

Antelope Valley Air Quality Management District Governing Board Regular Meeting

Agenda

TELEPHONIC MEETING PURSUANT TO GOVERNOR'S ORDER

N 29-20

TUESDAY, APRIL 21, 2020

10:00 A.M.

BOARD MEMBERS

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

THIS MEETING IS BEING HELD IN ACCORDANCE WITH THE BROWN ACT AS CURRENTLY IN EFFECT UNDER THE STATE EMERGENCY SERVICES ACT, THE GOVERNOR'S EMERGENCY DECLARATIONS RELATED TO COVID-19, AND THE GOVERNOR'S EXECUTIVE ORDER N-29-20 ISSUED ON MARCH 17, 2020 THAT ALLOWS ATTENDANCE BY MEMBERS OF THE DISTRICT, DISTRICT STAFF, AND THE PUBLIC TO PARTICIPATE AND CONDUCT THE MEETING BY TELECONFERENCE, VIDEOCONFERENCE, OR BOTH.

JOIN BY PHONE, DIAL US: +1.866.784.1107; enter passcode: 7747298

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 PROVIDE PUBLIC COMMENTS, PUBLIC COMMENTS ARE LIMITED TO FIVE MINUTES PER COMMENT.

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

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

PUBLIC COMMENTS ON AGENDIZED ITEMS MAY BE SUBMITTED VIA EMAIL TO PUBLICCOMMENT@AVAQMD.CA.GOV AT LEAST TWO HOURS PRIOR TO THE START OF THE MEETING

CALL TO ORDER 10:00 A.M.

Pledge of Allegiance.

Roll Call

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 18, 2020.](#)
2. [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
3. [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
4. [Approve payment to MDAQMD in the total amount of \\$128,374.40, subject to availability of funds, for services provided during the month of January 2020. Presenter: Bret Banks, Executive Director/APCO.](#)
5. [Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2020, which provides financial information and budget performance concerning the current fiscal status of the District. Presenter: Bret Banks, Executive Director/APCO.](#)
6. [Amend Governing Board Procedural Rules to clarify term and election of public member, set election month for chair, and update formatting. Presenter: Bret Banks, Executive Director/APCO.](#)
7. [1\) Authorize reassignment of funds reserved for the Lawn and Garden Replacement Program for commercial landscapers; and 2\) Adjust the amount of funding reserved to correspond with estimated activity; and 3\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)
8. [1\) Authorize the acceptance of AB 197 Emission Inventory District Grant Program Funding; 2\) Accept the terms and conditions for the funds; and 3\) Authorize the Executive Director/APCO and staff to execute the agreement, approved as to legal form, and carry out related activities to meet the requirements of AB 197. Presenter: Julie McKeehan, Grants Analyst.](#)

9. 1) Authorize \$5,799 of District Grant funds to the City of Palmdale toward the purchase of a zero-emission electric food delivery van; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
10. 1) Authorize \$11,500 in Mobile Emission Reductions Program (AB 2766) funds to the Alternative Fuel Vehicle Program; and 2) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan. Presenter: Julie McKeehan, Grants Analyst.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

NEW BUSINESS

11. Adopt a Resolution proclaiming a local emergency. Presenter: Bret Banks, Executive Director/APCO.
12. Adopt a Resolution confirming the Emergency Regulations (Standard Practice 4-21) for public meetings as issued by the Executive Director/APCO to mitigate transmission of COVID-19. Presenter: Bret Banks, Executive Director/APCO.
13. Adopt a form Resolution (OES 130) designating agents for purpose of obtaining Federal financial assistance. Presenter: Bret Banks, Executive Director/APCO.
14. Receive and file the annual financial audit for Fiscal Year 2018-19. The annual financial audit for Fiscal Year 2018-19 is complete and presented for review and to receive and file. Presenter: Laquita Cole, Finance Manager (MDAQMD) on behalf of the AVAQMD, with a representative from Fedak & Brown.
15. 1) Award an amount not to exceed \$123,000 in Carl Moyer Program funds to CA Compaction to replace an older heavy-duty diesel equipment with new, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
16. 1) Approve the use of District Grant funds for the 2020 Lawn and Garden Exchange Program; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
17. 1) Award an amount not to exceed \$24,850 in Carl Moyer Program funds to Bill's Landscaping, Inc. for the replacement of older diesel off-road equipment with new, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
18. 1) Award an amount not to exceed \$150,000 of Community Air Protection Project (AB 134) and/or Mobile Source Emission Reductions Program funds to Lancaster Choice Energy (LCE) toward the development of electric vehicle charging stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
19. 1) Authorize reassignment of funds reserved for Waste Management dba Antelope Valley Hauling (WM) for the development of a compressed natural gas (CNG) fueling station; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
20. 1) Award an amount not to exceed \$30,000 of Mobile Source Emission Reductions (AB 2766) funds to Jack O'Connor Construction for the replacement of an older

diesel truck with newer, cleaner engine technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.

21. Conduct a public hearing to consider the amendment of Rule 1107 – Coating of Metal Parts and Products: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption amending Rule 1107 – Coating of Metal Parts and Products and directing staff actions. Presenter: Bret Banks, Executive Director/APCO.
22. 1) Allocate an amount not to exceed \$75,000 of Mobile Source Emission Reductions Program (AB 2766) funds to the Antelope Valley Fair Association to implement various emission reduction projects in response to the COVID-19 pandemic and social distancing requirements; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Bret Banks, Executive Director/APCO.
23. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
24. Board Member Reports and Suggestions for Future Agenda Items.
25. Adjourn to Regular Governing Board Meeting of Tuesday, May 19, 2020.

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

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

Mailed & Posted on: As Amended, Friday, April 17, 2020.

Deanna Hernandez

Deanna Hernandez

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of February 18, 2020.](#)
Please scroll down to view the backup material.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD MEETING
TUESDAY, FEBRUARY 18, 2020
ANTELOPE VALLEY DISTRICT OFFICE
LANCASTER, CA**

Draft Minutes

Board Members Present:

Marvin Crist, Chair, City of Lancaster
Austin Bishop, Vice Chair, City of Palmdale
Newton Chelette, Public Member
Howard Harris, Los Angeles County
Ron Hawkins, Los Angeles County
Raj Malhi, City of Lancaster

Board Members Absent:

Steven Hofbauer, City of Palmdale

CALL TO ORDER

Chair **CRIST** called the meeting to order at 10:00 a.m. Chair **CRIST** asked Board Member Newton Chelette to lead the Pledge of Allegiance. Roll call was taken.

PUBLIC COMMENT

- ❖ Public comment made by Ms. Judith Fuentes on a non-agenda item. Ms. Fuentes thanked the Governing Board for their support of the electric lawn mower programs.

CONSENT CALENDAR

Agenda Item #1 – Approve Minutes from Regular Governing Board Meeting of January 21, 2020.

Upon Motion by **BISHOP**, seconded by **CHELETTE**, and carried unanimously, the Board **Approved** Minutes from Regular Governing Board Meeting of January 21, 2020.

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

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **BISHOP**, seconded by **CHELETTE**, and carried unanimously, the Board **Received and Filed** Monthly Grand Funding Summary.

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

Presenter: Bret Banks, Executive Director/APCO.

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

Agenda Item #4 – Approve payment to MDAQMD in the total amount of \$128,711.96, subject to availability of funds, for services provided during the month of December 2019.

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **BISHOP**, seconded by **CHELETTE**, and carried unanimously, the Board, **approved** payment to MDAQMD in the total amount of \$128,711.96, subject to availability of funds, for services provided during the month of December 2019.

Agenda Item #5 – Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at December 31, 2019, which provides financial information and budget performance concerning the current fiscal status of the District.

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **BISHOP**, seconded by **CHELETTE**, and carried unanimously, the Board, **received and filed** the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at December 31, 2019, which provides financial information and budget performance concerning the current fiscal status of the District.

Agenda Item #6 – Amend Governing Board Policy 02-03 to add provisions regarding forfeiture of stipends in certain situations. Presenter: Marvin Crist, Chair

Upon Motion by **BISHOP**, seconded by **CHELETTE**, and carried unanimously, the Board, **amended** Governing Board Policy 02-03 to add provisions regarding forfeiture of stipends in certain situations.

ITEMS FOR DISCUSSION

DEFERRED ITEMS

None.

NEW BUSINESS

Agenda Item #7 – 1) Award an amount not to exceed \$500,000 of Community Air Protection (AB 134) funds to the Antelope Valley Transit Authority (AVTA) toward the deployment of (5) DC Fast Charging Stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.

Julie McKeehan, Grants Analyst, presented the background information and answered questions from the Board. After discussion and upon Motion by **HAWKINS**, seconded by **HARRIS**, and carried with five **AYES** votes by Board Members **MARVIN CRIST, NEWTOW CHELETTE, HOWARD HARRIS, RON HAWKINS and RAJ MALHI with Board Members AUSTIN BISHOP recusing and STEVEN HOFBAUER absent**, the Board, 1) **Awarded** an amount not to exceed \$500,000 of Community Air Protection (AB 134) funds to the Antelope Valley Transit Authority (AVTA) toward the deployment of (5) DC Fast Charging Stations; and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #8 – 1) Award an amount not to exceed \$108,000 of District Grant funds to the City of Palmdale toward the purchase of a zero-emission electric food delivery van; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Julie McKeehan, Grants Analyst.

Julie McKeehan, Grants Analyst, presented the background information and answered questions from the Board. After discussion and upon Motion by **BISHOP**, seconded by **MALHI**, and carried with six **AYES** votes by Board Members **AUSTIN BISHOP, MARVIN CRIST, NEWTOW CHELETTE, HOWARD HARRIS, RON HAWKINS and RAJ MALHI with Board Member STEVEN HOFBAUER absent**, the Board, 1) **Awarded** an amount not to exceed \$108,000 of District Grant funds to the City of Palmdale toward

the purchase of a zero-emission electric food delivery van; and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #9 – 1) Award an amount not to exceed \$84,000 of Community Air Protection (AB 134) to Coast Auto Salvage toward the purchase of a zero-emission electric forklift; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Julie McKeehan, Grants Analyst.

Julie McKeehan, Grants Analyst, presented the background information and answered questions from the Board. After discussion and upon Motion by CHELETTE, seconded by HARRIS, and carried with six AYES votes by Board Members AUSTIN BISHOP, MARVIN CRIST, NEWTOW CHELETTE, HOWARD HARRIS, RON HAWKINS and RAJ MALHI with Board Member STEVEN HOFBAUER absent, the Board, 1) **Awarded** an amount not to exceed \$84,000 of Community Air Protection (AB 134) to Coast Auto Salvage toward the purchase of a zero-emission electric forklift; and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #10 – 1) Award an amount not to exceed \$23,000 of Mobile Source Emission Reductions Program (AB 923) funds to Lancaster School District toward the purchase of a zero-emission electric riding mower; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Presenter: Julie McKeehan, Grants Analyst.

Julie McKeehan, Grants Analyst, presented the background information and answered questions from the Board. After discussion and upon Motion by BISHOP, seconded by CHELETTE, and carried with six AYES votes by Board Members AUSTIN BISHOP, MARVIN CRIST, NEWTOW CHELETTE, HOWARD HARRIS, RON HAWKINS and RAJ MALHI with Board Member STEVEN HOFBAUER absent, the Board, 1) **Awarded** an amount not to exceed \$23,000 of Mobile Source Emission Reductions Program (AB 923) funds to Lancaster School District toward the purchase of a zero-emission electric riding mower; and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

Agenda Item #11 – PRESENTATION: AVAQMD Emission Reduction Grant Programs Overview.

Presenter: Bret Banks, Executive Director/APCO.

No action required of the Board, item is informational only.

Agenda Item #12 – Reports.

Governing Board Counsel –

- Reminded Board Members that Form 700 due by April 1, 2020.

Executive Director/APCO –

- Informed the Board that the Budget cycle is approaching.

Staff –

- None.

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

➤ None.

Agenda Item #14 – Adjourn to Regular Governing Board Meeting of Tuesday, March 17, 2020.

Being no further business, the meeting adjourned at 10:43 a.m. to the next regularly scheduled Governing Board Meeting of Tuesday, March 17, 2020.

