)(21)(xv)(A) and (c)(28)(x)(A)).

9/8/1978 – USEPA acts at 43 FR 40011, 9/8/1978 approving SBCAPCD Rule and Riverside County 407 into the SIP for the “desert portion” of each county. It appears that this is the G-73 Rulebook version of the rule. This is the version of the rule in effect in the San Bernardino County portion of the MDAQMD.

6/12/1979 – The SBCAPCD was in the process of gearing up to create its own staff for the district and SCAQMD was refusing to provide historical records without an astronomical amount of funds for “copying charges” for either the SoCalAPCD OR the SBCAPCD (See draft memo of 1979 12 Jun). The only records SCAQMD eventually provided to the District’s knowledge were the actual permits themselves, a copy of the then existent rulebook in Word Perfect format and a small bit of historical permitting information such as engineering evaluations.

8/11/1980 – CARB submits Riverside County Resolution 77-362 as a SIP revision. The intent is that the SCAQMD Rules would replace any Riverside County APCD rules in effect as of the effective date of the resolution.

4/2/1982 – SCAQMD amends Rule 407 and adds the Riverside County Rule 53 language relating to Sulfur into the rule.

6/9/1982 – USEPA approves at 47 FR 25013, 6/9/1982 the action replacing Riverside County APCD rules with SCAQMD APCD rules in the non-SCAB areas of Riverside County. Unfortunately, this notation only occurs in the FR text and no CFR citations are changed.

8/6/1982 – CARB submits SCAQMD Rule 407 as a SIP revision.

11/10/1982 – USEPA acts to approve SCAQMD Rule 407 as a SIP revision at 47 FR 50864, 11/10/1982. Note that the SO₂ limits are included in this rule. This is the version in the SIP for the Riverside County portion of the MDAQMD.

7/1/1986 – SBCAPCD republishes entire rulebook.

11/20/1989 – SBCAPCD republishes entire rulebook.

7/1/1993 – effective date of MDAQMD (statutory). MDAQMD assumes all powers, duties and rules of former SBCAPCD (the desert district.)

7/1/1994 – effective date of Blythe/Palo Verde Valley region leaving SCAQMD and becoming part of the MDAQMD.

2. SIP Analysis

Rule 407 as adopted on July 25, 1977 was submitted and approved for both the San Bernardino and Riverside County portions of the MDAQMD.

The current action is intended to request that USEPA rescind the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the July 25, 1977 version of MDAQMD Rule 407.

Appendix “A”
Rule 407 – *Specific Contaminants* Iterated Version

There is no iterated version of Rule 407 as there are no changes being made. However, a comparison between the various SIP versions has been provided:

Highlighted Yellow = In SIP for SB but not Palo Verde/Blythe

Highlighted Green = In SIP for Palo Verde/Blythe but not in SB.

Underlined = Not effective in either area by its terms.

Rule 407

Liquid and Gaseous Air Contaminants

- (a) A person shall not discharge into the atmosphere from any source equipment
- (1) carbon monoxide (CO) exceeding 2000 ppm by volume measured on a dry basis, averaged over a minimum of 15 consecutive minutes.

The provisions of this subsection shall not apply to emissions from internal combustion engines.

- (2) Sulfur compounds, which would exist as a liquid or gas at standard conditions, calculated as sulfur dioxide (SO₂) and averaged over 15 consecutive minutes, exceeding:

(A) In the South Coast air Basin, 500 ppm by volume.

(B) In the southeast Desert Air basin portion of Riverside County:

(i) 500 ppm by volume for equipment which is issued a permit to construct or permit to operate after July 1, 1982.

(ii) 1500 ppm by volume until January 1, 1984 and 500 ppm thereafter for equipment that has been issued a permit to construct or permit to operate prior to July 1, 1982. **Note: this is the language in Riverside County Rule 53 which is in the SIP.*

- (b) The provisions of this rule shall not apply to emissions from:

(1) Stationary internal combustion engines.

(2) Propulsion of mobile equipment.

(3) Emergency venting due to equipment failure or process upset.

- (c) The provisions of subsection (a)(2) of this rule shall not apply to:

(1) Equipment which is subject to the emission limits and requirements of source specific rules in Regulation XI.

(2) Equipment which complies with the gaseous fuel sulfur content limits of Rule 431.1.

Appendix “B”
Public Notice Documents

1. Proof of Publication – Daily Press
2. Proof of Publication – Riverside Press Enterprise

PROOF OF PUBLICATION

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 25

All in the year 2022.

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

Dated this: 25th day of February, 2022.

Janet Baldwin

Signature

Janet Baldwin

This space is the County Clerk's Filing Stamp

**RECEIVED
MOJAVE DESERT AQMD**

MAR 02 2022

CLERK OF THE BOARD

BY

**Proof of Publication of
NOTICE OF HEARING**

NOTICE OF HEARING
NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the rescission of the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current SIP version effective within the rest of the District, **MDAQMD Rule 407 - Liquid and Gaseous Air Contaminants.**

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed rescission, the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current **MDAQMD Rule 407 - Liquid and Gaseous Air Contaminants** are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Poirier, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gascho at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.

This action is proposed to allow USEPA to clean up and consolidate the SIP rules for the MDAQMD, such that Blythe and the rest of the Palo Verde Valley are subject to the same SIP approved Rule 407 currently published in the MDAQMD Rulebook.

Pursuant to the California Environmental Quality Act (CEQA), the MDAQMD has determined that a Categorical Exemption (Class 3 - 14 Cal. Code Reg 153308) applies and has prepared a Notice of Exemption for this action.

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THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

**PROOF OF PUBLICATION
(2010, 2015.5 C.C.P)**

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: MD 407 Public Notice /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 85673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02/25/2022

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

Date: February 25, 2022
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD
14306 PARK AVE
ATTN: D. HERNANDEZ
VICTORVILLE, CA 92392

Ad Number: 0011519879-01

P.O. Number:

Ad Copy:

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Governing Board of the Mojave Desert Air Quality Management District (MDAQMD) will conduct a public hearing on March 28, 2022 at 10:00 A.M. to consider the rescission of the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current SIP version effective within the rest of the District, **MDAQMD Rule 407** - Liquid and Gaseous Air Contaminants.

SAID HEARING will be conducted in the Governing Board Chambers located at the MDAQMD offices 14306 Park Avenue, Victorville, CA 92392-2310 where all interested persons may be present and be heard. Copies of the staff report for the proposed rescission the applicable portions of SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD and replacement with the current **MDAQMD Rule 407** - Liquid and Gaseous Air Contaminants are on file and may be obtained from the Sr. Executive Analyst at the MDAQMD Offices. Written comments may be submitted to Brad Polruez, Executive Director/APCO at the above office address. Written comments should be received no later than March 25, 2022 to be considered. If you have any questions you may contact Bertrand Gascho at (760) 245-1661 x4020 for further information. Traducción esta disponible por solicitud.


This action is proposed to allow USEPA to clean up and consolidate the SIP rules for the MDAQMD such that Blythe and the rest of the Palo Verde Valley are subject to the same SIP approved Rule 407 currently published in the MDAQMD Rulebook.

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

Press-Enterprise: 2/25

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FEB 25 2022

CLERK OF THE BOARD
BY 

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Appendix “C”
Public Comments and Responses

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Appendix “D”
California Environmental Quality Act
Documentation

1. Notice of Exemption – San Bernardino County
2. Notice of Exemption – Riverside County

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Appendix “E” Bibliography

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

1. 17 CCR 60104 SCAB
2. 17 CCR 60109 MDAB
3. 37 FR 10842 NPRM 1972 31 May
4. 37 FR 19812 Final 1972 22 Sep
5. 40 CFR 52.240 No Increments
6. 40 CFR 81.17 LA Metro Interstate AQCR
7. 40 CFR 81.167 SED Intrastate AQCR
8. 42 FR 27000 NPRM 1977 26 May
9. 42 FR 46554 NPRM 1977 16 Sep
10. 43 FR 25684 Final 1978 14 Jun
11. 43 FR 40011 Final 1978 08 Sep
12. 47 FR 50864 Final 1982 10 Nov
13. Action L.A. Co JPA termination 1977 03 Mar
14. Action Orange Co JPA termination 1977 26 Apr
15. Agmt 77-102 JPA Termination
16. CARB Ex. Order G-73 1977 01 Feb
17. CARB to EPA Ltr Riv Co Opt in SCAQMD 1980 11 Aug
18. Creation Old SBCAPCD
19. JPA Creating SoCal APCD
20. Memo Re SC Records 1979 12 Jul
21. SB Action Creating SoCal APCD 1975 21 Jul
22. SBCAPCD 407 Rulebook 1986 01 Jul
23. SCAQMD 407 Current 1982 02 Apr
24. SCAQMD 407 EPA 94 SIP Book
25. SBCAPCD 407 Rulebook 1991 26 Nov
26. SBCAPCD 407 Rulebook 1977 25 Jul
27. SBCAPCD 407 Rulebook 1979 04 Sep
28. SBCAPCD 407 Rulebook 1989 20 Nov
29. SBCAPCD Riv 407 G73 Rulebook 1977 01 Feb
30. SCAQMD reg-iv-addendum
31. SocalAPCD Agenda 1976 07 May
32. SoCalAPCD Minutes 1976 07 May
33. USEPA Ltr MD SIP Clarification 2020 16 Mar
34. USEPA Ltr Thread Old SC SIP submittals 2015 1 Apr
35. Various Rule 53 G73 Rulebook 1977 01 Feb

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NOTICE OF EXEMPTION

TO: Clerk/Recorder
Riverside County
3470 12th St.
Riverside, CA 92501
FROM: Mojave Desert
Air Quality Management District
14306 Park Ave
Victorville, CA 92392-2310



X MDAQMD Senior Executive Analyst

PROJECT TITLE: SIP update of Rule 407 – *Liquid and Gaseous Air Contaminants*.

PROJECT LOCATION – SPECIFIC: San Bernardino County portion of the Mojave Desert Air Basin and Palo Verde Valley portion of Riverside County.

PROJECT LOCATION – COUNTY: San Bernardino and Riverside Counties

DESCRIPTION OF PROJECT: MDAQMD Rule 407 – *Liquid and Gaseous Air Contaminants* is proposed for a SIP action in order to rescind the applicable SCAQMD Rule 407 from the SIP for the Palo Verde Valley/Blythe area of Riverside County within the jurisdiction of the MDAQMD from the SIP and replace it with the current SIP version effective within the rest of the MDAQMD, namely the July 25, 1977 version of MDAQMD Rule 407.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Mojave Desert AQMD

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Mojave Desert AQMD

EXEMPT STATUS (CHECK ONE)

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

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

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

REASONS WHY PROJECT IS EXEMPT: The proposed SIP action of Rule 407 is exempt from CEQA review because the amendments will not create any adverse impacts on the environment. There are no changes to the rule language. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

LEAD AGENCY CONTACT PERSON: Brad Poiriez **PHONE:** (760) 245-1661

SIGNATURE: _____ **TITLE:** Executive Director **DATE:** 03/28/2022

DATE RECEIVED FOR FILING:

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD

NOTICE OF EXEMPTION



TO: County Clerk
San Bernardino County
385 N. Arrowhead, 2nd Floor
San Bernardino, CA 92415
FROM: Mojave Desert
Air Quality Management District
14306 Park Ave
Victorville, CA 92392-2310

X MDAQMD Senior Executive Analyst

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LEAD AGENCY CONTACT PERSON: Brad Poiriez **PHONE:** (760) 245-1661

SIGNATURE: _____ **TITLE:** Executive Director **DATE:** 03/28/2022

DATE RECEIVED FOR FILING:

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD

THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION (2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

Ad Desc.: MD 407 Public Notice /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

02/25/2022

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

Date: February 25, 2022
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

MOJAVE DESERT AQMD
14306 PARK AVE
ATTN: D. HERNANDEZ
VICTORVILLE, CA 92392

Ad Number: 0011519879-01

P.O. Number:

Ad Copy:

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Press-Enterprise: 2/25

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FEB 25 2022

CLERK OF THE BOARD

BY 

PROOF OF PUBLICATION

(2015.5 C.C.P.)

**STATE OF CALIFORNIA,
County of San Bernardino**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the publisher of the DAILY PRESS, a newspaper of general circulation, published in the City of Victorville, County of San Bernardino, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of San Bernardino, State of California, under the date of November 21, 1938, Case number 43096, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 25

All in the year 2022.

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

Dated this: 25th day of February, 2022.

Signature

Janet Baldwin

This space is the County Clerk's Filing Stamp

**RECEIVED
MOJAVE DESERT AQMD**

MAR 02 2022

CLERK OF THE BOARD

BY

Proof of Publication of NOTICE OF HEARING

NOTICE OF HEARING

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Published in the
Daily Press
February 25, 2022
(F-34)

The following page(s) contain the backup material for Agenda Item: [The Annual Audited Financial Report and Management Report for Fiscal Year 2020-21 is being presented for receive and file. The audit process is complete and the information is provided to the Governing Board. Presenter: Laquita Cole, Finance Manager.](#)
Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #14

DATE: March 28, 2022

RECOMMENDATION: The Annual Audited Financial Report and Management Report for Fiscal Year 2020-21 is being presented for receive and file. The audit process is complete and the information is provided to the Governing Board.

SUMMARY: The Annual Audited Financial Report and Management Report for Fiscal Year 2020-21 is being presented by staff and Fedak & Brown LLP of Riverside for review.

BACKGROUND: A financial audit tests the internal controls, procedures and practices of an organization. Over all, the audit reported that the District follows sound financial management practices. Fedak & Brown LLP of Riverside performed the audit services for the District during the second year of our second three-year engagement for this firm to perform the audit. A partner with the firm will be present to answer questions.

REASON FOR RECOMMENDATION: The audit process is complete and the information is provided to the Governing Board to review and file.

REVIEW BY OTHERS: This item was reviewed by Karen Nowak, District Counsel, as to legal form and by Brad Poiriez, Executive Director/APCO, on or about March 14, 2022.

FINANCIAL DATA: Sufficient funds were budgeted and available to pay for the services provided. No increase in appropriation is anticipated.

PRESENTER: Laquita Cole, Finance Manager



Mojave Desert Air Quality Management District

Victorville, California

**Annual Financial Report
For the Fiscal Year Ended
June 30, 2021**





Governing Board as of June 30, 2021

Name	Title	Area of Representation
Merl Abel	Chair	Town of Yucca Valley
Kari Leon	Vice Chair	Town of Apple Valley
Elizabeth Becerra	Director	City of Victorville
Barbara Cram Riordan	Director	Public Member
Joey DeConinck	Director	City of Blythe
Col. (Ret.) Paul Cook	Director	County of San Bernardino
Dawn Rowe	Director	County of San Bernardino
Tim Silva	Director	City of Barstow
Jeff Williams	Director	City of Needles
V. Manuel Perez	Director	County of Riverside
Brigit Bennington	Director	City of Hesperia
Stevevonna Evans	Director	City of Adelanto
Daniel Mintz Sr.	Director	City of Twentynine Palms

Mojave Desert Air Quality Management District
14306 Park Avenue
Victorville, CA 92392
(760) 245-1661

Mojave Desert Air Quality Management District

Annual Financial Report

For the Fiscal Year Ended June 30, 2021

DRAFT

**Mojave Desert Air Quality Management District
Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

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Financial Section

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Independent Auditor's Report

Governing Board
Mojave Desert Air Quality Management District
Victorville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mojave Desert Air Quality Management District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Mojave Desert Air Quality Management District, as of June 30, 2021, 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.

Independent Auditor's Report, continued

Emphasis of Matter

Prior Period Adjustment

As discussed in note 12 to the financial statements, the District restated its net position and fund balance as of June 30, 2020, to accumulate grants that have not been awarded as unearned grant revenues. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the required supplementary information on pages 49 through 56 be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2022, 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 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 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. That report can be found on pages 57 and 58.

Fedak & Brown LLP
Cypress, California
February 28, 2022

**Mojave Desert Air Quality Management District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Mojave Desert Air Quality Management District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position decreased \$12,915 from ongoing operations and \$1,741,937 from a prior period adjustment to a deficit of \$1,032,124.
- The District's total revenues increased 0.84% or \$108,986 to \$13,094,454, due primarily to increases of \$87,110 in general revenues and \$21,876 in program revenues as compared to prior year.
- The District's total expenses decreased by 12.30% or \$1,735,042 to \$12,371,726.

Using This Financial Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The statement of net position includes all of the District's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the statement of activities. This statement measures the success of the District's operations over the past year and can be used to determine the District's profitability and credit worthiness.

Government-wide Financial Statements

Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The statement of net position and the statement of activities report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. Think of the District's net position – assets and deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors to assess the *overall financial health* of the District.

**Mojave Desert Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2021**

Fund Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

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 *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 through 48.

Government-wide Financial Analysis

Statements of Net Position

Below is a summary of the statements of net position:

Condensed Statements of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets:			
Current assets	\$ 10,131,259	9,949,049	182,210
Capital assets, net	1,810,498	1,875,146	(64,648)
Total assets	<u>11,941,757</u>	<u>11,824,195</u>	<u>117,562</u>
Deferred outflows of resources	<u>6,319,324</u>	<u>3,543,726</u>	<u>2,775,598</u>
Liabilities:			
Current liabilities	3,075,642	2,560,359	515,283
Non-current liabilities	14,813,543	11,854,680	2,958,863
Total liabilities	<u>17,889,185</u>	<u>14,415,039</u>	<u>3,474,146</u>
Deferred inflows of resources	<u>1,404,020</u>	<u>965,797</u>	<u>438,223</u>
Net position:			
Net investment in capital assets	1,810,498	1,875,146	(64,648)
Restricted	2,717,161	3,400,675	(683,514)
Unrestricted	(5,559,783)	(5,288,736)	(271,047)
Total net position	<u>\$ (1,032,124)</u>	<u>(12,915)</u>	<u>(1,019,209)</u>

**Mojave Desert Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2021**

Government-wide Financial Analysis, continued

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,032,124 as of June 30, 2021. The District's total net position is made-up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

Statements of Activities

Below is a summary of the statements of activities:

Condensed Statements of Activities

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charge for services	\$ 7,432,294	6,864,790	567,504
Operating grants:			
Mobile emission program AB 2766	1,848,885	1,719,250	129,635
Carl Moyer program	896,525	1,632,787	(736,262)
Other	2,463,155	2,402,156	60,999
Total program revenues	<u>12,640,859</u>	<u>12,618,983</u>	<u>21,876</u>
General revenues:			
Fines, forfeitures, and penalties	368,400	227,202	141,198
Investment earnings	57,182	122,504	(65,322)
Gain on disposal of capital assets	2,500	-	2,500
Other revenue	25,513	16,779	8,734
Total general revenues	<u>453,595</u>	<u>366,485</u>	<u>87,110</u>
Total revenues	<u>13,094,454</u>	<u>12,985,468</u>	<u>108,986</u>
Expenses:			
General	10,849,171	11,116,040	(266,869)
Mobile emission program AB 2766	612,336	1,344,285	(731,949)
Carl Moyer program	910,219	1,646,443	(736,224)
Total expenses	<u>12,371,726</u>	<u>14,106,768</u>	<u>(1,735,042)</u>
Changes in net position	<u>722,728</u>	<u>(1,121,300)</u>	<u>1,844,028</u>
Net position, beginning of year, as previously stated	(12,915)	1,108,385	(1,121,300)
Prior period adjustment	(1,741,937)	-	(1,741,937)
Net position, beginning of year, as restated	<u>(1,754,852)</u>	<u>1,108,385</u>	<u>(2,863,237)</u>
Net position, end of year	<u>\$ (1,032,124)</u>	<u>(12,915)</u>	<u>(1,019,209)</u>

**Mojave Desert Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2021**

Government-wide Financial Analysis, continued

Statements of Activities, continued

The District's net position decreased \$12,915 from ongoing operations and \$1,741,937 from a prior period adjustment to a deficit of \$1,032,124..

Total revenues increased 0.84% or \$108,986 to \$13,094,454, due primarily to increases of \$87,110 in general revenues and \$21,876 in program revenues.

Program revenues increased by 0.17% or \$21,876 to \$12,640,859, due primarily to increases of \$567,504 in charge for services, \$129,635 in mobile emission program AB 2766 operating grants, and \$60,999 in other operating grants; which were offset by a decrease of \$736,262 in Carl Moyer program operating grants.

General revenues increased by 23.77% or \$87,110 to \$453,595, due primarily to an increase of \$141,198 in fines, forfeitures, and penalties; which was offset by a decrease of \$65,322 in investment earnings.

Total expenses decreased by 12.30% or \$1,735,042 to \$12,371,726, due primarily to decreases of \$736,224 in Carl Moyer program expenses, \$731,949 in mobile emission program AB 2766 expenses, and \$266,869 in general expenses.

Governmental Fund Balance

The following table is a summary of the changes in fund balance for all governmental funds for the year ended June 30, 2021.