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

Item #2 – Grant Funds Project Summary

March 2020

AB 2766 (\$4 DMV Fee)

\$599,000 Annually by Monthly Distribution

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

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

Current Balance: \$ 81,236.00*

PROPOSED PROJECTS

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Apr-20	AFV Program Add'l Funds	11,500.00	
Apr-20	Jack O'Connor Construction	30,000.00	
BALANCE PENDING APPROVAL		\$ 39,736.00	

- Status marked pending* are not included in the Balance Pending Approval

AB 2766 Approved Funding Awards			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Feb-18	Kyle & Kyle Ranches On-road Vehicle Project	\$ 68,016.00	paid
Feb-18	LBC – Bus Replacement Project #1 of 7	71,848.00	paid
Feb-18	LBC – Bus Replacement Project #2 of 7	74,733.00	paid
Feb-18	LBC – Bus Replacement Project #3 of 7	69,121.00	paid
Feb-18	LBC – Bus Replacement Project #4 of 7	69,121.00	paid
Feb-18	LBC – Bus Replacement Project #5 of 7	83,860.00	paid
Feb-18	LBC – Bus Replacement Project #6 of 7	84,000.00	pending*
Feb-18	LBC – Bus Replacement Project #7 of 7	96,000.00	pending*
Mar-18	Kyle & Kyle Ranches On-road Vehicle Project	31,984.00	paid
Mar-18	2018 Lawn Mower Exchange Program	10,000.00	paid
May-18	AFV Program Add'l Funds	15,000.00	paid
May-18	LBC – Bus Replacement Project #1 of 7	66,516.00	paid
Aug-18	AFV Program Add'l Funds	15,000.00	paid
Aug-18	Antelope Valley College - Student Pass Program	80,000.00	paid
Aug-18	Heritage Sign Company Vehicle Replacement Project	8,720.00	paid
Oct-18	LBC - Bus Replacement Project #1 of 7	5,332.00	paid
Oct-18	American Plumbing Services Vehicle Replacement	10,810.00	paid
Nov-18	UAV Vehicle Replacement Project	27,869.00	paid
Nov-18	AFV Program Add'l Funds	15,000.00	paid
Dec-18	AFV Program Add'l Funds	15,000.00	paid
Dec-18	Paraclete High School Vehicle Replacement Project	35,000.00	paid
Dec-18	LA County Sheriff's Palmdale Bio Diesel Truck Project	50,000.00	paid
Mar-19	AFV Program Add'l Funds	15,000.00	paid
Apr-19	AFV Program Add'l Funds	30,000.00	paid
Apr-19	Curb Crafters Vehicle Replacement	19,029.00	cancelled
July-19	AFV Program Add'l Funds	20,000.00	paid
Sept-19	AFV Program Add'l Funds	50,000.00	paid
Oct-19	Kyle & Kyle Ranches HD Truck Replacement Project	33,000.00	paid
Dec-19	Public Transit Programs-Member Agencies	25,000.00	paid
Jan-20	AFV Program Add'l Funds	50,000.00	paid
Feb-20	City of Palmdale – SAVES Project	78,000.00	pending

AB 923 (\$2 DMV Fee)**\$609,500 Annually by Monthly Distribution**

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

Funding Limits: Carl Moyer eligible projects; unregulated agriculture vehicles and equipment; school bus projects; light-duty vehicle retirement program; and alternative fuel and electric infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

Current Balance: \$153,263.00

PROPOSED PROJECTS

<u>Action Date</u>	<u>Project Description</u>		<u>Grant Award</u>	<u>Status</u>
Apr-20	Waste Management-AV CNG Station	+	349,515.00	
Apr-20	Commercial Lawn and Garden Exchange Program		50,000.00	
Apr-20	City of Palmdale SAVES Project		5,799.00	
Apr-20	2020 Lawn and Garden Exchange Program		24,934.00	
BALANCE PENDING APPROVAL			\$ 422,044.00	

AB 923 Approved Funding Awards			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Jan-18	Wilsona School District EV School Bus Charging Project	\$ 49,976.00	paid
Feb-18	Vehicle Retirement Program Add'l Funds	47,000.00	paid
Mar-18	2018 Lawn Mower Exchange Program	10,000.00	paid
Mar-18	Robertsons Palmdale Honda EV Charging Project	86,000.00	paid
May-18	Home2 Suites by Hilton Palmdale EV Charging Project	15,200.00	paid
May-18	Sierra Commons EV Charging Project	30,640.00	paid
Sep-18	AV Harley-Davidson EV Charging Project	20,000.00	paid
Nov-18	Vehicle Retirement Program Add'l Funds	50,000.00	paid
Dec-18	High Desert Dairy Equipment Replacement Project	54,918.00	paid
Dec-18	AVTA EV Charging Project	50,000.00	pending
Dec-18	AVSTA (3) New Electric School Buses	28,669.00	pending
June-19	Waste Management-AV CNG Station	279,515.00	pending
June-19	City of Lancaster EV Charging City-MOAH	10,000.00	pending
July-19	Waste Management-AV CNG Station add'l funds	70,000.00	pending
July-19	Learn 4 Life EV Charging Project	47,591.00	cancelled
Sept-19	AVSTA CNG Fueling Station Project	104,000.00	pending
Oct-19	XL Hybrid Plug-In Truck Pilot Project	164,694.00	paid
Nov-19	Truck and Bus Replacement Project	120,000.00	paid
Jan-20	City of Palmdale EV Charging Project	6,000.00	pending
Jan-20	Boething Treeland Farms ERP	138,418.00	pending
Feb-20	City of Palmdale - SAVES Project	30,000.00	pending
Feb-20	Lancaster School District - Electric Riding Mower	23,000.00	pending

Carl Moyer Program**\$701,500 Annually**

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

Current Balance: \$ 0.00

PROPOSED PROJECTS

<u>Action Date</u>	<u>Project Description</u>		<u>Grant Award</u>	<u>Status</u>
Apr-20	Commercial Lawn and Garden Exchange Program	+	200,000.00	
Apr-20	Bills Landscaping Equipment Replacement Project		24,850.00	
Apr-20	California Compaction		121,284.00	
BALANCE PENDING APPROVAL			\$ 53,866.00	

Carl Moyer Program Approved Funding Awards			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Apr-18	McWhirter Steel Forklift Replacement Project	\$ 185,943.00	paid
May-18	McCarthy Steel Forklift Replacement Project	59,155.00	paid
June-18	Gall Brothers Engineering Equipment Replacement Proj	94,211.00	paid
Jul-18	Fine Grade Equipment Replacement Project	240,850.00	paid
Aug-18	Heritage Sign Company Vehicle Replacement Project	23,545.00	paid
Oct-18	American Plumbing Service Vehicle Replacement Proj	14,112.00	paid
Dec-18	Bills Landscaping Equipment Replacement Project	94,700.00	paid
Dec-18	High Desert Dairy Equipment Replacement Project	45,082.00	paid
Deposit	Carl Moyer Program Yr. 21 FY 18-19	661,741.00	received
Mar-19	Commercial Lawn and Garden Exchange Program	200,000.00	paid
Apr-19	AV Fair Assoc. ERP Aerial Lift Proj. 4	93,140.00	paid
Apr-19	Curb Crafters On-road Replacement Project	14,363.00	cancelled
June-19	Alameda Metals Corporation ERP	214,111.00	paid
Deposit	Carl Moyer Program Interest FY 18-19	15,179.00	received
Oct-19	XL Plug-In Hybrid Truck Pilot Project	115,306.00	pending
Oct-19	Kyle & Kyle Ranches HD Truck Replacement Project	40,000.00	pending

AB 617 Community Air Protection (CAP) Implementation**\$45,500 FY 18/19 Allocation**

The purpose of AB 617 is to reduce emission sources in disadvantaged and low income communities by community-based air monitoring and local emission reduction programs. Funding is allocated to Air Districts to implement and administer all aspects of AB 617. These funds support community collaborative/community involved programs such as the deployment of air monitoring systems (i.e. Purple Air Sensors) and supporting local emission reductions programs. As a result, the AVAQMD is able to create new and enhance existing programs (i.e. lawn and garden equipment replacement, vehicle retirement, light-duty alternative fuel vehicle purchase incentive and residential electric vehicle charging) suggested by individual residents and group members as programs that best serve emission reductions within the community).

Current Balance: \$ 0.00

PROPOSED PROJECTS

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
	none	0.00	
BALANCE PENDING APPROVAL		\$ 0.00	

AB 617 CAP Admin. Approved Funding Awards			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
June-18	AB 617 CAP Implementation Funds FY 17-18 (Initial)	\$ 65,569.00	received
Oct-18	AB 617 CAP Implementation Funds FY 17-18 (Amend)	75,000.00	received
Feb-19	Lawn Mower Exchange Events 2019	45,000.00	paid
Mar-19	Admin Support Costs	15,489.00	paid
Mar-19	Commercial Lawn and Garden Program	75,000.00	paid
Apr-19	Air Quality Sensors	4,440.00	paid
Deposit	AB 617 CAP Implementation Funds FY 18-19	79,305.00	received
Aug-19	CAP AFV Incentive Program	75,000.00	paid
Oct-19	Admin Support Costs	11,145.00	paid

AB 134 Community Air Protection (CAP) Projects**\$1,088,281 FY 18/19 Allocation**

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

Current Balance: \$ 504,281.00

PROPOSED PROJECTS

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Apr-20	Waste Management-AV CNG Station	349,515.00	
Apr-20	LBC & WCBC EV Charging Station Project	150,000.00	
BALANCE PENDING APPROVAL		\$ 4,766.00	

AB 134 CAP Projects Approved Funding Awards			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
June-18	AB 134 CAP Funds	\$ 468,750.00	received
Dec-18	AVSTA (3) New Electric School Buses	-468,750.00	pending
Deposit	CAP Interest FY 17/18	2581.00	received
Dec-19	AVSTA (3) New Electric School Buses	-2581.00	pending
Approved Allocation	AB CAP Funds	1,008,281.00	pending receipt
Feb-20	AVTA - Level III EV Charging Project	500,000.00	pending
Feb-20	Coast Auto Salvage - Forklift Replacement Project	84,000.00	Pending

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

Item #3 Monthly Activity Report – March 2020

	<u>Mar 2020</u>	<u>Mar 2019</u>	<u>YTD (7/1/20)</u>
Complaints	0	3	6
Complaint Investigations	0	2	6
Asbestos Notifications	6	10	80
Asbestos Inspections	0	0	0
Permit Inspections	109	82	986
Permit Inspections in Compliance (%)	100	100	100
Notice of Violation (NOV)	0	2	5

***Outstanding NOVs**

- AV00000210, Issued 02/2018
- AV00000216, Issued 05/2019

Number of Active Companies: 287
Number of Active Facilities: 515
Number of Active Permits: 1,098

Project Comment Letters – March 2020

Attached

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		4/21/2020				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
3/2/2020	Palmdale	Pacific Communities	Tentative Tract Map 69651 Time Extension No. 2 Determination of Application Completeness/Condition Setting for a time extension to a previously approved Tentative Tract map to subdivide 19.84 acres in 73 single-family lots with two detention basin lots located at the southeast corner of Palmdale Boulevard and 61 st Street East	No Comment	3/12/2020	3/11/2020
3/24/2020	Lancaster	Promenade Apartment Homes	TPM 82243/CUP 20-02 for a proposed project consisting of tentative parcel map with associated conditional use permit, CUP 20-02, to allow for a 458-unit complex and commercial development at the southwest corner of Avenue I and 20th Street West on approximately 27.9 acres. TPM 82243 would subdivide the existing parcel into four parcels. CUP 20-02 would allow for the development of a 458-unit apartment complex with associated amenities and approximately 12,407 SF of commercial uses in the Mixed Use-Commercial zone	DCP Rule 219 Permitted Equipment CARB registered equipment required	4/15/2020	4/2/2020

The following page(s) contain the backup material for Agenda Item: [Approve payment to MDAQMD in the total amount of \\$128,374.40, subject to availability of funds, for services provided during the month of January 2020. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #4

DATE: April 21, 2020

RECOMMENDATION: Approve payment to MDAQMD in the total amount of \$128,374.40.