	General Fund	Mobile Emissions Program AB 2766 Fund	Carl Moyer Fund	Total
Fund balance – beginning of year, as restated	\$ 3,960,946	1,908,416	9,565	5,878,927
Change in fund balance	1,294,809	127,496	-	1,422,305
Fund balance – end of year	<u>\$ 5,255,755</u>	<u>2,035,912</u>	<u>9,565</u>	<u>7,301,232</u>

Total fund balance increased by 24.19% or \$1,422,305 to \$7,301,232. The General fund increased by 32.69% or \$1,294,809 to \$5,255,755; the mobile emissions program (AB2766) increased by 6.68% or \$127,496 to \$2,035,912; and the Carl Moyer fund experienced no changes to its fund balance.

Governmental Activities Budgetary Highlights

For the year ended June 30, 2021, the final actual expenditures were more than budgeted for the General fund by \$210,935; and less than budgeted for the mobile emissions program (AB 2766) by \$128,235 and the Carl Moyer fund by \$166,197. For the year ended June 30, 2021, actual revenues were more than budgeted for the General fund by \$1,299,884, the mobile emissions program (AB 2766) by \$739, and the Carl Moyer fund by \$166,197. For the year ended June 30, 2021, there were no differences between the original and final amended budgets. (See the Budgetary Comparison Schedules for the General fund, Mobile Emissions Program (AB 2766) fund, and Carl Moyer fund under the Required Supplementary Information section on pages 53 through 56).

**Mojave Desert Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2021**

Capital Asset Administration

	Capital Assets			Balance 2021
	Balance 2020	Additions	Deletions/ Transfers	
Capital assets:				
Non-depreciable assets	\$ 278,568	-	-	278,568
Depreciable assets	6,245,510	317,286	(1,129)	6,561,667
Total capital assets	6,524,078	317,286	(1,129)	6,840,235
Accumulated depreciation	(4,648,932)	(381,934)	1,129	(5,029,737)
Total capital assets, net	\$ 1,875,146	(64,648)	-	1,810,498

At the end of fiscal year 2021, the District's capital assets (net of accumulated depreciation) amounted to \$1,810,498. This capital assets (net of accumulated depreciation) includes building and improvements, furniture and fixtures, machinery and equipment, vehicles, computers, and software. See note 4 for further information.

Conditions Affecting Current Financial Position

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and business closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. However, the related financial impact on the District and the duration cannot be estimated at this time.

Management is unaware of any other conditions, which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Finance Manager, Mojave Desert Air Quality Management District, 14306 Park Avenue, Victorville, California 92392 or (760) 245-1661.

Basic Financial Statements

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Mojave Desert Air Quality Management District
Statement of Net Position
June 30, 2021

	2021
Assets:	
Current assets:	
Cash and cash equivalents (note 2)	\$ 6,080,133
Restricted cash and cash equivalents (note 2)	2,667,831
Accounts receivable	1,275,079
Due from Fiduciary fund (note 3)	106,412
Prepays	1,804
Total current assets	10,131,259
Non-current assets:	
Capital assets – not being depreciated (note 4)	278,568
Capital assets – being depreciated, net (note 4)	1,531,930
Total non-current assets	1,810,498
Total assets	11,941,757
Deferred outflows of resources:	
Deferred pension outflows (note 8)	6,319,324
Total deferred outflows of resources	6,319,324
Liabilities:	
Current liabilities:	
Accounts payable	109,645
Accrued salaries and related payables	300,419
Due to California Air Resources Board	16,452
Unearned grant (note 5)	2,278,530
Unearned revenue	20,143
Other liabilities	104,838
Long-term liabilities – due within one year:	
Compensated absences (note 6)	245,615
Total current liabilities	3,075,642
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (note 6)	736,845
Net other post-employment benefits liability (note 7)	506,364
Net pension liability (note 8)	13,570,334
Total non-current liabilities	14,813,543
Total liabilities	17,889,185
Deferred inflows of resources:	
Deferred other post-employment benefits inflows (note 7)	336,541
Deferred pension inflows (note 8)	1,067,479
Total deferred inflows of resources	1,404,020
Net position:	
Net investment in capital assets (note 9)	1,810,498
Restricted (note 10)	2,717,161
Unrestricted (note 11)	(5,559,783)
Total net position	\$ (1,032,124)

See accompanying notes to the basic financial statements

**Mojave Desert Air Quality Management District
Statement of Activities
For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charge for Services			
		Application and Permit Fees	Management Contract Antelope Valley AQMD	Operating Grants	
Governmental activities:					
General	\$ 10,849,171	5,768,405	1,663,889	3,572,486	155,609
Mobile emission program AB 2766	612,336	-	-	739,554	127,218
Carl Moyer program	910,219	-	-	896,525	(13,694)
Total governmental activities	\$ 12,371,726	5,768,405	1,663,889	5,208,565	269,133
		General revenues:			
					\$ 368,400
					57,182
					2,500
					25,513
					453,595
					722,728
					(12,915)
					(1,741,937)
					(1,754,852)
					\$ (1,032,124)

See accompanying notes to the basic financial statements.

Mojave Desert Air Quality Management District
Balance Sheet – Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Mobile Emissions Program AB 2766 Fund</u>	<u>Carl Moyer Fund</u>	<u>Total Fund</u>
Assets:				
Cash and cash equivalents	\$ 6,080,133	-	-	6,080,133
Restricted cash and cash equivalents	-	1,986,582	681,249	2,667,831
Accounts receivable	1,149,297	125,782	-	1,275,079
Due from fiduciary fund (note 3)	106,412	-	-	106,412
Due from other funds (note 3)	60,000	-	32,620	92,620
Prepays	1,804	-	-	1,804
Total assets	\$ 7,397,646	2,112,364	713,869	10,223,879
Liabilities:				
Accounts payable	\$ 47,336	-	62,309	109,645
Accrued payroll and related expenses	300,419	-	-	300,419
Due to California Air Resources Board	-	16,452	-	16,452
Due to other fund (note 3)	32,620	60,000	-	92,620
Unearned grant (note 5)	1,631,335	-	641,995	2,278,530
Unearned revenues	20,143	-	-	20,143
Other liabilities	104,838	-	-	104,838
Total liabilities	2,141,891	76,452	704,304	2,922,647
Fund balance:				
Restricted:				
Mobile emissions program AB 2677	-	2,035,912	-	2,035,912
Carl Moyer	-	-	9,565	9,565
Nonspendable:				
Prepays	1,804	-	-	1,804
Committed:				
Operating reserves	966,866	-	-	966,866
Building improvement reserves	200,000	-	-	200,000
Legal and litigation reserves	200,000	-	-	200,000
Assigned:				
Budget stabilization	250,000	-	-	250,000
Compensated absences	450,000	-	-	450,000
Unassigned	3,187,085	-	-	3,187,085
Total fund balance	5,255,755	2,035,912	9,565	7,301,232
Total liabilities and fund balance	\$ 7,397,646	2,112,364	713,869	10,223,879

Continued on next page

See accompanying notes to the basic financial statements

Mojave Desert Air Quality Management District
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position
June 30, 2021

Reconciliation:

Total Fund Balance of Governmental Fund	\$	7,301,232
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those capital position among the assets of the District as a whole.		
Capital assets, net		1,810,498
Pension contributions made during the fiscal year after the measurement date are reported as expenditures in governmental funds and as deferred outflows of resources in the government-wide financial statements.	\$	1,728,590
Recognized net difference between projected and actual earnings on pension plan investments are reported as deferred outflows of resources in the government-wide financial statements.		2,863,559
Recognized net change in assumptions for the pension plan are reported as deferred outflows of resources in the government-wide financial statements.		1,589,698
Recognized portion due to net difference between the actual employer contribution and the proportionate share of contribution are reported as deferred outflows of resources in the government-wide financial statements.		99,812
Recognized net difference between the expected and actual experience for the pension plan are reported as deferred outflows of resources in the government-wide financial statements.	<u>37,665</u>	<u>6,319,324</u>
Long-term liabilities applicable to the District are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities both current and long-term, are reported in the statement of net position as follows:		
Compensated absences		(982,460)
Net other post-employment benefits liability		(506,364)
Net pension liability		(13,570,334)
Recognized portion due to the net difference between the actual employer contribution and the proportionate share of contribution for the pension plan are reported as deferred inflows of resources in the government-wide financial statements.	<u>(1,067,479)</u>	<u>(1,067,479)</u>
Recognized net difference between projected and actual earnings on OPEB plan investments are reported as deferred inflows of resources in the government-wide financial statements.		(113,621)
Recognized net difference between projected and actual earnings on OPEB plan investments are reported as deferred inflows of resources in the government-wide financial statements.		(96,948)
Recognized net change in assumptions for the OPEB plan are reported as deferred inflows of resources in the government-wide financial statements.	<u>(125,972)</u>	<u>(336,541)</u>
Total adjustments		<u>(8,333,356)</u>
Net Position of Governmental Activities	\$	<u>(1,032,124)</u>

See accompanying notes to the basic financial statements

Mojave Desert Air Quality Management District
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund
For the Year Ended June 30, 2021

	General Fund	Emissions Program AB 2766 Fund	Carl Moyer Fund	Total Fund
Revenues:				
Program revenues:				
Charge for services:				
Application and permit fees	\$ 5,768,405	-	-	5,768,405
Management contract – Antelope Valley AQMD (note 13)	1,663,889	-	-	1,663,889
Total charge for services	7,432,294	-	-	7,432,294
Operating grants:				
Assembly Bill 2766	1,109,331	739,554	-	1,848,885
State grants	2,081,657	-	896,525	2,978,182
State subvention	139,212	-	-	139,212
Federal grants	150,739	-	-	150,739
California Clean Air Act	74,012	-	-	74,012
Other programs	17,525	-	-	17,525
Total operating grants	3,572,486	739,554	896,525	5,208,565
Total program revenues	11,004,780	739,554	896,525	12,640,859
General revenues:				
Fines, forfeitures, and penalties	368,400	-	-	368,400
Investment earnings	43,210	278	13,694	57,182
Gain on sale of capital asset	2,500	-	-	2,500
Other revenue	25,513	-	-	25,513
Total general revenues	439,623	278	13,694	453,595
Total revenues	11,444,403	739,832	910,219	13,094,454
Expenditures:				
Salaries and benefits	7,230,647	-	-	7,230,647
Services and supplies	877,586	(15)	62,310	939,881
Contributions	1,724,075	612,351	847,909	3,184,335
Capital outlay	317,286	-	-	317,286
Total expenditures	10,149,594	612,336	910,219	11,672,149
Net change in fund balance	1,294,809	127,496	-	1,422,305
Fund balance – beginning of year, as previously stated	5,702,883	1,908,416	9,565	7,620,864
Prior period adjustment (note 12)	(1,741,937)	-	-	(1,741,937)
Fund balance – beginning of year, as restated	3,960,946	1,908,416	9,565	5,878,927
Fund balance – end of year	\$ 5,255,755	2,035,912	9,565	7,301,232

Continued on next page

See accompanying notes to the basic financial statements

**Mojave Desert Air Quality Management District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Fund to the Statement of Activities
 For the Year Ended June 30, 2021**

Reconciliation:

Net Change in Fund Balance – Total Governmental Fund	\$ 1,422,305
<p>Amounts reported for governmental activities in the statement of activities are different because: Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense as follows:</p>	
Capital outlay	317,286
Depreciation expense	(381,934)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenses in governmental fund as follows:</p>	
Net change in compensated absences for the current period	(53,765)
Net change in other post-employment benefit obligations for the current period	48,604
Net change in pension obligations for the current period	<u>(629,768)</u>
Change in Net Position of Governmental Activities	<u>\$ 722,728</u>

See accompanying notes to the basic financial statements

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**Mojave Desert Air Quality Management District
Statement of Net Position – Fiduciary Fund
Other Post-Employment Benefit Obligation
For the Year Ended June 30, 2021**

	2021
Assets:	
Cash in trust	\$ <u>892,823</u>
Total assets	<u>892,823</u>
Liabilities:	
Due to general fund (note 3)	<u>56,659</u>
Total liabilities	<u>56,659</u>
Net position:	
Restricted – held in trust for OPEB benefits	<u>836,164</u>
Total net position	<u>\$ 836,164</u>

See accompanying notes to the basic financial statements.

Note: This fund balance is included in the calculation of the District's Net Other Post-Employment Benefits Liability at June 30, 2021. (Please see note 7 for further information.)

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**Mojave Desert Air Quality Management District
Statement of Changes in Net Position – Fiduciary Fund
Other Post-Employment Benefit Obligation
For the Year Ended June 30, 2021**

	2021
Additions:	
Investment income	\$ <u>188,125</u>
Total additions	<u>188,125</u>
Deductions:	
Bank fees	<u>4,617</u>
Total deductions	<u>4,617</u>
Changes in net position	183,508
Net position – beginning of year	<u>652,656</u>
Net position – end of year	<u>\$ 836,164</u>

See accompanying notes to the basic financial statements

Note: This fund balance is included in the calculation of the District's Net Other Post-Employment Benefits Liability at June 30, 2021. (Please see note 7 for further information.)

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Mojave Desert Air Quality Management District
Statement of Net Position – Fiduciary Fund
Pension Benefits
For the Year Ended June 30, 2021

	2021
Assets:	
Cash in trust	\$ 1,394,594
Total assets	1,394,594
Liabilities:	
Due to general fund (note 3)	49,753
Total liabilities	49,753
Net position:	
Restricted – held in trust for pension benefits	1,344,841
Total net position	\$ 1,344,841

See accompanying notes to the basic financial statements

Note: This fund balance is not included in the calculation of the District's Net Pension Liability at June 30, 2021. This is due to differences between the Plan's measurement date of June 30, 2020 and the Trust fund's report date of June 30, 2021. (Please see note 8 for further information on the District's Net Pension Liability.)

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**Mojave Desert Air Quality Management District
Statement of Changes in Net Position – Fiduciary Fund
Pension Benefits
For the Year Ended June 30, 2021**

	2021
Additions:	
Investment income	252,796
Total additions	252,796
Deductions:	
Bank fees	7,353
Total deductions	7,353
Changes in net position	245,443
Net position – beginning of year	1,099,398
Net position – end of year	\$ 1,344,841

See accompanying notes to the basic financial statements

Note: This fund balance is not included in the calculation of the District's Net Pension Liability at June 30, 2021. This is due to differences between the Plan's measurement date of June 30, 2020 and the Trust fund's report date of June 30, 2021. (Please see note 8 for further information on the District's Net Pension Liability.)

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Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Mojave Desert Air Quality Management District (District), was established on July 1, 1993, upon the dissolution of the San Bernardino County Air Pollution Control District. The District operates pursuant to the Lewis Air Quality Management Act which became effective on February 1, 1977, commencing at Section 40400 of the Health and Safety Code of the State of California. The District's primary responsibility is to regulate stationary sources of air pollution located within its jurisdictional boundaries. To accomplish its responsibility, the District implements air quality programs required by State and Federal mandates, enforces rules and regulations based on air pollution laws, and educates businesses and residents about their role in protecting air quality. The District represents the citizens within its 20,000 mile jurisdiction covering the San Bernardino High Desert and the Palo Verde Valley portion of Riverside County. Air monitoring staff operates six monitoring stations in Barstow, Hesperia, Phelan, Trona, Twentynine Palms, and Victorville.

The District's mission is to protect the air quality within its boundaries while supporting strong and sustainable economic growth. This is accomplished through a comprehensive and common-sense program of planning, regulation, compliance assistance, enforcement, monitoring, and public education. The District is an independent special district, governed by a thirteen member Governing Board consisting of members from represented areas within its boundaries.

B. Basis of Accounting and Measurement Focus

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting for governmental activities. Accordingly, all of the District's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used; such as unbilled but utilized utility services that are recorded at year end. The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the District are charge for services directly related to the operations of the District. Charge for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items, properly not included among program revenues, are reported instead as general revenues.

Fund Financial Statements

These statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balance for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the difference in fund balance, as presented in these statements, to the net position presented in the government-wide financial statements.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements, continued

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 liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.

Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are investment earnings and operating grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The District's accounts are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Funds are organized into two major categories: governmental and fiduciary categories. An emphasis is placed on major funds within the governmental and fiduciary categories. A fund is considered major if it is the primary operational fund of the District or meets the following criteria:

- a) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental, governmental special revenue, or fiduciary fund is at least 10 percent of the corresponding total for all funds of that category or type;
- b) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental, governmental special revenue, or fiduciary fund is at least 5 percent of the corresponding total for all governmental funds combined; or
- c) The entity has determined that a fund is important to the financial statement user.

The governmental fund of the financial reporting entity is described below:

General Fund – a government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund when necessary.

Mobile Emissions Program AB 2766 Fund – a special revenue fund used to account for the retention of funds allocated for the support of the District's mobile emissions grant program pursuant to Assembly Bill No. 2766.

Carl Moyer Fund – a special revenue fund used to account for revenues received pursuant to the Carl Moyer Air Quality Standards Attainment Program. Expenditures are restricted to providing incentive for participating entities to undertake reduced-emission heavy-duty engine projects.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

B. Basis of Accounting and Measurement Focus, continued

Fund Financial Statements, continued

The fiduciary fund of the financial reporting entity is described below:

Other Post-Employment Benefits Trust Fund – a fiduciary fund used to account for assets held by the District as Trustees. The District maintains this non-major expendable trust fund, Retiree Benefits Fund, which is used to provide contingency reserves for the District payment of current and future retiree health and welfare benefits.

Pension Benefits Trust Fund – a fiduciary fund used to account for assets held by the District as Trustees. The District maintains this non-major expendable trust fund, Pension Fund, which is used to provide contingency reserves for the District payment of current and future retiree pension benefits.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has adopted the following GASB pronouncements in the current year:

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

D. Financial Statement Elements

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in the District's net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and business closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. However, the related financial impact on the District and the duration cannot be estimated at this time.

3. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investments and Investment Policy

The District has adopted an investment policy to deposit funds in financial institutions. Investments are to be made in the following area:

- San Bernardino County Pooled Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

5. Accounts Receivable

The District extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been recorded.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

6. Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

7. Internal Balances and Activities

Internal activity and balances reported as interfund activity in the governmental fund financial statements are reclassified or eliminated in the preparation of the government-wide statement of net position and statement of activities. This elimination will avoid the “grossing up” of amounts resulting from internal activity within the primary government.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value and/or historical cost at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Buildings – 20 to 50 years
- Buildings and improvements – 20 years
- Vehicles – 5 years
- Machinery and equipment – 15 to 20 years
- Computer equipment – 3 to 15 years

9. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to future periods.

10. Unearned Revenue

Certain receipts from customer and funding sources reflect revenue applicable to future accounting periods and are recorded as unearned revenues in both the government-wide and fund financial statements.

11. Compensated Absences

It is the District’s policy to allow employees to accumulate earned but unused vacation, administrative time, holiday, and sick leave benefits. The vesting method is used to calculate the liability. Depending on the vesting criteria and years of service, an employee will be paid a range between 0% and 50% of earned sick leave, and 100% of earned vacation, holiday, and administrative time upon separation. All vacation pay, administrative time, and sick leave is accrued when incurred in the government-wide financial statements. The balance of compensated absences is recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees. The General Fund is used to liquidate compensated absences, respective to each funds’ liability.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

12. Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation date – June 30, 2021
- Measurement date – June 30, 2021
- Measurement period – July 1, 2020 to June 30, 2021

13. Pension

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's San Bernardino County Employees' Retirement Association (SBCERA) plans (Plans) and addition to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by SBCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date – June 30, 2020
- Measurement Date – June 30, 2021
- Measurement Period – July 1, 2020 to June 30, 2021

14. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to future periods.

15. Net Position

The government-wide financial statements utilize a net position presentation. Net position categories are as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation and amortization, and reduced by any debt balances outstanding against the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* components of net position.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

16. Fund Balance

The governmental fund financial statements report fund balance as non-spendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions and enabling legislation.
- **Committed** – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned** – amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned** – the residual classification for the District’s general fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned for those purposes.

Fund Balance Policy

The Governing Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balance are considered unrestricted.