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

CONFLICT OF INTEREST: None

BACKGROUND: Key Expenses: Staffing costs \$111,500.00.

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

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form; and by Bret Banks, Executive Director/APCO, on or before April 6, 2020.

FINANCIAL DATA: The contract and direct expenditure amounts are part of the approved District budget for FY 20. No change in appropriations is anticipated as a result of the approval of this item.

PRESENTER: Bret Banks, Executive Director/APCO.



Mojave Desert AQMD
 14306 Park Avenue
 Victorville, CA 92392
 760.245.1661

Due Date **DUE UPON RECEIPT**
 Invoice Date **1/31/2020**
 Invoice Number **42499**

INVOICE

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

FY 20	Amount
Program Staff	111,500.00
Vehicles Expenses	428.79
Professional Services	680.33
Overhead	15,765.28
<p>TO INSURE PROPER CREDIT - PLEASE INCLUDE A COPY OF THE INVOICE WITH YOUR PAYMENT</p> <p>FOR CREDIT CARD PAYMENTS PLEASE VISIT www.mdaqmd.ca.gov</p>	
<p>MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK</p>	<p>Invoice Total 128,374.40</p>
	<p>Amount Paid 0.00</p>
	<p>Balance Due 128,374.40</p>

The following page(s) contain the backup material for Agenda Item: [Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2020, which provides financial information and budget performance concerning the current fiscal status of the District. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #5

DATE: April 21, 2020.

RECOMMENDATION: Receive and file.

SUMMARY: The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at January 31, 2020.

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

BALANCE SHEET. The balance sheet summarizes the District's financial position on January 31, 2020.

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

STATEMENT OF ACTIVITY. The target variance for January is 58% of FY20.

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

BANK REGISTERS. This report details the Districts bank activity.

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

REASON FOR RECOMMENDATION: Receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about April 6, 2020.

PRESENTER: Bret Banks, Executive Director/APCO.

Antelope Valley AQMD
Balance Sheet - Governmental Funds
As of January 31, 2020

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions</u>	<u>AB923 Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Total</u>
Assets					
Current Assets					
Cash	2,708,052.91	342,943.64	1,334,565.64	523,390.79	4,908,952.98
Cash Held For Other Fund	(28,722.82)	6,737.06	(49,131.24)	71,117.00	0.00
Receivables	278,378.03	0.00	0.00	0.00	278,378.03
Pre-Paid	12,806.58	0.00	0.00	0.00	12,806.58
Total Current Assets	2,970,514.70	349,680.70	1,285,434.40	594,507.79	5,200,137.59
Total Assets	2,970,514.70	349,680.70	1,285,434.40	594,507.79	5,200,137.59
Liabilities and Net Position					
Current Liabilities					
Payables	259,002.68	78,500.00	73,000.00	71,882.00	482,384.68
Accruals	459.00	0.00	0.00	0.00	459.00
Due to Others	1,050.00	0.00	0.00	0.00	1,050.00
Unearned Revenue	0.00	0.00	0.00	453,934.82	453,934.82
Total Current Liabilities	260,511.68	78,500.00	73,000.00	525,816.82	937,828.50
Restricted Fund Balance	0.00	367,812.06	1,055,552.13	66,331.49	1,489,695.68
Cash Reserves	487,785.00	0.00	0.00	0.00	487,785.00
Unassigned Fund Balance	2,475,331.99	0.00	0.00	0.00	2,475,331.99
Pre-Paid	4,367.68	0.00	0.00	0.00	4,367.68
Change in Net Position	(257,481.65)	(96,631.36)	156,882.27	2,359.48	(194,871.26)
Total Liabilities & Net Position	2,970,514.70	349,680.70	1,285,434.40	594,507.79	5,200,137.59

Antelope Valley AQMD
Statement of Revenues & Expenditures
For the Period Ending January 31, 2020

Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
Revenues					
Application and Permit Fees	152,107.35	0.00	0.00	0.00	152,107.35
AB 2766 and Other Program Revenues	43,386.87	43,303.88	43,303.89	765.00	130,759.64
Fines	48,679.72	0.00	0.00	0.00	48,679.72
Investment Earnings	3,836.43	371.53	1,813.94	919.48	6,941.38
Federal and State	133,350.80	0.00	0.00	0.00	133,350.80
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
Total Revenues	381,361.17	43,675.41	45,117.83	1,684.48	471,838.89
Expenditures					
Program Staff	111,500.00	0.00	0.00	0.00	111,500.00
Services and Supplies	29,829.97	71,500.00	73,000.00	(525.00)	173,804.97
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
Total Expenditures	141,329.97	71,500.00	73,000.00	(525.00)	285,304.97
Excess Revenue Over (Under) Expenditures	240,031.20	(27,824.59)	(27,882.17)	2,209.48	186,533.92

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 1/31/2020

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	198,832.00	666,776.69	1,072,500.00	(0.62)
Programs	130,759.64	1,077,931.62	2,570,566.00	(0.42)
Application Fees	2,791.00	37,877.50	30,000.00	(1.26)
State Revenue	133,350.80	214,670.80	206,305.00	(1.04)
Fines & Penalties	1,180.01	34,760.05	9,000.00	(3.86)
Interest Earned	6,941.38	50,744.20	22,435.00	(2.26)
Adjustments to Revenue	(2,015.94)	(391,681.79)	0.00	0.00
Total Revenues	471,838.89	1,691,079.07	3,910,806.00	(0.43)
Expenses				
Office Expenses	9,802.78	51,366.94	102,575.00	0.50
Communications	2,027.80	10,415.30	20,500.00	0.51
Vehicles	213.49	2,616.56	10,000.00	0.26
Program Costs	143,975.00	864,153.37	2,060,266.00	0.42
Travel	11.50	5,214.76	10,150.00	0.51
Professional Services				
Payroll Contract	0.00	9.87	0.00	0.00
Financial Audit & Actuarial Svcs	671.00	17,248.73	0.00	0.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	0.00	3,000.00	0.00
Stipends	600.00	4,300.00	8,400.00	0.51
Maintenance & Repairs	225.00	1,575.00	6,500.00	0.24
Non-Depreciable Inventory	0.00	(166.99)	10,000.00	(0.02)
Dues & Subscriptions	0.00	8,043.95	20,500.00	0.39
Legal	75.00	8,369.98	19,000.00	0.44
Miscellaneous Expense	0.00	642.09	915.00	0.70
Suspense	0.00	676.87	0.00	0.00
Capital Expenditures	0.00	21,164.83	95,000.00	0.22
Total Expenses	157,601.57	995,631.26	2,372,806.00	0.42
Program Staff				
Program Staff	0.00	111,500.00	0.00	0.00
Total Program Staff	0.00	111,500.00	0.00	0.00
Excess Revenue Over (Under) Expenditures	314,237.32	583,947.81	1,538,000.00	(0.38)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 1/31/2020

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<u>Revenues</u>				
<u>Expenses</u>				
Office Expenses	0.00	500.00	0.00	0.00
Vehicles	428.79	3,673.75	0.00	0.00
Travel	0.00	1,832.72	0.00	0.00
Professional Services				
Payroll Contract	9.33	71.86	0.00	0.00
Financial Audit & Actuarial Svcs	15,765.28	101,599.86	200,000.00	0.51
Research Studies	0.00	500.00	0.00	0.00
Consulting Fees	0.00	1,640.88	0.00	0.00
Total Expenses	16,203.40	109,819.07	200,000.00	0.55
<u>Program Staff</u>				
Program Staff	111,500.00	669,000.00	1,338,000.00	0.50
Total Program Staff	111,500.00	669,000.00	1,338,000.00	0.50
Excess Revenue Over (Under) Expenditures	(127,703.40)	(778,819.07)	(1,538,000.00)	(0.51)

Antelope Valley AQMD
Statement of Activity - MTD, MTM and YTD
For 1/31/2020

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
Revenues				
Permitting	198,832.00	666,776.69	1,072,500.00	(0.62)
Programs	130,759.64	1,077,931.62	2,570,566.00	(0.42)
Application Fees	2,791.00	37,877.50	30,000.00	(1.26)
State Revenue	133,350.80	214,670.80	206,305.00	(1.04)
Fines & Penalties	1,180.01	34,760.05	9,000.00	(3.86)
Interest Earned	6,941.38	50,744.20	22,435.00	(2.26)
Adjustments to Revenue	(2,015.94)	(391,681.79)	0.00	0.00
Total Revenues	471,838.89	1,691,079.07	3,910,806.00	(0.43)
Expenses				
Office Expenses	9,802.78	51,866.94	102,575.00	0.51
Communications	2,027.80	10,415.30	20,500.00	0.51
Vehicles	642.28	6,290.31	10,000.00	0.63
Program Costs	143,975.00	864,153.37	2,060,266.00	0.42
Travel	11.50	7,047.48	10,150.00	0.69
Professional Services				
Payroll Contract	9.33	81.73	0.00	0.00
Financial Audit & Actuarial Svcs	16,436.28	118,848.59	200,000.00	0.59
Research Studies	0.00	500.00	6,000.00	0.08
Consulting Fees	0.00	1,640.88	3,000.00	0.55
Stipends	600.00	4,300.00	8,400.00	0.51
Maintenance & Repairs	225.00	1,575.00	6,500.00	0.24
Non-Depreciable Inventory	0.00	(166.99)	10,000.00	(0.02)
Dues & Subscriptions	0.00	8,043.95	20,500.00	0.39
Legal	75.00	8,369.98	19,000.00	0.44
Miscellaneous Expense	0.00	642.09	915.00	0.70
Suspense	0.00	676.87	0.00	0.00
Capital Expenditures	0.00	21,164.83	95,000.00	0.22
Total Expenses	173,804.97	1,105,450.33	2,572,806.00	0.43
Program Staff				
Program Staff	111,500.00	780,500.00	1,338,000.00	0.58
Total Program Staff	111,500.00	780,500.00	1,338,000.00	0.58
Excess Revenue Over (Under) Expenditures	186,533.92	(194,871.26)	0.00	0.00