The purpose of the District’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

17. Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenditures with planned revenues and expenditures for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30 are classified as follows:

	2021
Unrestricted cash and cash equivalents:	
General Fund	\$ 6,080,133
Total unrestricted cash and cash equivalents	6,080,133
Restricted cash and cash equivalents:	
Mobile Emissions Program AB 2766 Fund	1,986,582
Carl Moyer Fund	681,249
Total restricted cash and cash equivalents	2,667,831
Total cash and cash equivalents	\$ 8,747,964

Cash and cash equivalents as of June 30 consisted of the following:

	2021
Cash on hand	\$ 283,181
Deposits held with financial institutions	5,345,372
Deposits held with San Bernardino County Treasurer	3,119,411
	\$ 8,747,964

As of June 30, the District's authorized deposits had the following maturities:

	2021
San Bernardino County Investment Pool	461 days

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(2) Cash and Cash Equivalents, continued

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
State and local agency bonds, notes and warrants	5 years	None	None
U.S. treasury obligations	5 years	None	None
Federal agency obligations	5 years	None	None
Banker's acceptances	180 days	40%	None
Commercial paper - Pooled/Non-Pooled	270 days	40%/25%	40%
Negotiable/Non-Negotiable certificates of deposit	5 years	30%/None	None
Placement Service - Certificates of Deposit	5 years	30%	None
Repurchase agreements	1 years	None	None
Reverse repurchase agreements	92 days	20%	None
Medium-term notes	5 years	30%	None
Money market mutual funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
California Local Agency Investment Fund (CLAIF)	N/A	None	\$40 million
County Pooled Investment Fund	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational obligations	5 years	30%	None

Investment in the San Bernardino County Investment Pool

The San Bernardino County Investment Pool (SBCIP) is a pooled investment fund program governed by the County of San Bernardino Board of Supervisors and administered by the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by SBCIP for the entire SBCIP portfolio. Investments in SBCIP are highly liquid as deposits and withdrawals can be made at any time without penalty following the restrictions and limitations as identified below. SBCIP does not impose a maximum investment limit. SBCIP is not registered with the Securities and Exchange Commission as an investment company.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. SBCIP does not have any legally binding guarantees of share values. SBCIP does not impose liquidity fees or redemption gates on participant withdrawals. Information related to the SBCIP may be obtained from the County of San Bernardino Administrative Offices – 268 West Hospitality Lane, 1st Floor – Treasury – San Bernardino, California 92415 or the Auditor-Controller/Treasurer/ Tax Collector's office website www.sbcounty.gov.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government 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.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. Of the District's bank balance, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Interest Rate Risk

Interest rate risk is the risk that the change in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the change in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The San Bernardino County Investment Pool is not rated.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and/or external investment pools) that represent 5% or more of the District's total investments.

(3) Internal Transfers

Inter-fund Operational Transfers

Inter-fund receivables/payables are used to move financial resources between the General fund, the Mobile Emissions Program AB2766 fund, the Carl Moyer fund, and the Fiduciary fund as advances to temporarily support the operations of each respective fund.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(3) Internal Transfers, continued

As of June 30, inter-fund receivables/payables between the District's General fund, the Mobile Emissions Program AB2766 fund, and the Carl Moyer Fund, were as follows:

Receivable from	Payable to	2021
AB2766 Fund	General Fund	\$ 60,000
General Fund	Carl Moyer Fund	32,620
Total due to/from		\$ 92,620

As of June 30, inter-fund receivables/payables between the District's General fund and the Fiduciary fund, were as follows:

Receivable from	Payable to	2021
Pension Fiduciary Fund	General Fund	\$ 49,753
OPEB Fiduciary Fund	General Fund	56,659
Payable to General		106,412

(4) Capital Assets

The change in capital assets as of June 30 was as follows:

	Balance 2020	Additions/ Transfers	Deletions/ Transfers	Balance 2021
Non-depreciable assets:				
Land	\$ 278,568	-	-	278,568
Total depreciable assets	278,568	-	-	278,568
Depreciable assets:				
Building and improvements	2,707,033	176,191	-	2,883,224
Equipment	3,238,106	78,836	(1,129)	3,315,813
Vehicles	300,371	62,259	-	362,630
Total depreciable assets	6,245,510	317,286	(1,129)	6,561,667
Accumulated depreciation:				
Building and improvements	(1,979,917)	(103,862)	-	(2,083,779)
Equipment	(2,485,528)	(202,265)	1,129	(2,686,664)
Vehicles	(183,487)	(75,807)	-	(259,294)
Total accumulated depreciation	(4,648,932)	(381,934)	1,129	(5,029,737)
Total depreciable assets, net	1,596,578	(64,648)	-	1,531,930
Total capital assets, net	\$ 1,875,146			1,810,498

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(5) Unearned Grant Revenue

The change in unearned grant revenues as of June 30 was as follows:

	<u>Balance 2020</u>	<u>New Awards</u>	<u>Expenses/ Revenues</u>	<u>Balance 2021</u>
Other grants:				
AB134	\$ 1,118,461	1,073,611	(1,157,363)	1,034,709
Oil and gas	50,039	26,000	(5,681)	70,358
Farmers grant	547,299	522,978	(629,975)	440,302
AB617	-	201,375	(119,105)	82,270
NOX	26,138	-	(17,242)	8,896
Total General Fund	<u>1,741,937</u>	<u>1,823,964</u>	<u>(1,929,366)</u>	<u>1,636,535</u>
Carl Moyer grant:				
Round 21	453,597	-	(391,257)	62,340
Round 22	1,060,484	-	(505,267)	555,217
Carl Moyer interest earned	37,970	162	(13,694)	24,438
Total Carl Moyer Grant	<u>1,552,051</u>	<u>162</u>	<u>(910,218)</u>	<u>641,995</u>
Total unearned revenue	<u>\$ 3,293,988</u>	<u>1,824,126</u>	<u>(2,839,584)</u>	<u>2,278,530</u>

(6) Compensated Absences

The change in compensated absences as of June 30 was as follows:

<u>Balance 2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2021</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 928,695	392,126	(338,361)	982,460	245,615	736,845

(7) Other Post-Employment Benefits (OPEB) Plan

Plan Description

The District's defined benefit OPEB plan provides OPEB for all permanent full-time employees of the District. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Governing Board has the authority to establish and amend the benefit terms to the Plan.

Benefits Provided

The District provides retirees with access to medical, dental, and vision coverage. No subsidy is provided toward dental or vision coverage and neither is expected to create an OPEB liability for the District. Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires an employee to satisfy the requirements for retirement under the San Bernardino County Employees' Retirement Association (SBCERA).

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Benefits Provided, continued

Retirees meeting further eligibility requirements are eligible for a temporary additional subsidy. The additional benefit is provided in addition to the PEMHCA minimum benefit. The additional benefits are summarized in table below:

Eligibility requirements	1. SBCERA retirement 2. 20 years of service with the District, member agency, and/or California air district service 3. Enrollment in a CalPERS medical plan at the time of retirement
Benefit percentage	2% times years of combined District, member agency, and/or California air district service
Benefit Percentage applies to	CalPERS medical premiums for retirees and any enrolled dependents The total District-paid benefit is limited to the Flexible Benefit caps for active employees
Duration of benefit	5 years or until retiree reaches age 65 (whichever comes first)

The District's employees must meet one of the following criteria in accordance with PEMHCA:

SBCERA General Tiers	Minimum Age	Minimum Years of Service
Tier 1 (hired before January 2013)	50	10
	70	Any
	Any	30
Tier 2 (hired on/after January 2013)	52	5
	70	Any

Employees Covered by Benefit Terms

At June 30, the following employees were covered by the benefit terms:

	<u>2021</u>
Inactive employees or beneficiaries currently receiving benefit payments	15
Active employees	<u>23</u>
Total	<u>38</u>

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Contributions

The OPEB plan's contribution requirements for eligible retired employees of the District are established and may be amended by the Governing Board. District contributions to the Plan occur as benefits are paid to retirees and/or to the OPEB trust. Benefit payments may occur in the form of direct payments of premiums and taxes ("explicit subsidies") and/or indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies").

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.25%
Investment rate of return	6.00% for explicit costs, net of plan investment expenses and including inflation
Healthcare cost trend rates	5.40% in 2021 to 4.00% in 2076 in steps of 0.10%

The actuarial assumptions used in the June 30, 2020 valuation are based on the 2017 experience study of the SBCERA using data from 2013 to 2016, except for a different basis used to project future mortality improvements. Mortality improvement was based on the MacLeod Watts Scale 2020 applied generationally from 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The ranges 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 and by adding expected inflation. Non-imbedded fees were estimated to reduce the expected yield above by 50 basis point (0.50%), reducing the net expected return on trust assets to 6.03% per year. A long-term rate of return of 6.0% was assumed for assets in the actuarial valuation.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Actuarial Assumptions, continued

The target allocation and best estimates of geometric real rates of return for each major class are summarized in the table below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Core	32.00 %	6.70 %
Mid Cap Core	6.00	7.00
Small Cap Core	9.00	7.90
Real Estate	2.00	5.70
International	7.00	7.30
Emerging Market	4.00	9.70
Short Term Bond	6.75	3.80
Intermediate Term Bond	27.00	4.60
High Yield	1.25	6.00
Cash	5.00	2.10
Total	<u>100.00 %</u>	

Discount Rate

The discount rates used to measure the total OPEB liability was 6.0%. The District established an irrevocable OPEB trust in 2010 with assets dedicated toward paying future retiree medical benefits. The District stated its intent to continue contributions equal to the Actuarially Determined Contribution determined for the explicit subsidy liability only. Financing of the implicit subsidy portion of the liability is on a pay-as-you-go basis.

Changes in the Net OPEB Liability

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2020	\$ 1,369,946	709,315	660,631
Changes for the year:			
Service cost	53,808	-	53,808
Interest	82,476	-	82,476
Net investment income	-	183,508	(183,508)
Employer contributions	-	107,043	(107,043)
Benefit payments	(98,303)	(98,303)	-
Net changes	<u>37,981</u>	<u>192,248</u>	<u>(154,267)</u>
Balance at June 30, 2021	<u>\$ 1,407,927</u>	<u>901,563</u>	<u>506,364</u>

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current discount rate (6.00%):

	Current Rate - 1%	Current Rate	Current Rate + 1%
District's net OPEB liability	\$ 674,056	506,364	365,360

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.40% decreasing to 3.00%) or 1-percentage-point higher (6.40% decreasing to 5.00%) than the current healthcare cost trend rates (5.40% decreasing to 4.00%):

	Current Trend - 1%	Current Trend	Current Trend +1%
District's net OPEB liability	\$ 345,579	506,364	703,453

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$15,765. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	(113,621)
Differences between projected and actual earnings on plan investments	-	(96,948)
Changes in assumptions	-	(125,972)
Total	\$ -	(336,541)

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(7) Other Post-Employment Benefits (OPEB) Plan, continued

Amounts reported as deferred outflows(inflows) of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Net Deferred Outflows(Inflows) of Resources
2022	\$ (77,697)
2023	(75,623)
2024	(76,397)
2025	(81,775)
2026	(25,049)
Total	\$ (336,541)

(8) Defined Benefit Pension Plan

Plan Description

The District participates in the San Bernardino County Employees' Retirement Association (SBCERA) administers the SBCERA pension plan – a cost-sharing multiple-employer defined benefit pension plan (Plan). SBCERA provides retirement, disability, death, and survivor benefits to members who are employed by 18 active Plan sponsors (participating employers) and four withdrawn employers. to the General and Safety members employed in the County of San Bernardino.

SBCERA issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be obtained from their executive office at 348 West Hospitality Lane, Third Floor, San Bernardino, California 92415-0014 or visiting the website at www.SBCERA.org.

Benefits Provided

SBCERA provides service retirement, disability, death, and survivor benefits to eligible employees. Generally, any employee of the County of San Bernardino or participating employers who is appointed to a regular position whose service is greater than fifty percent of the full standard of hours required by a participating SBCERA employer (e.g. 20 hours per week or more) must become a member of SBCERA effective on the first day of employment. There are separate retirement benefits for General and Safety member employees. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members.

There are currently two tiers applicable to both General and Safety members. Members with membership dates before January 1, 2013 are included in General Tier 1 or Safety Tier 1. Any new member who becomes a member on or after January 1, 2013 is designated as General Tier 2 or Safety Tier 2 and is subject to the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA).

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(8) Defined Benefit Pension Plan, continued

Benefits Provided, continued

The District participates in the SBCERA's General Tier. The provisions and benefits for the SBCERA General Tier in effect at June 30, 2021, are as follows:

Tier 1 members are eligible for early retirement once they attain the age of 70 regardless of service, at age 50 and have acquired 10 or more years of retirement service credit, or with 30 years of service regardless of age. Tier 2 members are eligible for early retirement once they attain the age of 70 regardless of service or at age 52 and have acquired five or more years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit, and retirement plan and tier.

Tier 1 benefit is calculated pursuant to the provisions of California Government Code Section 31676.15. The monthly allowance is equal to 2% of final compensation times years of accrued retirement service credit times age factor from Section 31676.15. Tier 2 benefit is calculated pursuant to the provisions found in California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For Tier 1 members, the maximum monthly retirement allowance is 100% of final compensation. There is no monthly retirement allowance benefit for Tier 2 members. However, the maximum amount of compensation earnable that can be taken into account for 2019 for Tier 1 members with membership dates on or after July 1, 1996 is \$275,000. The maximum amount of pensionable compensation for Tier 2 members that can be taken into account for 2019 is equal to \$149,016. These limits are adjusted on an annual basis. Tier 1 members and employers are exempt from paying contributions on compensation earnable paid in excess of the annual cap. In addition, Tier 1 members are exempt from paying member contributions once they have reached 30 or more years of service. Tier 2 members and employers are exempt from paying contributions on pensionable compensation paid in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months for Tier 1 members and the average of the highest 36 consecutive months for Tier 2 members.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date, or at least two years prior to the date of death and has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

SBCERA provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for All Urban Consumers for the Riverside-San Bernardino-Ontario Area, is capped at 2.0%.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(8) Defined Benefit Pension Plan, continued

Contributions

The District and 17 other participating employers contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from SBCERA's actuary after the completion of the annual actuarial valuation. Members are required to make contributions to SBCERA regardless of the retirement plan or tier in which they are included. Tier 1 members with 30 or more years of service are exempt from paying member contributions.

For the year ended June 30, the District's contributions to the Plan are as follows:

	2021
Contributions – employer	\$ 1,728,590

Net Pension Liability

As of June 30, the District report net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2021
Proportionate share of net pension liability	\$ 13,570,334

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. As of June 30, 2021, the net pension liability of the Plan is measured as of June 30, 2020 (measurement date). The total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of the measurement date June 30, 2020, was as follows:

	General Plan
Proportional share – June 30, 2019	0.387 %
Proportional share – June 30, 2020	0.339
Change – Increase (Decrease)	(0.048) %

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

For the year ended June 30, 2021, the District recognized pension expense of \$2,527,777. As June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Description</u>	<u>2021</u>	
	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Pension contributions subsequent to the measurement date	\$ 1,728,590	-
Net difference between projected and actual earnings on plan investments	2,863,559	-
Change in assumptions	1,589,698	-
Change in proportions and differences between actual contribution and proportionate share of contribution	99,812	(1,067,479)
Difference between actual and expected experience	37,665	-
Total	<u>\$ 6,319,324</u>	<u>(1,067,479)</u>

As of June 30, 2021, the District reported \$1,728,590 as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. As of June 30, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2022	\$ 727,678
2023	1,044,645
2024	902,972
2025	718,525
2026	129,435

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2020, actuarial valuation were determined using the following actuarial assumptions and methods:

Actuarial assumptions:

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Investment rate of return	7.25%
Inflation	3.00%
Projected salary increases ⁽¹⁾	General: 4.50% to 14.50%
Cost-of-Living adjustment	Contingent upon consumer price index with a 2.00% maximum
Administrative expenses	0.70% of payroll

(1) Includes inflation at 3.00% plus real across-the-board increase of 0.50% plus merit and promotional increases

The mortality rates used are as follows:

Healthy	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward one year for males, projected generationally with the two-dimensional MP-2016 projection scale.
Disabled	Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table set forward seven years, projected generationally with the two-dimensional MP-2016 projection scale.
Beneficiaries	Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who is receiving a service retirement.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for June 30, 2020. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of returns on pension plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

The long-term expected rate of return on pension plan investments was determined 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 allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the June 30, 2020 actuarial valuation. This information will change every three years based on the actuarial experience study.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

The table below reflects the long-term expected real rate of return by asset class.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Large Cap U.S. Equity	11.00 %	5.42 %
Small Cap U.S. Equity	2.00	6.21
Developed International Equity	9.00	6.50
Emerging Market Equity	6.00	8.80
U.S. Core Fixed Income	2.00	1.13
High Yield/Credit Strategies	13.00	3.40
Global Core Fixed Income	1.00	(0.04)
Emerging Market Debt	8.00	3.44
Real Estate	3.00	4.57
Value Added Real Estate	3.00	6.53
International Credit	11.00	5.89
Absolute Return	7.00	3.69
Real Assets	5.00	10.64
Private Equity	16.00	10.70
Cash & Equivalents	2.00	(0.03)
Total	<u>99.00 %</u>	

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in Discount Rate

The following table presents the District's proportionate share of the net pension liability for the Plan calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

	<u>Discount Rate - 1% (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>Discount Rate + 1% (8.25%)</u>
District's net pension liability	\$ <u>19,059,019</u>	<u>13,570,334</u>	<u>9,076,008</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued SBCERA financial reports. See pages 51 and 52 for the Required Supplementary Information.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(9) Net Investment in Capital Assets

Net investment in capital assets is calculated as follows:

	2021
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 278,568
Capital assets – being depreciated, net	1,531,930
Total net investment in capital assets	\$ 1,810,498

(10) Restricted Net Position

Restricted net position is calculated as follows:

	2021
Restricted:	
Mobile Emissions Program (AB 2677)	\$ 2,035,912
AB134	
Oil & Gas	
Farmers	
NOX	
Carl Moyer Fund	681,249
Total restricted	\$ 2,717,161

(11) Unrestricted Net Position

The District's Governing Board has designated the use of the District's June 30 unrestricted net position as follows:

	2021
Unrestricted:	
Unfunded reserves	\$ (7,628,453)
Prepays	1,804
Operating cash reserve	966,866
Building improvement reserves	200,000
Legal and litigation reserves	200,000
Budget stabilization	250,000
Compensated absences	450,000
Total unrestricted	\$ (5,559,783)

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(12) Prior Period Adjustment

During the year, the District's grantor changed its rules and regulations to account for grants that have not been awarded by the District as unearned grant revenues. As a result, the District recorded a prior period adjustment to net position and fund balance.

The effect of the above change is summarized as follows:

	Net Position	Fund Balance
Net position/Fund balance - as previously stated	\$ (12,915)	7,620,864
Reclassified to unearned revenues	(1,741,937)	(1,741,937)
Net position/Fund balance -as restated	\$ (1,754,852)	5,878,927

(13) Management Contract Revenue

Antelope Valley Air Quality Management District

On April 19, 2016, the District entered into an agreement with the Antelope Valley Air Quality Management District (AVAQMD) to provide air pollution control services, including administration and operations, to meet the regulatory and legislative responsibilities of the AVAQMD.

The agreement commenced on July 1, 2020 and expires on June 30, 2025. The agreement carries an option to extend services for two years.

The contracts compensation terms include: (1) actual cost reimbursement for the purchase of materials for supplies, (2) the AVAQMD payment of the pro-rata share of base salary and associated employment benefits of Program Staff, (3) utilization of the District's file management system, accounting system, compliance and permit system, and air monitoring data collection and reporting system, which AVAQMD will cover costs for enhancements and maintenance, (4) a proportionate share of the purchase cost/service costs assessed to the AVAQMD not to exceed a proportionate amount based on the ratio of operating permits between both Districts, and (5) the AVAQMD payment for a charge to cover administrative overhead and compensate the District for indirect costs of delivering services. The charge is calculated at 14% of the total billed each month for services added to each invoice.

The District provides professional officers and employees. The District is responsible for the payment of all salaries and benefits, including health and dental benefits, union benefits, related employment taxes, and pension contributions. Upon termination of the agreement any dedicated staff will be transitioned from the District to the AVAQMD.

Payment of costs is billed monthly at 1/12th of the annual contract amount. On a quarterly basis, the District will reconcile actual costs. At June 30, 2021, the District reported management contract revenue of \$1,663,889.

(14) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program) with the investing formula approved by the Governing Board. The purpose of the Program is to provide deferred compensation for public employees that elect to participate. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(14) Deferred Compensation Savings Plan, continued

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust as of June 30, 2021, was \$8,700,450.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

(15) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2021, the District participated in the liability, property, and workers compensation insurance with the SDRMA as follows:

- Property coverage consists of \$1 billion pool limit, replacement cost of scheduled property; boiler & machinery of \$100 million pool limit, replacement cost of scheduled property.
- Pollution liability of \$2 million per pollution condition or indoor environmental condition.
- General liability insurance consists of bodily injury, property damage, employment benefits, employee/public officials E&O, and employment practice liability of \$2.5 million per occurrence; employee/public officials dishonesty of \$1 million per occurrence; and public officials personal liability of \$500,000 per occurrence.
- Auto liability insurance consists of auto bodily injury and auto property damage of \$2.5 million per occurrence.
- Auto physical damage coverage up to the limits on file per occurrence.
- Workers' compensation insurance of \$5 million per occurrence.