Antelope Valley AQMD

Run: 3/03/2020 at 9:05 AM

Page: 1

Bank Register from 1/01/2020 to 1/31/2020

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>
0004051	1/09/2020	[01148] ANTELOPE VALLEY PRESS-Notice of hearing	281.52	0.00	302,711.71
0004052	1/09/2020	[10006] BANK OF THE WEST-Credit Card Charges	870.40	0.00	301,841.31
0004053	1/09/2020	[10071] MAIL FINANCE-Postage Meter Rental	77.75	0.00	301,763.56
0004054	1/09/2020	[10260] QCS BUILDING SERVICES-Custodial services	225.00	0.00	301,538.56
0004055	1/09/2020	[10043] SOCALGAS-Gas Service	161.15	0.00	301,377.41
0004056	1/09/2020	[10455] STRADLING YOCCA CARLSON & RAUTH-Legal Counsel Services Oct 19	1,250.00	0.00	300,127.41
0004057	1/09/2020	[10072] USPS/NEOPOST-Prepaid Postage	1,000.00	0.00	299,127.41
0004058	1/09/2020	[10045] VERIZON BUSINESS-VOIP Service	425.11	0.00	298,702.30
0004059	1/09/2020	[10046] VERIZON CALIFORNIA-Long Distance Charges	33.56	0.00	298,668.74
0004060	1/16/2020	[10076] ANTELOPE VALLEY AQMD-Bank Transfer - Credit Card A/R Receipts - December 2019	1,846.87	0.00	296,821.87
0004061	1/16/2020	[10023] LOS ANGELES COUNTY CLERK-NOE- Rule 206 Removal from SIP	75.00	0.00	296,746.87
0004062	1/16/2020	[10240] RAUSCH, VICKIE-PFIRS Training Travel Ramada 12-16 to 12- 18 for \$429.60 Per Diem 12/16: Dinner \$34 12/17: BLD \$76	576.50	0.00	296,170.37
0000001	1/17/2020	Credit Card Transaction - HERC	0.00	960.00	297,130.37
0000001	1/21/2020	Credit Card Transaction - GMZ Engineering	0.00	500.00	297,630.37
0004063	1/23/2020	[10888] AMERICAN BUSINESS MACHINES-Toner	8.00	0.00	297,622.37
0004064	1/23/2020	[10405] CANON FINANCIAL SERVICES-Copier Lease	306.91	0.00	297,315.46
0004065	1/23/2020	[10502] DIGITAL DEPLOYMENT INC-Invoices 100461, 101105, 101435, 103288	800.00	0.00	296,515.46
0004066	1/23/2020	[10026] MOJAVE DESERT AQMD-FY20	130,852.69	0.00	165,662.77
0004067	1/23/2020	[00069] SOUTHERN CALIFORNIA EDISON-Electric Service	520.23	0.00	165,142.54
0004068	1/23/2020	[10039] SPARKLETTS-Water Delivery Service	30.52	0.00	165,112.02
0004069	1/23/2020	[10592] SPECTRUM BUSINESS-Internet Service	770.00	0.00	164,342.02
R20-15	1/23/2020	Op Fund Rep #15	0.00	138,636.89	302,978.91
0000001	1/27/2020	Credit Card Transaction - Horizon Air Measurement - Waste Management	0.00	489.00	303,467.91
0004070	1/30/2020	[10013] CDW - G-Purchase Office 2019	3,646.90	0.00	299,821.01
0004071	1/30/2020	[10055] NEWTON CHELETTE-Attendance Governing Board Meeting Tuesday, January 21, 2020.	100.00	0.00	299,721.01
0004072	1/30/2020	[10057] MARVIN CRIST-Attendance Governing Board Meeting Tuesday, January 21, 2020.	100.00	0.00	299,621.01
0004073	1/30/2020	[10599] HOWARD HARRIS-Attendance Governing Board Meeting Tuesday, January 21, 2020.	100.00	0.00	299,521.01
0004074	1/30/2020	[10058] RONALD HAWKINS-Attendance Governing Board Meeting Tuesday, January 21, 2020.	100.00	0.00	299,421.01
0004075	1/30/2020	[10503] STEVEN D HOFBAUER-Attendance Governing Board Meeting Tuesday, January 21, 2020.	111.50	0.00	299,309.51
0004076	1/30/2020	[10054] KENNETH MANN-Attendance Governing Board Meeting Tuesday, January 21, 2020.	100.00	0.00	299,209.51
0004077	1/30/2020	[10455] STRADLING YOCCA CARLSON & RAUTH-Legal Services	1,250.00	0.00	297,959.51

Antelope Valley AQMD
Bank Register from 1/01/2020 to 1/31/2020
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>
0004078	1/30/2020	[10050] WOELFL FAMILY TRUST-Office Lease Feb 2020	4,613.71	0.00	293,345.80
Total for Report:			150,233.32	140,585.89	

Antelope Valley AQMD
Bank Register from 1/01/2020 to 1/31/2020
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	1/01/2020	Interest Earned	0.00	3,836.43	2,402,027.07
0000361	1/06/2020	Daily Deposit	0.00	106,461.94	2,508,489.01
0000001	1/08/2020	Daily Deposit	0.00	16,697.54	2,525,186.55
0000001	1/13/2020	Daily Deposit	0.00	11,404.15	2,536,590.70
0000362	1/15/2020	Daily Deposit	0.00	7,158.49	2,543,749.19
R20-15	1/23/2020	Op Fund Rep #15	138,636.89	0.00	2,405,112.30
0000001	1/27/2020	Daily Deposit	0.00	185,103.49	2,590,215.79
0000363	1/29/2020	Daily deposit	0.00	6,365.59	2,596,581.38
	1/30/2020	Transfer - AB923 - October 2019	49,475.12	0.00	2,547,106.26
	1/30/2020	Transfer AB2766 - October 2019	49,475.12	0.00	2,497,631.14
	1/30/2020	Transfer AB923 - November 2019	43,303.89	0.00	2,454,327.25
	1/30/2020	Transfer AB2766 - November 2019	43,303.88	0.00	2,411,023.37
0082872	1/31/2020	Transfer - Moyer - EES Reimbursement of Overpayment	1,290.00	0.00	2,409,733.37
Total for Report:			325,484.90	337,027.63	

Antelope Valley AQMD
Bank Register from 1/01/2020 to 1/31/2020
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	1/01/2020	Interest Earned	0.00	371.53	249,164.64
	1/23/2020	Stop Payment on Warrant # TS0028439122 - Daisy Valle Flores - Never Received	0.00	1,000.00	250,164.64
M20-95	1/29/2020	Transfer Funds to New Wells Fargo Account	200,000.00	0.00	50,164.64
	1/30/2020	Transfer AB2766 - October 2019	0.00	49,475.12	99,639.76
	1/30/2020	Transfer AB2766 - November 2019	0.00	43,303.88	142,943.64
Total for Report:			200,000.00	94,150.53	

Antelope Valley AQMD
Bank Register from 1/01/2020 to 1/31/2020
LA County AB923

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	1/01/2020	Interest Earned	0.00	1,813.94	1,241,786.63
M20-94	1/29/2020	Transfer Funds to New Wells Fargo Account	1,200,000.00	0.00	41,786.63
	1/30/2020	Transfer - AB923 - October 2019	0.00	49,475.12	91,261.75
	1/30/2020	Transfer AB923 - November 2019	0.00	43,303.89	134,565.64
Total for Report:			1,200,000.00	94,592.95	

Antelope Valley AQMD
Bank Register from 1/01/2020 to 1/31/2020
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	1/01/2020	Interest Earned	0.00	919.48	522,100.79
C20-08	1/29/2020	Transfer Funds to New Wells Fargo Account	500,000.00	0.00	22,100.79
0082872	1/31/2020	Transfer - Moyer - EES Reimbursement of Overpayment	0.00	1,290.00	23,390.79
Total for Report:			500,000.00	2,209.48	

The following page(s) contain the backup material for Agenda Item: [Amend Governing Board Procedural Rules to clarify term and election of public member, set election month for chair, and update formatting.](#) Presenter: [Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #6

DATE: April 21, 2020

RECOMMENDATION: Amend Governing Board Procedural Rules to clarify term and election of public member, set election month for chair, and update formatting.

SUMMARY: This action will amend the Governing Board Procedural Rules as shown in the attached redline.

BACKGROUND: The Antelope Valley Air Quality Management District (AVAQMD) Governing Board Procedural Rules were last amended February 14, 2017. From time to time the Governing Board has directed various procedural items regarding the election of the chair and the term and election of the public member. Such directions were not, at the time, placed in the Governing Board Procedural Rules. This action updates the Governing Board Procedural Rules to reflect these prior directives.

REASON FOR RECOMMENDATION: Governing Board approval is required to amend the Governing Board Procedural Rules.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO on or about April 6, 2020.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Bret Banks, Executive Director/APCO.

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

Amended: March 17, 2020
Amended: February 14, 2017
Amended: May 20, 2014
Amended: April 16, 2013
Amended: January 17, 2012
Amended: January 18, 2011
Amended: January 15, 2008
Amended: January 17, 2006
Amended: March 18, 2003
Adopted: January 15, 2002

*For related statutory provisions see Health & Safety Code §§41300 et seq., 40700, 40701, 40702.; and Government Code 54950 et seq.

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ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT GOVERNING BOARD PROCEDURAL RULES

1. Meeting Location.

The meeting place of the Antelope Valley Air Quality Management District Governing Board shall be in the Board Chambers at the District offices and all meetings of the Governing Board shall be held therein, unless duly adjourned to another location.

2. District Offices - Address.

The offices of all departments, officers and employees of the District shall be located at the Antelope Valley Air Quality Management District offices, 43301 Division Street, Lancaster, California, 93535-4649 unless other offices are authorized by the Governing Board.

3. District Offices - Holidays and- Hours.

The District offices shall be closed on all official holidays as established by the Governing Board and on alternate Fridays commencing the first Friday in January 2002. Every Saturday and Sunday are holidays in respect to the transaction of business in such District offices. Said District offices shall be open to the public for business as specified by the Air Pollution Control Officer (APCO) and as dictated by business needs on all other days of the year.

4. Meetings.

A. Compliance with the Ralph M. Brown Act.

To ensure that the deliberations and actions of the Governing Board are conducted openly and to ensure meaningful public participation, all meetings of the Governing Board shall be held in compliance with the provisions of the Ralph M. Brown Act (Government Code §§ 54950 et. seq.) and the guidelines promulgated thereunder (14 Cal. Code Regs §§15000 et. seq).

Any subsidiary body of the Governing Board or of the District which is subject to the provisions of the Ralph M. Brown Act shall also hold its meetings in compliance with its provisions.

B. Regular Meetings or Workshop Meetings.

Regular meetings of the Governing Board shall be held on the third Tuesday of the month at 10:00 A.M. Workshop meetings of the Governing Board may be held on any day normally scheduled for a regular meeting but at which no official action is to be taken. For the purposes of this paragraph a workshop meeting is defined as a meeting of the Governing Board when the primary purpose of the meeting is, but is not limited to, conducting a study session. In the event that a Board meeting or workshop meeting falls on a holiday, the meeting shall be held at the same time on the next succeeding day which is not a holiday, unless adjourned to a different time.

An agenda shall be prepared and posted at least seventy-two (72) hours prior to the meeting in a location that is freely accessible to members of the public and on the District's website located at <http://www.avaqmd.ca.gov>.

C. Special Meetings.

A special meeting of the Governing Board may be called at any time by the Chair of the Governing Board or by a majority of the members of the Governing Board, by delivering personally or by United States mail written notice of the meeting to each member of the Governing Board and to each newspaper, radio or television station which has requested notice of meetings in writing. The notice shall be delivered personally or by United States mail and shall be received by the member of the Governing Board at least twenty-four (24) hours before the time of the meeting as specified in the notice. The notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings.

The written notice may be dispensed with as to any member of the Governing Board who at or prior to the time a special meeting convenes, files with the Clerk of the Governing Board a written waiver of the notice. The waiver may be given by telegram or facsimile communication. A written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

The notice and a written agenda shall be posted at least twenty-four (24) hours prior to the special meeting at the location of the regular meetings of the Governing Board and at the location of the special meeting if different from the location of the regular meetings and the place(s) where the notice is posted shall be freely accessible to members of the public.

D. Study Sessions.

The Governing Board may meet in a study session on the day of the regular Governing Board meeting at the hour of 10:00 a.m. in the board chambers or at such other time or

place as may be designated by the Governing Board for the purpose of hearing reports from the staff, reviewing, discussing and debating matters of interest to the District. Such sessions shall be open to the public. No official action shall be taken at a study session.

An agenda shall be prepared and posted at least seventy-two (72) hours prior to the study session in a location that is freely accessible to members of the public.

E. Meeting to be Public - Except for Closed Sessions.

All regular and special meetings of the Governing Board shall be public. Public comment will be received on agenda items at the time of the hearing of that item. Public comment on items not on the agenda will be heard during the designated public comment period.

The Governing Board may hold closed sessions during a regular or special meeting from which the public may be excluded for the purpose of considering the matters which are properly the subject of such sessions pursuant to law, including but not limited to those matters referred to in Government Code §§54954.5, 54956.8, 54956.9, 54956.95, 54957 and/or 54957.6.

No member of the Governing Board, employee of the District, or any other person present during an closed session of the Governing Board shall disclose to any person the content or substance of any discussion which took place during a closed session unless the Governing Board authorizes the disclosure of such information by majority vote.

5. Agenda.

A. Agenda Preparation.

The times for receiving information for the Governing Board agenda and delivery of the agenda shall be established by the Clerk of the Governing Board.

The Clerk of the Governing Board shall prepare the agenda at the direction of the Executive Director/Air Pollution Control Officer and the Chair of the Governing Board. A brief description shall be provided for each item. Each description shall contain sufficient information regarding the proposed action to allow the general public to determine whether or not to participate. Each agenda produced shall contain a public comment period.

B. Agenda Posting.

Once completed the Clerk of the Board shall post the agenda in a location freely accessible to the general public on or before the posting time listed above for the particular type of meeting to be held. The agenda and any backup material shall also be

available in the District Offices during District business hours. The agenda and any backup material shall also be posted on the District's website.