Settled claims, if any, have not exceeded any of the coverage amounts in the last three fiscal years. There were no reductions in insurance coverage in fiscal years ending June 30, 2021, 2020, and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no material IBNR claim payables as of June 30, 2021, 2020, and 2019.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Mojave Desert Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2021

(16) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 98

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. Effective Date The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

(17) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(18) Subsequent Events

Events occurring after June 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of February 23, 2022, which is the date the financial statements were available to be issued. The District is not aware of any further subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

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Mojave Desert Air Quality Management District
Schedules of Change in the District's Net OPEB Liability and Related Ratios
As of June 30, 2021
Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 53,808	68,959	64,653	64,270
Interest	82,476	84,796	86,998	81,969
Differences in expected and actual experience	-	(165,623)	-	-
Changes in assumptions	-	(100,481)	(82,279)	(11,653)
Benefit payments	(98,303)	(83,170)	(94,680)	(91,784)
Net change in total OPEB liability	37,981	(195,519)	(25,308)	42,802
Total OPEB liability – beginning	1,369,946	1,565,465	1,590,773	1,547,971
Total OPEB liability – ending	\$ 1,407,927	1,369,946	1,565,465	1,590,773
Plan fiduciary net position				
Contributions employer	\$ 107,043	112,948	111,968	27,623
Net investment income	183,508	15,869	35,184	47,928
Benefit payments	(98,303)	(83,170)	(94,680)	(91,784)
Expenses	-	-	-	(1,639)
Net change in plan fiduciary net position	192,248	45,647	52,472	(17,872)
Plan fiduciary net position – beginning	709,315	663,668	611,196	629,068
Plan fiduciary net position – ending	\$ 901,563	709,315	663,668	611,196
Net OPEB liability – ending	\$ 506,364	660,631	901,797	979,577
Covered payroll	\$ 7,140,368	7,095,615	6,443,315	6,008,949
Net OPEB liability as a percentage of covered payroll	7.09%	9.31%	14.00%	16.30%

Notes:

Change in Benefit Terms

For the measurement date June 30, 2021, there were no changes in the benefit terms.

Change of Assumptions

For the measurement date June 30, 2020, the change in actuarial methods and assumptions are as follows:

The long-term return on trust assets decreased from 6.30% as of June 30, 2019 to 6.00% as of June 30, 2020, based on updated information from PARS regarding the assumed rate of return for the Balanced HighMark Plus Asset Portfolio. Discount rates for explicit subsidy decreased from 6.30% to 6.00%; and for implicit subsidy increased from 3.51% to 6.00%. The mortality improvement scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020 reflecting continued updates in available information. The general inflation rate decreased from 2.75% to 2.50% per year. The rate of increase in salary decreased from 3.25% to 3.00% per year. The medical trend was updated to use the Getzen healthcare trend model sponsored by the Society of Actuaries. Increases in the PEMHCA MEC decreased from 4.50% to 4.00% per year based on recent historical and expected future increases in CPI-medical.

Mojave Desert Air Quality Management District
Schedules of Change in the District's Net OPEB Liability and Related Ratios, continued
As of June 30, 2021
Last Ten Fiscal Years*

Notes:

Change of Assumptions, continued

For the measurement date June 30, 2019, the discount rate for implicit costs was reduced from 3.89% to 3.51%.

* Historical information presented above follows the measurement periods for which GASB 74 & 75 were applicable. The fiscal year ended June 30, 2018, (valuation date of June 30, 2017) was the first year of implementation required by GASB 74 & 75, therefore only one year is shown.

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**Mojave Desert Air Quality Management District
District's Proportionate Share of Net Pension Liability
As of June 30, 2021
Last Ten Fiscal Years***

Description	Measurement date June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013		
District's proportion of the net pension liability	0.339%	0.387%	0.392%	0.383%	0.375%	0.401%	0.419%	0.382%		
District's proportionate share of the net pension liability	\$ 13,570,334	10,497,528	9,922,632	10,094,423	9,252,237	7,782,355	7,124,444	7,580,519		
District's covered Payroll	\$ 4,314,115	4,443,366	4,206,347	4,139,787	4,122,720	3,918,233	3,852,547	3,454,500		
District's proportionate share of the net pension liability as a percentage of its covered payroll	314.56%	236.25%	235.90%	243.84%	224.42%	198.62%	184.93%	219.44%		
Plan's fiduciary net position as a percentage of the Plan's total pension liability	71.96%	79.61%	79.89%	69.07%	67.94%	71.70%	71.73%	66.38%		

Notes:

Change in Benefit Terms

For the measurement date June 30, 2021, there were no changes in the benefit terms.

Change of Assumptions

The actuarial methods and assumptions used in actuarial valuations for the years ended June 30, 2015 through 2021, were based on the results of Board approved triennial actuarial experience studies prepared by the Plan's independent actuary. The actuarial methods and assumptions used in determining the net pension liability are the same actuarial methods and assumptions used in determining contribution rates, except for the asset valuation method. For purposes of determining net pension liability, the fair value of assets was used for the years ended June 30, 2015 through 2021. Below is a schedule of actuarial methods and assumptions.

Year Ended June 30,	Investment Rate of Return	Projected Salary Increases	Inflation	Wage Inflation	Cost of Living	Administrative Expenses
2013	7.75%	4.75%-14.00%	3.50%	4.00%	2.00%	Offset to Investment Return
2014-2016	7.50%	4.60%-13.75%	3.25%	3.75%	2.00%	0.60% of payroll
2017-2019	7.25%	4.50%-14.50%	3.00%	3.50%	2.00%	0.70% of payroll
2020-2020	7.25%	4.75%-12.25%	2.75%	3.25%	2.00%	0.85% of payroll

* Historical information presented above follows the measurement periods for which GASB 68 & 71 were applicable. The fiscal year ended June 30, 2015 was the first year of implementation required by GASB 68 & 71.

Mojave Desert Air Quality Management District
Pension Plan Contributions
As of June 30, 2021
Last Ten Fiscal Years*

Schedule of Pension Plan Contributions	Reporting date June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014		
Actuarially determined contribution	\$ 1,728,590	1,777,597	1,399,966	1,324,459	1,326,230	1,167,928	898,449	1,086,330		
Contributions in Relation to the Actuarially Determined Contribution	(1,728,590)	(1,777,597)	(1,586,260)	(1,417,654)	(1,328,520)	(1,312,568)	(898,449)	(1,086,330)		
Contribution Deficiency (Excess)	\$ -	-	(186,294)	(93,195)	(2,290)	(144,640)	-	-		
Covered Payroll	\$ 4,314,115	4,443,366	4,206,347	4,139,787	4,122,720	3,918,233	3,852,547	3,454,500		
Contributions as a percentage of Covered-employee Payroll	40.07%	40.01%	33.28%	31.99%	32.17%	29.81%	23.32%	31.45%		

Notes:

* Historical information presented above follows the measurement periods for which GASB 68 & 71 were applicable. The fiscal year ended June 30, 2015, was the first year of implementation required by GASB 68 & 71.

Mojave Desert Air Quality Management District
Budget Comparison Schedule – General Fund
For the Year Ended June 30, 2021

	Adopted Original Budget	Board Approved Changes	Revised Budget	Actual Budgetary Basis	Variance Positive (Negative)
Revenues:					
Program revenues:					
Charges for services:					
Application and permit fees	\$ 5,298,000	-	5,298,000	5,768,405	470,405
Management contract – AVAQMD	1,625,175	-	1,625,175	1,663,889	38,714
Operating grants:					
Assembly Bill 2766	1,075,730	-	1,075,730	1,109,331	33,601
State grants	1,357,091	-	1,357,091	2,081,657	724,566
State subvention	135,000	-	135,000	139,212	4,212
Federal grants	124,900	-	124,900	150,739	25,839
California Clean Air Act	68,000	-	68,000	74,012	6,012
Other programs	21,000	-	21,000	17,535	(3,465)
Total program revenues	9,704,896	-	9,704,896	11,004,780	1,299,884
General revenues:					
Fines, forfeitures, and penalties	188,500	-	188,500	368,400	179,900
Investment earnings	45,263	-	45,263	43,210	(2,053)
Gain on disposal capital assets	-	-	-	2,500	2,500
Other revenue	-	-	-	25,513	25,513
Total program revenues	233,763	-	233,763	439,623	205,860
Total revenues	9,938,659	-	9,938,659	11,444,403	1,505,744
Expenditures:					
Salaries and benefits	7,369,729	-	7,369,729	7,230,647	139,082
Services and supplies	1,006,430	-	1,006,430	877,586	128,844
Contributions	1,292,500	-	1,292,500	1,724,075	(431,575)
Capital outlay	270,000	-	270,000	317,286	(47,286)
Total expenditures	9,938,659	-	9,938,659	10,149,594	(210,935)
Net change in fund balance	-	-	-	1,294,809	1,294,809
Fund balance – beginning of year, as previously stated	1,787,266		1,787,266	5,702,883	
Prior period adjustment	-		-	(1,741,937)	
Fund balance – beginning of year, as restated	1,787,266		1,787,266	3,960,946	
Fund balance – end of year	\$ 1,787,266		1,787,266	5,255,755	

Mojave Desert Air Quality Management District
Budget Comparison Schedule – Mobile Emissions Program (AB 2766)
For the Year Ended June 30, 2021

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Program revenues:					
Operating grants:					
Assembly Bill 2766	\$ 715,000	-	715,000	739,554	24,554
General revenues:					
Investment earnings	25,571	-	25,571	278	(25,293)
Total revenues	<u>740,571</u>	<u>-</u>	<u>740,571</u>	<u>739,832</u>	<u>(739)</u>
Expenditures:					
Services and supplies	-	-	-	(15)	15
Contributions	740,571	-	740,571	612,351	128,220
Total expenditures	<u>740,571</u>	<u>-</u>	<u>740,571</u>	<u>612,336</u>	<u>128,235</u>
Excess(deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,496</u>	<u>127,496</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,496</u>	<u>127,496</u>
Fund balance – beginning of year	<u>1,908,416</u>		<u>1,908,416</u>	<u>1,908,416</u>	
Fund balance – end of year	<u>\$ 1,908,416</u>		<u>1,908,416</u>	<u>2,035,912</u>	

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**Mojave Desert Air Quality Management District
Budget Comparison Schedule – Carl Moyer Fund
For the Year Ended June 30, 2021**

	<u>Adopted Original Budget</u>	<u>Board Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Program revenues:					
Operating grants	\$ 1,060,484	-	1,060,484	896,525	(163,959)
General revenues:					
Investment earnings	15,932	-	15,932	13,694	(2,238)
Total revenues	<u>1,076,416</u>	<u>-</u>	<u>1,076,416</u>	<u>910,219</u>	<u>(166,197)</u>
Expenditures:					
Services and supplies	-	-	-	62,310	(62,310)
Contributions	1,076,416	-	1,076,416	847,909	228,507
Total expenditures	<u>1,076,416</u>	<u>-</u>	<u>1,076,416</u>	<u>910,219</u>	<u>166,197</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance – beginning of year	<u>9,565</u>		<u>9,565</u>	<u>9,565</u>	
Fund balance – end of year	<u>\$ 9,565</u>		<u>9,565</u>	<u>9,565</u>	

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Mojave Desert Air Quality Management District
Notes to the Required Supplementary Information
June 30, 2021

Budgets and Budgetary Data

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year, the District's Executive Director prepares and submits an operating budget to the Governing Board and is adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. Annual budgets are adopted on the modified accrual basis of accounting for government fund types. The adopted budget becomes operative on July 1.