C. Agenda Distribution.

The Clerk of the Board shall distribute the agenda and any backup material to Members of the Governing Board, appropriate District staff and to anyone who has requested to be included on the agenda distribution list within the last calendar year. Such distribution may occur by U.S. mail in hard copy, U.S. mail via electronic media (CD-Rom), and/or E-mail as specified by the requesting party. If a party fails to specify a delivery modality distribution shall occur via U.S. mail in hard copy.

Persons requesting to be added to the agenda distribution list may specify that they wish to receive only the agenda without the backup documentation. If a person fails to specify then they shall receive the entire agenda including backup documentation.

6. Governing Board Correspondence.

A. Availability to the Public.

Correspondence addressed to the Governing Board which is received by the Clerk of the Governing Board or by any other officer or employee of the District shall become a public record when placed in the Clerk of the Board's correspondence file or when otherwise acted upon by the Clerk of the Board unless such item is marked "confidential" or "personal". Correspondence received in the Clerk of the Governing Board's office or other offices after twelve noon the Monday preceding a regular Governing Board meeting shall not be placed on the agenda unless it concerns a matter to be considered by the Governing Board at the next regular meeting or is determined by the Chair of the Governing Board or the APCO to be an urgent matter which should be brought to the immediate attention of the Governing Board. Correspondence shall not be read aloud at the Governing Board meetings unless requested by a majority vote of the Governing Board.

B. Opening Mail and Written Communications.

The APCO and the District Counsel are authorized to open and examine all mail or other written communications addressed to the Governing Board and its members unless marked "confidential" or "personal" and within the authority delegated to the APCO by the Governing Board, give it immediate attention.

7. Order of Business.

The order of business of Governing Board meetings shall be established by the Governing Board.

8. Unfinished Business.

Any matter the consideration of which has not been completed at any meeting of the Governing Board and which has not been continued or which has not been removed from the agenda shall be listed for consideration at the next regular meeting of the Governing Board.

9. ~~Preparation of Minutes.~~

A. Preparation of Minutes.

The Clerk of the Governing Board shall have exclusive responsibility for the preparation of the minutes and any directions for change in the minutes shall be made only by a majority vote of the Governing Board in open session.

10.B. Reading of the Minutes.

Unless the reading of the minutes of the Governing Board meeting is ordered by the majority vote of the Governing Board, such minutes may be approved without reading if the Clerk of the Governing Board has previously furnished each Governing Board member with a copy.

10. Public Member.

Pursuant to the provisions of Health & Safety Code §41310(d) the Governing Board shall appoint a public member. Such public member shall serve a term of two (2) years commencing on July 1 of the year of appointment or such other period of time as the Governing Board designates in its appointing action.

11. Presiding Officer.

A. Chair as Presiding Officer.

The Chair of the Governing Board shall be the presiding officer at all meetings of the Governing Board.

B. Presiding Officer in Absence of Chair.

In the absence of the Chair, the Vice-Chair shall preside. In the absence of the Chair and the Vice-Chair, the Clerk of the Governing Board shall call the Governing Board to order, whereupon a temporary presiding officer shall be elected by the Governing Board members present to serve until the arrival of the Chair or Vice-Chair or until

adjournment. Wherever in this chapter the term “Chair” is used, the term shall apply equally to the presiding officer as defined in this section.

C. Term of Chair.

The Chair shall be elected each year in December from the membership of the Governing Board and shall serve a term of one (1) year. The term of the Chair shall commence on the first regular meeting of the Governing Board in January and shall expire on the first regular meeting of the Governing Board in the subsequent January.

12. Powers and Duties of the Presiding Officer.

A. Participation.

The presiding officer may move, second, debate and vote from the Chair.

B. Seating Arrangements for the Governing Board.

The Clerk of the Board in consultation with the presiding officer shall, following each Governing Board member appointment and at such other times as necessary, establish the seating arrangement of the members of the Governing Board.

C. Signing of Documents.

The presiding officer or his or her duly appointed designee shall sign all rules, resolutions, contracts and other documents necessitating his or her signature.

D. Sworn Testimony.

The presiding officer may, pursuant to statute or other provision of law, require any person addressing the Governing Board to be sworn as a witness and to testify under oath. The presiding officer shall so require if directed to do so by a majority of the Governing Board.

E. Extraordinary Requests for Assistance by Members.

Members shall address requests for assistance above and beyond the normal measure of assistance provided to permit holders and/or the general public through the presiding officer or the APCO pursuant to Governing Board Policy 11-04. If such request is beyond the scope of the APCO’s authority set forth in Governing Board Policy 02-01 then the presiding officer shall cause the request to be placed on the next agenda for discussion and action by the Governing Board.

13. Rules of Debate.

A. Discussion Procedure.

While discussing any question under consideration by the Governing Board, it shall be the duty of the members thereof to remain seated and address their remarks to the presiding officer and their fellow members. Any remarks or orders to the audience shall be addressed by the presiding officer, or with his or her permission, by members of the Governing Board.

B. Governing Board Members to Address Chair.

Every Governing Board member desiring to speak shall first address the Chair, gain recognition by the presiding officer and shall confine himself or herself to the question under debate, avoiding personalities and indecorous language.

C. Questions to Staff.

Every Governing Board member desiring to question the District staff shall, after recognition by the presiding officer, address his or her question to the APCO or the District Counsel, who shall be entitled either to answer the inquiry himself or herself or to designate a member of the staff for that purpose.

D. Interruptions.

A Governing Board member, once recognized, shall not be interrupted when speaking unless called to order by the presiding officer, unless a point of order or personal privilege is raised by another Governing Board member, or unless the speaker chooses to yield to a question by another Governing Board member. If a Governing Board member while speaking is called to order, he or she shall cease speaking until the question of order is determined; and if interpreted to be in order, may proceed. Members of the District staff, after recognition by the presiding officer, shall hold the floor until completion of their remarks or until recognition is withdrawn by the presiding officer.

E. Points of Order.

The presiding officer shall determine all points of order subject to the right of any Governing Board member to appeal to the Governing Board. If an appeal is taken, the question shall be, "Shall the decision of the presiding officer be sustained?" A majority vote shall conclusively determine such question of order.

F. Point of Personal Privilege.

The right of a Governing Board member to address the Governing Board on a question of personal privilege shall be limited to cases in which his or her integrity, character, or motives are questioned or where the welfare of the Governing Board is concerned. A Governing Board member raising a point of personal privilege may interrupt another Governing Board member who has the floor only if the presiding officer recognizes the privilege.

G. Privilege of Closing Debate.

A Governing Board member moving the adoption of a rule, resolution or motion shall have the privilege of closing debate.

H. Limitation of Debate.

No Governing Board member shall be allowed to speak more than once upon any particular subject until every other Governing Board member desiring to do so shall have spoken.

I. Motion to Reconsider.

A motion to reconsider action taken by the Governing Board may be made only on the day the action was taken. It may be made either immediately during the same session, or at a recessed or adjourned session. This motion must be made by one of the prevailing side, but may be seconded by any member, and may be made at any time and have precedence over all other motion or while a member has the floor; it is debatable. Nothing in these rules prevents a member of the Governing Board from making or remaking the same or any other motion at a subsequent meeting of the Governing Board.

14. Robert's Rules of Order.

In all matters and things not otherwise provided for in these procedural rules, the proceedings of the Governing Board shall be governed by "Robert's Rules of Order", revised edition. However, no rule, resolution, proceedings or other action of the Governing Board shall be invalidated, or the legality thereof otherwise affected, by the failure or omission to observe or follow said rules.

15. Remarks of Governing Board Members and Synopsis of Debate.

A Governing Board member may request through the presiding officer the privilege of having an abstract of his or her statements on any subject under consideration by the Governing Board entered into the minutes. If the Governing Board consents thereto, such statements shall be entered into the minutes.

16. Protest Against Governing Board Action.

Any Governing Board member dissenting from or stating his or her protest against any action of the Governing Board may have his or her reasons for such dissent or protest entered into the minutes. Such reasons shall be entered into the minutes upon the request of any Governing Board member.

17. Addressing the Governing Board.

A. Manner of Addressing Governing Board.

Each person desiring to address the Governing Board shall step up to the microphone, if one is present, state his or her name and address for the record, state the agenda item he or she wishes to discuss, state whom he or she is representing, if he or she is representing an organization or other persons. Unless further time is granted by the presiding officer or a majority vote of the Governing Board, the speaker shall limit his or her remarks to five (5) minutes. All remarks shall be addressed to the Governing Board as a whole and not to any member thereof and no questions shall be asked a Governing Board member or a member of the District staff or member of the audience without permission of the presiding officer. Any person desiring to address the Governing Board on a subject not on the agenda shall first present his or her request to the Clerk of the Governing Board in accordance with Section D below unless it is deemed an emergency.

B. Speaker for Group of Persons.

Whenever any group of persons wishes to address the Governing Board on the same subject matter and expressing the same point of view, the presiding officer may request that a speaker be chosen by the group to address the Governing Board. Absent a special determination by the Governing Board, such speaker shall be limited to the public comment period afforded to members of the public. If additional matters are to be presented by any other member of the group, the presiding officer may ask the group to limit the number of such persons addressing the Governing Board.

C. After a Motion.

After a motion has been made or a public hearing has been closed, no member of the public shall address the Governing Board from the audience on the matter under consideration without first getting permission to do so by the presiding officer or a majority vote of the Governing Board.

D. Written Request to Address Governing Board.

Every official, board, commission or other body connected with the District government, and every citizen, individual, corporation, committee or civic group, having any reports, communications or other matters to be presented at a Governing Board meeting, shall notify the Clerk of the Governing Board of that fact prior to or upon the date of the meeting before such item is called on the agenda. The request shall be in writing on a form as provided by the Governing Board and shall set forth the nature and the subject of the matter to be presented to the Governing Board.

18. Rules of Decorum.

A. Governing Board Members.

While the Governing Board is in session, the members must preserve order and decorum; and the members shall neither by conversation or otherwise delay or interrupt the proceedings or the peace of the Governing Board nor disturb any member while speaking or refuse to obey the orders of the presiding officer.

B. Employees.

Members of the District staff and independent contractors shall observe the same rules of order and decorum as are applicable to the Governing Board.

C. Persons Addressing the Governing Board.

Any person making impertinent, slanderous or profane remarks or who has become boisterous while addressing the Governing Board, shall be called to order by the presiding officer; and if such conduct continues, may at the discretion of the presiding officer, be barred from further audience before the Governing Board during that meeting and may be ordered removed from the premises.

D. Persons Authorized to be at Rostrum.

No person except members of the Governing Board and members of the District staff shall be permitted to approach the rostrum without the consent of the presiding officer.

19. Motions - Second Required.

A motion by any member of the Governing Board including the presiding officer may not be considered by the Governing Board without receiving a second.

20. Disqualification for Conflict of Interest.

Any Governing Board member who is disqualified from voting on a particular matter by a reason of a conflict of interest shall publicly state or have the presiding officer state the nature of such disqualification in open meeting. Where no clearly disqualifying conflict of interest appears, the matter of disqualification may, at the request of the Governing Board member affected, be decided by the other Governing Board members upon advise of District Counsel. Upon disqualification, the disqualified Governing Board member shall remove him or herself from the dais until after the item has been acted upon. In the event that a disqualified Governing Board member is authorized pursuant to state law and wishes to testify to the subject, he or she shall follow the same rules as a member of the audience.

21. Majority and Quorum.

A. Quorum.

Except as provided in subdivision (B) herein, a majority of the Governing Board as duly sworn into membership shall constitute a quorum, and no official action shall be taken by the Governing Board except in the presence of a quorum.

B. Quorum When Positions are Vacant.

Whenever there are one or more vacancies on the Governing Board, the vacant positions shall not be counted in determining the number of members on the Governing Board toward the majority required for a quorum or official action by the Governing Board.

C. Majority Vote Required.

The affirmative votes of a majority of the Governing Board which are present shall be required to take official action on all items provided a quorum is present.

22. Effect of Abstention or Silence.

Every Governing Board member who should vote, unless disqualified by reason of conflict of interest, and who abstains from voting in effect consents that a majority of the Governing Board may decide the question voted upon, and his or her abstention shall be recorded concurrent with the majority vote. Unless a member of the Governing Board states that he or she is abstaining, his or her silence shall be recorded as an affirmative vote.

23. Tie Votes.

Tie votes shall be lost motions.