The Governing Board must approve all supplemental appropriations to the budget and transfers between major funds. The legal level of budgetary control is at the fund level. Budget information is presented as required supplementary information for the General fund, Mobile Emissions Program (AB 2766) fund, and Carl Moyer fund.

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Report on Internal Controls and Compliance

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**Independent Auditor's 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***

Governing Board
Mojave Desert Air Quality Management District
Victorville, 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 and each major fund of the Mojave Desert Air Quality Management District (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 28, 2022.

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) to determine the 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 District'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

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.

Fedak & Brown LLP
Cypress, California
February 28, 2022

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Mojave Desert Air Quality Management District

Governing Board

Presentation of 2021 Audit Results

Fedak & Brown LLP



The Audit

- **The Audit was Performed in Accordance with Auditing Standards Generally Accepted in the United States of America**
 - **Our Audit Procedures Include:**
 - **Assessing the District's Internal Controls**
 - **Agree Balances to Supporting Documentation**
 - **Perform Analysis of Key Relationships**

The Reports

Financial Statements

Independent Auditor's Report

- **Unmodified “CLEAN” Opinion**
 - In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Mojave Desert Air Quality Management District** as of June 30, 2021.

The Reports

Management Report

- **We did not Identify Material Weakness Within the District's Internal Control Structure**

Financial Highlights

Condensed Statements of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets:			
Current assets	\$ 10,131,259	9,949,049	182,210
Capital assets, net	<u>1,810,498</u>	<u>1,875,146</u>	<u>(64,648)</u>
Total assets	<u>11,941,757</u>	<u>11,824,195</u>	<u>117,562</u>
Deferred outflows of resources	<u>6,319,324</u>	<u>3,543,726</u>	<u>2,775,598</u>
Liabilities:			
Current liabilities	3,075,642	2,560,359	515,283
Non-current liabilities	<u>14,813,543</u>	<u>11,854,680</u>	<u>2,958,863</u>
Total liabilities	<u>17,889,185</u>	<u>14,415,039</u>	<u>3,474,146</u>
Deferred inflows of resources	<u>1,404,020</u>	<u>965,797</u>	<u>438,223</u>
Net position:			
Net investment in capital assets	1,810,498	1,875,146	(64,648)
Restricted	2,717,161	3,400,675	(683,514)
Unrestricted	<u>(5,559,783)</u>	<u>(5,288,736)</u>	<u>(271,047)</u>
Total net position	<u><u>\$ (1,032,124)</u></u>	<u><u>(12,915)</u></u>	<u><u>(1,019,200)</u></u>

Condensed Statements of Activities

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charge for services	\$ 7,432,294	6,864,790	567,504
Operating grants:			
Mobile emission program AB 2766	1,848,885	1,719,250	129,635
Carl Moyer program	896,525	1,632,787	(736,262)
Other	2,463,155	2,402,156	60,999
Total program revenues	<u>12,640,859</u>	<u>12,618,983</u>	<u>21,876</u>
General revenues:			
Fines, forfeitures, and penalties	368,400	227,202	141,198
Investment earnings	57,182	122,504	(65,322)
Gain on disposal of capital assets	2,500	-	2,500
Other revenue	25,513	16,779	8,734
Total general revenues	<u>453,595</u>	<u>366,485</u>	<u>87,110</u>
Total revenues	<u>13,094,454</u>	<u>12,985,468</u>	<u>108,986</u>
Expenses:			
General	10,849,171	11,116,040	(266,869)
Mobile emission program AB 2766	612,336	1,344,285	(731,949)
Carl Moyer program	910,219	1,646,443	(736,224)
Total expenses	<u>12,371,726</u>	<u>14,106,768</u>	<u>(1,735,042)</u>
Changes in net position	<u>722,728</u>	<u>(1,121,300)</u>	<u>1,844,028</u>
Net position, beginning of year, as previously stated	(12,915)	1,108,385	(1,121,300)
Prior period adjustment	(1,741,937)	-	(1,741,937)
Net position, beginning of year, as restated	<u>(1,754,852)</u>	<u>1,108,385</u>	<u>(2,863,237)</u>
Net position, end of year	<u>\$ (1,032,124)</u>	<u>(12,915)</u>	<u>(1,019,209)</u>

Financial Highlights

Condensed Changes in Fund Balance

	General Fund	Mobile Emissions Program AB 2766 Fund	Carl Moyer Fund	Total
Fund balance – beginning of year, as restated	\$ 3,960,946	1,908,416	9,565	5,878,927
Change in fund balance	1,294,809	127,496	-	1,422,305
Fund balance – end of year	<u>\$ 5,255,755</u>	<u>2,035,912</u>	<u>9,565</u>	<u>7,301,232</u>

Financial Highlights

In 2021:

Net Position - Decreased \$12,915 from ongoing operations and \$1,741,937 from a prior period adjustment to a deficit of \$1,032,124.

Total Revenues - Increased by \$108,986 to \$13,094,454, due primarily to increases of \$87,110 in general revenues and \$21,876 in program revenues.

- **Program Revenues** - Increased by \$21,876 to \$12,640,859, due primarily to increases of \$567,504 in charge for services, \$129,635 in mobile emission program AB 2766 operating grants, and \$60,999 in other operating grants; which were offset by a decrease of \$736,262 in Carl Moyer program operating grants.
- **General Revenues** - Increased by \$87,110 to \$453,595, due primarily to an increase of \$141,198 in fines, forfeitures, and penalties; which was offset by a decrease of \$65,322 in investment earnings.

Total Expenses - Decreased by \$1,735,042 to \$12,371,726, due primarily to decreases of \$736,224 in Carl Moyer program expenses, \$731,949 in mobile emission program AB 2766 expenses, and \$266,869 in general expenses.

The following page(s) contain the backup material for Agenda Item: [Reports: Executive Director](#).

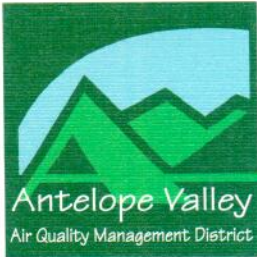
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**MINUTES OF THE GOVERNING BOARD
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT
VICTORVILLE, CALIFORNIA**

AGENDA ITEM #15

EXECUTIVE DIRECTOR REPORT

PRESENTER: Brad Poiriez, Executive Director/APCO.



Antelope Valley Air Quality Management District
43301 Division St., Suite 206
Lancaster, CA 93535-4649

661.723.8070

In reply, please refer to AV0322/037

March 15, 2022

Mojave Desert Air Quality Management District
14306 Park Avenue
Victorville, CA 92392

Subject: Notice of Termination of the Agreement Between the Antelope Valley Air Quality Management District and Mojave Desert Air Quality Management District

Chairman Abel and Executive Director Poiriez

After a long and mutually beneficial contractual relationship memorialized most recently in the Agreement Between the Antelope Valley Air Quality Management District and the Mojave Desert Air Quality Management District dated April 25, 2016 (Agreement), the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) is writing to provide written notice to the Mojave Desert Air Quality Management District (MDAQMD), pursuant to the Agreement, to terminate the Agreement. The Agreement provides that either party "may terminate this agreement at any time by giving written notification to the other party 180 days in advance of the proposed termination, but not less than ninety (90) days before the effective date of the proposed termination." The termination will be effective on September 30, 2022.

The Governing Board of the AVAQMD intends to offer employment to the staff dedicated to the AVAQMD office in the same or similar capacity and subject to the personnel policies and procedures of the AVAQMD. AVAQMD will assume all Personnel Costs of the dedicated staff transferred to AVAQMD employment on the Termination Date.

The Governing Board of the Antelope Valley Air Quality Management District wishes to express our sincere appreciation to the Mojave Desert Air Quality Management District for the extremely successful and mutually beneficial relationship that has stood the test of time of over 25 years.

AVAQMD looks forward to continuing our partnership with MDAQMD in protecting the air quality of the High Desert while supporting the growth of the regional economy and providing benefits to our residents' health.

If you need any additional information or have any other questions or concerns, please contact Bret Banks at 661-723-8070 ext. 22 or bbanks@avaqmd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Maryin E. Crist".

Maryin E. Crist
Board Chairman

MEC/bsb

March 16, 2022



Marvin E. Christ, Chairman
Bret Banks, Executive Director/APCO
Antelope Valley Air Quality Management District
43301 Division St., Suite 206
Lancaster, CA 93535-4649

RE: Termination of Agreement Between the Antelope Valley Air Quality Management District (AVAQMD) and the Mojave Desert Air Quality Management District (MDAQMD)

Chairman Crist and APCO Banks,

The MDAQMD hereby acknowledges your notice of termination of the above entitled agreement as sent via your March 15, 2022 letter. We agree that a termination date of September 30, 2022 is reasonable and complies with the provisions for termination contained in the agreement.

After 25 years of a mutually beneficial and cooperative agreement, the MDAQMD understands and appreciates the desire of the AVAQMD Governing Board to move toward a standalone air district to continue to serve the ongoing air pollution control needs of the Antelope Valley area into the future. Rest assured that I, and the MDAQMD staff, will do everything in our power to make this transition as smooth and seamless as possible from our end. We will also remain ready and able to assist you if, for some unforeseen reason, not all functions can be transferred within the anticipated timeframe.

We look forward to continuing to work with you on air quality issues that impact the entire high desert region as well as cooperating in the planning efforts for the Western Mojave Desert nonattainment area.

Sincerely,

A handwritten signature in blue ink that reads 'Brad Poiriez'.

Brad Poiriez,
Executive Director/APCO

Cc: MDAQMD Governing Board Members

MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

BRAD POIRIEZ, EXECUTIVE DIRECTOR

14306 Park Avenue, Victorville, CA 92392-2310 • 760.245.1661 • Fax 760.245.2022 • www.MDAQMD.ca.gov • @MDAQMD