24. Changing Vote.

A Governing Board member may change his or her vote only if he or she makes a timely request to do so immediately following the announcement of the vote by the Clerk of the Governing Board prior to the time of the next item. Prior to the time that the next item in the order of business is taken up, a Governing Board member who publicly announces that he or she is abstaining from voting on a particular matter shall not subsequently be allowed to withdraw his or her abstention.

25. Rules, Regulations, Resolutions, and Contracts.

A. Prior Approval by Administrative Staff.

All rules, regulations, resolutions and contract documents shall, before presentation to the Governing Board, have been approved as to legal form by the District Counsel and shall have been examined for administration by the APCO or his or her authorized representative.

B. Reading of Rule, Regulations and Resolutions.

At the time of the adoption or amendment of a rule or regulation, the resolution accompanying the rule or regulation shall be read in full unless, after the reading of the title thereof, further reading thereof is waived by the Governing Board members present. Such consent to waive further reading shall be deemed to have been given if no request for a reading in full is made by any Governing Board member; and such consent may be expressed by a statement in substance by the presiding officer that "If there are no objections, the further reading of the resolution shall be waived." If any Governing Board member requests a reading in full, the resolution shall be read in full.

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Rostrum.....	10	Written Notice	2
Rule			

The following page(s) contain the backup material for Agenda Item: [1\) Authorize reassignment of funds reserved for the Lawn and Garden Replacement Program for commercial landscapers; and 2\) Adjust the amount of funding reserved to correspond with estimated activity; and 3\) Authorize the Executive Director/ APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#) Please scroll down to view the backup material.

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

AGENDA ITEM #7

DATE: April 21, 2020

RECOMMENDATION: 1) Authorize reassignment of funds reserved for the Lawn and Garden Replacement Program for commercial landscapers; and 2) Adjust the amount of funding reserved to correspond with estimated activity; and 3) Authorize the Executive Director/ APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: This item authorizes reassignment of funds reserved for the Lawn and Garden Replacement Program (Program) from Carl Moyer Program funds to Mobile Source Emission Reductions Program (AB 923) funds, and to adjust the amount of funding reserved for the Program from \$200,000 to \$50,000 that corresponds with estimated activity.

BACKGROUND: March 2019 a program was established and approved by the Board to assist commercial landscapers and gardeners to implement zero-emission technologies in an effort to reduce locally generated air pollution and exposure to air toxics resulting from the operation of gasoline-powered gardening equipment. The Board approved \$75,000 of AB 617 Implementation funds for staff to implement and/or incentive the program, as well as an additional \$200,000 of Carl Moyer Program funds. Since the program was established, staff has been working with commercial landscapers, gardeners and school districts that utilize conventionally fueled lawn and garden equipment to transition to zero emission, electric equipment, and find that eligibility for the Program funds are limited by type of equipment as well as maximum incentive limits based on cost-effectiveness. In order to meet expenditure deadlines for annual allocations of Carl Moyer Program funds, it is staff recommendation to return \$200,000 back to the Program to be used for other eligible projects that are ready to be funded and reassign \$50,000 of AB 923 funds that do not have expenditure deadlines and that allow for more flexibility for using the funds for other equipment that would otherwise not be eligible for Carl Moyer funds.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM #7

PAGE 2

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

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or before April 6, 2020.

FINANCIAL DATA: Sufficient funding is available from the District's Mobile Source Emission Reductions Program (AB 923) funds.

PRESENTER: Julie McKeehan, Grants Analyst.

The following page(s) contain the backup material for Agenda Item: [1\) Authorize the acceptance of AB 197 Emission Inventory District Grant Program Funding](#); [2\) Accept the terms and conditions for the funds](#); and [3\) Authorize the Executive Director/APCO and staff to execute the agreement, approved as to legal form, and carry out related activities to meet the requirements of AB 197](#). Presenter: [Julie McKeehan, Grants Analyst](#).
Please scroll down to view the backup material.

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

AGENDA ITEM #8

DATE: April 21, 2020

RECOMMENDATION: 1) Authorize the acceptance of AB 197 Emission Inventory District Grant Program Funding; 2) Accept the terms and conditions for the funds; and 3) Authorize the Executive Director/APCO and staff to execute the agreement, approved as to legal form, and carry out related activities to meet the requirements of AB 197.

SUMMARY: This action formally accepts the California Air Resources Board's allocations of AB 197 Emission Inventory District Grant Program Funding to the AVAQMD. This action also accepts the terms and conditions for the funds as appropriated in the Grant Agreement Provisions and approves staff to carry out related activities.

BACKGROUND: On September 8, 2016, the Governor signed into law AB 197. The law creates a legislative committee to oversee regulators, giving lawmakers more say in how climate goals are met. The law pushes the State to take stronger steps to reduce emissions and protect the State's most impacted and disadvantaged communities. This law requires the California Air Resources Board (CARB) to make available, and update annually, on its Internet Web site the emissions of GHG, criteria pollutants, and toxic air contaminants for each facility that reports to CARB and local Air Districts. Emissions data will be based on data provided to CARB by Air Pollution Control and Air Quality Management Districts. AB 197 Emission Inventory District Grant Program provides Air Districts funding for additional resources needed to meet the emission inventory requirements of AB 197.

REASON FOR RECOMMENDATION: CARB requires the Governing Board formally approve District acceptance of the funds and participation in the program.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or before April 6, 2020.

FINANCIAL DATA: Community Air Protection Funds are supplementary to the AVAQMD budget.

PRESENTER: Julie McKeehan, Grants Analyst.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [1\) Authorize \\$5,799 of District Grant funds to the City of Palmdale toward the purchase of a zero-emission electric food delivery van; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #9

DATE: April 21, 2020

RECOMMENDATION: 1) Authorize \$5,799 of District Grant funds to the City of Palmdale toward the purchase of a zero-emission electric food delivery van; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item authorizes additional funding in an amount not to exceed \$5,799 of District Grant funds to the City of Palmdale that allows for maximum grant funding toward the proposed project to replace an older conventionally fueled food delivery van along with two (2) other heavy-duty diesel vehicles with one (1) zero-emission electric food delivery van. Funding for the proposed project consists of District Grant funds AB 2766, AB 923 and/or AB 617 contingent upon eligibility requirements of each funding source and availability of funds.

BACKGROUND: In February 2020 the AVAQMD Governing Board approved \$108,000 to the City of Palmdale for the replacement of an older conventionally fueled food delivery van along with two (2) other heavy-duty diesel vehicles with one (1) zero-emission electric food delivery van. Further staff evaluation finds this project eligible for additional funds in the amount of \$5,799 for a total grant of \$113,799 which meets guidelines for funding emission reduction projects that involve alternative fuel. Additionally, this project reduces emissions in low-income communities and benefit sensitive receptors such as the elderly, disabled and homeless populations. The retirement of existing vehicles for the zero-emission, electric vehicle provides early and permanent elimination of emissions.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM #9

PAGE 2

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 6, 2020.

FINANCIAL DATA: Funding for the proposed project consists of District Grant funds AB 2766, AB 923 and/or AB 617 contingent upon eligibility requirements of each funding source and availability of funds.

PRESENTER: Julie McKeehan, Grants Analyst.

The following page(s) contain the backup material for Agenda Item: [1\) Authorize \\$11,500 in Mobile Emission Reductions Program \(AB 2766\) funds to the Alternative Fuel Vehicle Program; and 2\) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #10

DATE: April 21, 2020

RECOMMENDATION: 1) Authorize \$11,500 in Mobile Emission Reductions Program (AB 2766) funds to the Alternative Fuel Vehicle Program; and 2) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan.

SUMMARY: This item authorizes \$11,500 in Mobile Emission Reductions Program (AB 2766) funds to the District's ongoing grant program used to incentivize the purchase of light-duty alternative fuel vehicles.

BACKGROUND: In June 2006, the AVAQMD Board (the Board) established an incentive program to off-set the incremental cost associated with the purchase of natural gas-fueled vehicles and refueling units. In April 2011, the Board expanded the Alternative Fuel Vehicle (AFV) program to include all alternative fuel vehicles including electric and electric/hybrid vehicles. In March 2013, the Board approved new eligibility criteria limiting the District incentives to new AFV purchase or lease agreements made with local Dealerships, and one incentive per household. In September 2013, the Board approved to offer up to 50 percent of the current incentive to local residents who purchase or lease with Dealerships outside the District due to availability. In June 2014, the Board approved to continue the AFV program decreasing the incentive to \$1,000 and discontinuing the home refueling and charging incentives. In August 2019, the Board approved a pilot program to assist AV low-income residents in purchasing EVs new or pre-owned with an incentive up to \$2,500. Since inception, the AFV incentive program has provided incentives towards 772 vehicles and 139 home refueling/charging units totaling approx. \$1.7 million to local residents.

REASON FOR RECOMMENDATION: Governing Board authorization is needed to allocate Mobile Source Emission Reductions Program funds and/or changes to the guidelines.

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or before April 2, 2020.

FINANCIAL DATA: Sufficient funds are available from the District's Mobile Source Emission Reductions (AB 2766) funds.

PRESENTER: Julie McKeehan, Grants Analyst.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [Adopt a Resolution proclaiming a local emergency. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #11

DATE: April 21, 2020

RECOMMENDATION: Adopt a Resolution proclaiming a local emergency.

SUMMARY: This action will adopt a Resolution proclaiming a local emergency to allow the AVAQMD to cooperate and coordinate with other local agencies.

BACKGROUND: A declaration of local emergency will allow the AVAQMD to cooperate with other governmental agencies and allow it to continue to protect the public health and welfare in the area of air pollution control throughout the current emergency situation caused by COVID-19. Such declaration may also allow the AVAQMD to receive reimbursement for costs incurred related to such emergency.

REASON FOR RECOMMENDATION: Governing Board action is required to adopt a Resolution.

REVIEW BY OTHERS: This item was reviewed as to legal form by Karen Nowak, District Counsel and by Bret Banks, Executive Director/APCO on or before April 8, 2020.

FINANCIAL DATA: No direct increase in appropriation is anticipated.

PRESENTER: Bret Banks, Executive Director/APCO.

RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD) PROCLAIMING A LOCAL EMERGENCY

On, April 21, 2020, on motion by Member _____, seconded by Member _____ and carried, the following resolution is adopted:

WHEREAS, the Governin Board of the AVAQMD has the authority to proclaim a local emergency; and

WHEREAS, the Governin Board of the AVAQMD has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to do such acts as may be necessary or proper to execute the powers and duties granted to, and imposed upon the District; and

WHEREAS, the Governin Board of the AVAQMD has the authority pursuant to H&S Code §40701(f) to cooperate or contract with any Federal, State or Local Government agencies...necessary or proper to the accomplishment of the purposes of Division 26 of the H&S Code; and

WHEREAS, California Government Code §3100 states that all public employees are declared to be disaster service workers subject to such disaster service activities as may be assigned to them by their superiors or by law, and

WHEREAS, the AVAQMD provides the regulation and control of air polltuion from all sources, other than the emsisions from motor vehicles (H&S Code§§39002, 40000) to safegard the public interest in air quality (H&S Code §§39000, 39001 and as such is an essential public service; and

WHEREAS, any actions that the AVAQMD may take to ensure the continuation of critical services to protect the health and safety of residents within its jurisdiciton and to provide for immunities that will protect the AVAQMD for actions taken, as covered under the California Emergency Services Act; and

WHEREAS, working with the County of Los Angeles, this proclamation authorizes the undertaking of powers and invoking and disseminating emergency orders (e.g., emergency orders, emergency spending authorities, emergency or pre-established contracting, order necessary Personal Protective Equipment, recovery, etc.) and regulations necessary to provide for the protection of life, property, and the environment; and

//

RESOLUTION _____

1 **WHEREAS**, this proclamation establishes that an emergency exists, and that if mutual aid of in-
2 county resources are needed to assist the AVAQMD, as covered under the California Master Mutual Aid
3 Agreement and any local agreements to provide mutual aid should be sufficient to establish, and that the
4 Emergency Services Act applies; and

5 **WHEREAS**, this proclamation establishes that an emergency exists, and if out-of-county
6 assistance is needed, requests for mutual aid should follow procedures set forth by the Standardized
7 Emergency Management System (SEMS) and the Governor’s Office of Emergency Services (CalOES),
8 including obtaining mission numbers through the County of Los Angeles Emergency Management
9 Department from CalOES for responding agencies. This is particularly important for possible
10 reimbursement of extraordinary expenses in the event of a proclaimed “State of Emergency” or in the
11 event of a presidential declaration of disaster when state or federal disaster relief funds become available;
12 and

13 **WHEREAS**, conditions of disaster or of extreme peril to the health and safety of persons and
14 property have arisen both internationally and within the United States as a result of the introduction of the
15 novel coronavirus (COVID-19), a novel communicable disease which led to California Governor Gavin
16 Newson, to proclaim a State of Emergency for California on March 4, 2020; and

17 **WHEREAS**, currently COVID-19 has spread globally to more than 70 countries, infecting more
18 than 180,000 persons and causing more than 7,100 fatalities worldwide. Due to the expanding list of
19 countries with widespread transmission of COVID-19, and increasing travel alerts and warnings for
20 countries experiencing sustained or uncontrolled community transmission issued by the Centers for
21 Disease Control and Prevention (CDC), COVID-19 has created conditions that are likely to be beyond the
22 control of local resources and require the combined forces of other political subdivisions to combat this
23 virus; and

24 **WHEREAS**, on March 4, 2020, the Los Angeles County Board of Supervisors and the Los
25 Angeles County Department of Public Health declared a local and public health emergency related to the
26 COVID-19 outbreak; and

27 **WHEREAS**, the CDC confirmed person-to-person transmission of COVID-19 in the United
28 States, raising the possibility of community transmission occurring in the general public. This has resulted

RESOLUTION _____

1 in a Federal Declaration of National Emergency as declared by President Donald J. Trump on March 13,
2 2020; and

3 **WHEREAS**, the AVAQMD’s ability to mobilize local resources, coordinate interagency
4 response, accelerate procurement of vital supplies, use mutual aid, and seek future reimbursement by
5 State and Federal governments will be critical to successfully responding to COVID-19; and

6 **WHEREAS**, these conditions warrant and necessitate that the AVAQMD proclaim the existence
7 of a local emergency.

8 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD hereby
9 proclaims the existence of a local emergency and directs District staff to take the necessary steps for the
10 protection of life, health and safety; and

11 **BE IT FURTHER RESOLVED** that during the existence of said local emergency, the powers,
12 functions, and duties of the AVAQMD shall be those prescribed by state law and by ordinances and
13 resolutions of the AVAQMD Governing Board; and

14 **BE IT FURTHER RESOLVED** that the AVAQMD Executive Director/APCO shall review and
15 revise all emergency and contingency plans to address the risks COVID-19 poses to AVAQMD critical to
16 successfully responding to COVID-19; and

17 **BE IT FURTHER RESOLVED** that the AVAQMD staff’s shall track costs for staffing,
18 supplies, and equipment related to COVID-19 preparation and prevention and forward that information to
19 the AVAQMD’s finance department; and complete an Initial Damage Estimate (IDE) Category B, and
20 forward that information to the Los Angeles County Emergency Management Department (EMD) as
21 directed by EMD; and

22 **BE IT FURTHER RESOLVED** that the AVAQMD shall coordinate District-wide planning,
23 preparedness and response efforts regarding COVID-19 with the Los Angeles County EMD; and

24 **BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately and that
25 widespread publicity and notice shall be given said Proclamation through the most feasible and adequate
26 means of disseminating such notice throughout the AVAQMD; and

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RESOLUTION _____

1 **BE IT FURTHER RESOLVED AND ORDERED** that a copy of this Resolution be forwarded
2 to the Los Angeles County EMD to be forwarded to the Director of the California Governor’s Office of
3 Emergency Services.

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

6 AYES: MEMBER:

7 NOES: MEMBER:

8 ABSENT: MEMBER:

9 ABSTAIN: MEMBER:

10 STATE OF CALIFORNIA)
11)
12 COUNTY OF LOS ANGELES) SS:

13
14 I, Deanna Hernandez, Senior Executive Analyst – Confidential of the Governing Board of the Antelope
15 Valley Air Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the
16 record of the action as the same appears in the Official Minutes of said Governing Board at its meeting of April 21,
17 2020 _____.

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Senior Executive Analyst - Confidential
Antelope Valley Air Quality Management District

The following page(s) contain the backup material for Agenda Item: [Adopt a Resolution confirming the Emergency Regulations \(Standard Practice 4-21\) for public meetings as issued by the Executive Director/APCO to mitigate transmission of COVID-19. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #12

DATE: April 21, 2020

RECOMMENDATION: Adopt a Resolution confirming the Emergency Regulations (Standard Practice 4-21) for public meetings as issued by the Executive Director/APCO to mitigate transmission of COVID-19.

SUMMARY: This action will confirm the provisions of Standard Practice 4-12 entitled *Emergency Regulations for the Conduct of Public Meetings to Mitigate Transmission of COVID-19 and/or Other Communicable Diseases* as adopted by the Executive Director/APCO for all public meetings of the Antelope Valley Air Quality Management District (AVAQMD) until Executive Orders N-29-20 and N-33-20 are rescinded or expire.

BACKGROUND: Coronavirus disease 2019 (“COVID-19”) is a respiratory disease caused by a novel (new) coronavirus now named SARS-CoV-2. This virus spreads easily from person-to-person and community spread is now being detected in a growing number of countries including the United States.

The Governor of California declared a state of emergency related to COVID-19 on March 4, 2020 as did the Los Angeles County Board of Supervisors. By March 11, 2020 the WHO characterized COVID-19 as a pandemic. The President of the United States declared a national emergency on March 13, 2020. On March 14, 2020 the Center for Disease Control recommended that gatherings of 50 people or more be cancelled or postponed. By March 16, 2020 the CDC recommended that gatherings of 10 people or more be canceled, postponed or held virtually.

The Governor of California has issued a series of executive orders (Executive order N-25-20 of March 12, 2020, superseded by Executive Order N-29-20 of March 17, 2020) which in part suspend certain requirements of the Ralph M. Brown Act (Gov. Code §§54950 et seq.). On March 19, 2020 the California Governor issued Executive Order N-33-20 requiring individuals to primarily home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors, to further mitigate and disrupt the spread of COVID-19.

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

AGENDA ITEM #12

PAGE 2

On April 8, 2020, the Executive Director issued Standard Practice 4-21 entitled *Emergency Regulations for the Conduct of Public Meetings to Mitigate Transmission of COVID-19 and/or Other Communicable Diseases* (the “Emergency Regulations”) based upon (a) the existing state of emergency declared by the Governor of California on March 4, 2020; (b) Executive Orders N-29-20 and N-33-20; and (c) the CDC’s recommendation to cancel, postpone, or hold virtually all gatherings of 10 or more. A copy of this Standard Practice is attached to the Resolution and incorporated by reference. Since these Emergency Regulations directly impact the conduct of the meetings of the AVAQMD Governing Board confirmation of the existence and validity of the Emergency Regulations is desirable.

REASON FOR RECOMMENDATION: Governing Board action is required to adopt a Resolution confirming the effect and applicability of Standard Practice 4-21 to meetings of the AVAQMD Governing Board.

REVIEW BY OTHERS: This item was reviewed as to legal form by Karen Nowak, District Counsel and by Bret Banks, Executive Director/APCO on or before April 8, 2020.

FINANCIAL DATA: No direct increase in appropriation is anticipated however, an unknown amount of additional meeting costs may be incurred to implement virtual access to meetings.

PRESENTER: Bret Banks, Executive Director/APCO.

RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT (AVAQMD) CONFIRMING EMERGENCY REGULATIONS (STANDARD PRACTICE 4-21) FOR PUBLIC MEETINGS AS ISSUED BY THE EXECUTIVE DIRECTOR/APCO TO MITIGATE TRANSMISSION OF COVID-19

On, April 21, 2020, on motion by Member _____, seconded by Member _____ and carried, the following resolution is adopted:

WHEREAS, coronavirus disease 2019 (“COVID-19”) is a respiratory disease caused by a novel (new) coronavirus now named SARS-CoV-2; and

WHEREAS, according to a “Situation Summary” that was updated by the Centers for Disease Control (“CDC”) on March 14, 2020, [t]he complete clinical picture with regard to COVID-19 is not fully known. Reported illnesses have ranged from very mild (including some with no reported symptoms) to severe, including illness resulting in death. While information so far suggests that most COVID-19 illness is mild, a report out of China suggests serious illness occurs in 16% of cases. Older people and people of all ages with severe chronic medical conditions — like heart disease, lung disease and diabetes, for example — seem to be at higher risk of developing serious COVID-19 illness.

<https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/summary.html>); and

WHEREAS, also according to the CDC: (a) SARS-CoV-2, the virus that causes COVID-19, is infecting people and spreading easily from person-to-person; and (b) cases of COVID-19 have been detected in most countries worldwide and community spread is being detected in a growing number of countries; and

WHEREAS, on January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (“WHO”) declared the COVID-19 outbreak a public health emergency of international concern; and

WHEREAS, on January 31, 2020, the United States Health and Human Services Secretary declared a public health emergency related to the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, the Governor of California declared a state of emergency related to the COVID-19 outbreak; and

WHEREAS, on March 4, 2020, the Los Angeles County Board of Supervisors and the Los Angeles County Department of Public Health declared a local and public health emergency related to the COVID-19 outbreak; and

RESOLUTION _____

1 **WHEREAS**, on March 11, 2020, the WHO characterized COVID-19 as a pandemic; and

2 **WHEREAS**, on March 12, 2020, the Governor of California issued Executive Order N-25-20
3 (“Executive Order N-25-20”), which, in part, suspends certain requirements of the Ralph M. Brown Act,
4 Cal. Gov’t Code §§ 54950-54963 (the “Brown Act”), to facilitate social distancing and other similar
5 measures to mitigate transmission of COVID-19; and

6 **WHEREAS**, on March 13, 2020, the President of the United States declared the COVID-19
7 outbreak a national emergency; and

8 **WHEREAS**, on March 14, 2020, the CDC recommended that gatherings of 50 people or more
9 should be canceled or postponed throughout the country.

10 **WHEREAS**, on March 16, 2020, the CDC further recommended that gatherings of 10 people or
11 more should be canceled, postponed, or held virtually throughout the country for at least the next 15 days.

12 **WHEREAS**, on March 17, 2020, the Governor of California issued Executive Order N-29-20
13 (“Executive Order N-29-20”), which supersedes Executive Order N-25-20 and further suspends certain
14 requirements of the Brown Act; and

15 **WHEREAS**, on March 19, 2020, the Governor of California issued Executive Order N-33-20
16 (“Executive Order N-33-20”), which, in part, requires individuals living in the State of California to stay
17 home or at their place of residence except as needed to maintain continuity of operations of the federal
18 critical infrastructure sectors, to further mitigate and disrupt the spread of COVID-19.

19 **WHEREAS**, on April 8, 2020, the Executive Director issued Standard Practice 4-21 entitled
20 *Emergency Regulations for the Conduct of Public Meetings to Mitigate Transmission of COVID-19 and/or*
21 *Other Communicable Diseases* (the “Emergency Regulations”) based upon (a) the existing state of
22 emergency declared by the Governor of California on March 4, 2020; (b) Executive Orders N-29-20 and
23 N-33-20; and (c) the CDC’s recommendation to cancel, postpone, or hold virtually all gatherings of 10 or
24 more; and

25 **WHEREAS**, the Governing Board desires to confirm the Emergency Regulations, subject to the
26 provisions of this Resolution.

27 //

28 //

RESOLUTION _____

1 **NOW, THEREFORE, BE IT RESOLVED**, that the Emergency Regulations attached hereto as
2 Exhibit “A” and incorporated herein by this reference are hereby confirmed, subject to the provisions of
3 this Resolution; and

4 **BE IT FURTHER RESOLVED**, the Governing Board of the AVAQMD reserves right to suspend,
5 terminate or modify the Emergency Regulations by formal action of the Board if such becomes necessary.

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

8 AYES: MEMBER:

9 NOES: MEMBER:

10 ABSENT: MEMBER:

11 ABSTAIN: MEMBER:

12 STATE OF CALIFORNIA)
13)
14 COUNTY OF LOS ANGELES) SS:

15
16 I, Deanna Hernandez, Senior Executive Analyst – Confidential of the Governing Board of the Antelope
17 Valley Air Quality Management District, hereby certify the foregoing to be a full, true and correct copy of the
18 record of the action as the same appears in the Official Minutes of said Governing Board at its meeting of April 21,
19 2020_____.

20 _____
21 Senior Executive Analyst - Confidential
22 Antelope Valley Air Quality Management District
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*Antelope Valley
Air Quality Management District*

STANDARD PRACTICE

Effective Date: April 8, 2020

Approved: 
Bret Banks, Executive Director

Adopted: April 8, 2020

Applicability: All

SUBJECT: Emergency Regulations for the Conduct of Public Meetings to Mitigate Transmission of COVID-19 and/or Other Communicable Diseases

PRACTICE:

It is the Standard Practice of the Antelope Valley Air Quality Management District (AVAQMD or District) to conduct meetings of the Governing Board and any other public meetings in full compliance with all laws and regulations applicable to such meetings. However, during a declared emergency the District will comply with recommendations as made by the appropriate authorities to adequately protect the public health and safety while still complying with applicable law as suspended or otherwise modified in whole or in part.

AMPLIFICATION OF PRACTICE:

A. General Provisions

The District will, to the greatest extent possible comply with applicable provisions of law, including but not limited to the Brown Act and the Public Records act, while complying with declarations and modifications to laws made by State and Federal Authorities for the duration of the emergency situation. In addition, the District will add necessary provisions to this Standard Practice to allow the District to comply in a specific emergency situation.

B. Emergency Related to Coronavirus Disease 2019 (COVID-19)

1. Emergency Declarations and Guidance

On March 4, 2020, the Governor of California declared a State of Emergency related to coronavirus disease 2019 (“COVID-19”), which is caused by a novel coronavirus. On March 16, 2020, the CDC recommended that gatherings of 10 people or more should be canceled, postponed, or held virtually throughout the country, for at least the next 15 days, to facilitate social distancing and other similar measures to mitigate transmission of COVID-19. On March 17, 2020, the Governor of California issued Executive Order N-29-20 (“Executive Order N-29-20”), which, in part, suspends certain requirements of the

STANDARD PRACTICE
of the
Antelope Valley Air Quality Management District

Ralph M. Brown Act, Cal. Gov't Code §§ 54950-54963 (the "Brown Act"), to facilitate social distancing and other similar measures to mitigate transmission of COVID-19. On March 19, 2020, the Governor issued Executive Order N-33-20 ("Executive Order N-33-20") which requires individuals of the State of California to stay home or at their place of residence, except as needed to maintain continuity of operations of the federal critical infrastructure sectors.

The provisions found in subsection (B) of this Standard Practice are based upon (a) the existing State of Emergency declared by the Governor of California on March 4, 2020; (b) Executive Orders N-29-20 and N-33-20; and (c) recommendations by the United States Centers for Disease Control regarding social distancing.

2. Term of Modifications to Conduct of Public Meetings

This Standard Practice shall take effect immediately upon issuance and shall terminate and be of no further force or effect whatsoever upon the earliest of the following:

- (a) the Governor of California terminates the State of Emergency to which these Emergency Regulations relate; or
- (b) the Governor of California rescinds, revokes or otherwise terminates Executive Orders N-29-20 or and N-33-20, or it expires, terminates or for any reason becomes ineffective; or
- (c) the Governing Board of the AVAQMD terminates the provisions relating to COVID-19 in this Standard Practice; or
- (d) the Governing Board of the AVAQMD does not confirm the provisions of this Standard Practice; or
- (e) applicable law prohibits all or any part of these Emergency Regulations.

The District's Executive Director may amend or terminate this Standard Practice or any part thereof to comply with any future directives and/or additional Executive Orders. Such amendments may be confirmed by the Governing Board of the AVAQMD at its next regularly scheduled meeting after such amendments/termination occurs.

3. Modifications to the Conduct of Public Meetings to Mitigate the Transmission of COVID-19.

a. Electronic Attendance and Participation

Members. A member of the Board, committee, or other body conducting a meeting may attend and participate in such meeting telephonically or otherwise electronically, to the maximum extent allowed by (and subject to the requirements and/or limitations of) of Executive Order N-29-20.

STANDARD PRACTICE
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Antelope Valley Air Quality Management District

Public. The public may electronically attend and participate in a meeting by telephonic or computer means at the noticed time of the meeting via the telephone number or other means published on the Agenda.

The public may also participate in a meeting by sending comments to Publiccomment@AVAQMD.ca.gov or to AVAQMD, 43301 Division Street, Suite 206; Lancaster, CA 93535; ATTN: PUBLIC COMMENT . Written participation shall be subject to the following requirements:

- i. It must indicate the date of the meeting and agenda item number to which it relates (or indicate that it does not relate to a specific agenda item); and
- ii. In the case of an email, it must be sent to the email address above; and
- iii. It should be actually received by the District at least 48 hours prior to the meeting.

District staff will endeavor to provide all such submissions received up to 48 hours prior to the meeting to the Governing Board or Members.

Any submissions received up to two (2) hours prior to the meeting may, at the direction of the Board or Committee, be read aloud at the appropriate time during the meeting, subject to applicable time and/or other limitation(s). District staff will not read aloud any electronic submission that:

- i. Does not comply with the requirements of this section; or
- ii. Contains profane, vulgar or offensive language; or
- iii. Contains insults, attacks or threats directed at any person(s); or
- iv. Relates to an issue that is beyond the subject matter jurisdiction of the Governing Board, committee, or other body conducting the meeting.

There is no express or implied representation, warranty or guarantee that an electronic submission pursuant to this section will be read aloud by District staff during the meeting. Electronic submission of comments is supplemental and in addition to the public's right to physically attend and personally offer comments at a meeting.

b. Notice of Meeting; Publicly Accessible Location.

If a member of the Board, committee, or other body conducting a meeting attends and/or participates in such meeting telephonically or otherwise electronically, then, as and to the extent required by Executive Order N-29-20, the following requirements apply:

- i. Advance notice of the meeting must be given within the timeframe required by the Brown Act; and

STANDARD PRACTICE
of the
Antelope Valley Air Quality Management District

ii. The notice must identify at least one publicly accessible location from which the public shall have the right to observe and offer comment at the meeting.

c. Suspension of Certain Meeting Requirements.

The District is not required to comply with Brown Act provisions as and to the extent suspended by the Governor of California in Executive Order N-29-20.

If and to the extent other provisions of the Brown Act are suspended, whether by executive order of the Governor of California or otherwise, the Executive Director may further modify the District's public meeting procedures to implement such suspension.

d. Additional Measures.

The Executive Director may implement additional emergency measures to mitigate transmission of COVID-19, as and to the maximum extent allowed by law, by issuing an order that supplements this Standard Practice.

4. Relationship to Other Laws.

In the event of a conflict between these Emergency Regulations and the provisions of any other applicable District policy, resolution or ordinance, the more restrictive provision shall control. In the event of a conflict between these Emergency Regulations and the provisions of any other applicable state or federal law, the state or federal law shall control.

5. Exceptions.

These Emergency Regulations shall not apply if and to the extent application would abridge the exercise of a person's rights protected under the United States Constitution, including but not limited to, the rights of free speech and peaceable assembly.

6. Notice of Emergency Regulations.

The Executive Director/APCO shall provide notice of this Standard Practice by, at a minimum, the following:

- i. Mailing or emailing a copy of this Standard Practice to any person who has submitted a request pursuant to Section 54951.1 of the California Government Code; and
- ii. Making copies of this Standard Practice available at the District's office to any person during normal business hours; and

STANDARD PRACTICE
of the
Antelope Valley Air Quality Management District

iii. Posting a copy of this Standard Practice adjacent to any meeting agenda posted pursuant to the Brown Act.

7. Severability.

If any section, subsection, paragraph, sentence, clause or phrase of this Standard Practice is declared by a court of competent jurisdiction to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of these Emergency Regulations. The Executive Director declares that he would have adopted this Standard Practice, and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, phrases, or portions be declared invalid or unconstitutional.

The following page(s) contain the backup material for Agenda Item: [Adopt a form Resolution \(OES 130\) designating agents for purpose of obtaining Federal financial assistance. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #13

DATE: April 21, 2020

RECOMMENDATION: Adopt a form Resolution (OES 130) designating agents for purpose of obtaining Federal financial assistance.

SUMMARY: This action will designate agents for the AVAQMD so that the AVAQMD can apply for and potentially obtain Federal financial assistance through the California Office of Emergency Services (OES).

BACKGROUND: Disbursement of funds and awards of grants from the Federal Emergency Management Agency (FEMA) are coordinated through the OES. OES requires a resolution (Form OES-130) designating agents for receipt of such funds. This designation of agents, once filed, is good for any open and future disasters for 3 years from the date of adoption.

REASON FOR RECOMMENDATION: Governing Board action is required to adopt a Resolution designating agents for Form OES-130.

REVIEW BY OTHERS: This item was reviewed as to legal form by Karen Nowak, District Counsel and by Bret Banks, Executive Director/APCO on or before April 8, 2020.

FINANCIAL DATA: No direct increase in appropriation is anticipated.

PRESENTER: Bret Banks, Executive Director/APCO.

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE Governing Board OF THE Antelope Valley Air Quality Management District
(Governing Body) (Name of Applicant)

THAT Bret Banks, OR
(Title of Authorized Agent)

Jean Bracy, OR
(Title of Authorized Agent)

Barbara Lods
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Antelope Valley Air Quality Management District a public entity
(Name of Applicant)
established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Antelope Valley Air Quality Management District public entity established under the laws of the State of California,
(Name of Applicant)
hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

- This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.
- This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 21st day of April, 20 20

Marvin Crist, Chair, AVAQMD Governing Board
(Name and Title of Governing Body Representative)

Austin Bishop, Vice-Chair, AVAQMD Governing Board
(Name and Title of Governing Body Representative)

Ron Hawkins, Member, AVAQMD Governing Board
(Name and Title of Governing Body Representative)

CERTIFICATION

I, Deanna Hernandez, duly appointed and Senior Executive Analyst of
(Name) (Title)

Antelope Valley Air Quality Management District do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the Governing Board of the Antelope Valley Air Quality Management District
(Governing Body) (Name of Applicant)

on the 21st day of April, 20 20.

(Signature)

Senior Executive Analyst
(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.
Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.
Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.
Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification.")

The following page(s) contain the backup material for Agenda Item: [Receive and file the annual financial audit for Fiscal Year 2018-19. The annual financial audit for Fiscal Year 2018-19 is complete and presented for review and to receive and file. Presenter: Laquita Cole, Finance Manager \(MDAQMD\) on behalf of the AVAQMD, with a representative from Fedak & Brown.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #14

DATE: April 21, 2020

RECOMMENDATION: Receive and file.

SUMMARY: The annual financial audit for Fiscal Year 2018-19 is complete and presented for review and to receive and file.

BACKGROUND: Fedak & Brown LLP of Riverside performed the audit services for the District for the third year of a three-year engagement. They conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts.

In their 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 Antelope Valley Air Quality Management District, as of June 30, 2019, 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.

REASON FOR RECOMMENDATION: The audit process is complete and the information is provided to the Governing Board for review to receive and file.

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about April 6, 2020.

FINANCIAL DATA: Funds were budgeted for the service provided and sufficient funds were available to pay the obligation.

PRESENTER: Laquita Cole, Finance Manager (MDAQMD) on behalf of the AVAQMD, with a representative from Fedak & Brown.



**Antelope Valley Air Quality Management
District**

Lancaster, California

**Annual Financial Report
For the Fiscal Year Ended
June 30, 2019**



Governing Board as of June 30, 2019

Name	Title	Elected/ Public
Marvin Crist	Chair	Elected
Austin Bishop	Vice Chair	Elected
Ron Hawkins	Governing Board Member	Elected
Newton Chelette	Governing Board Member	Public
Steven Hofbauer	Governing Board Member	Elected
Ken Mann	Governing Board Member	Elected

Antelope Valley Air Quality Management District

**43301 Division Street, Suite 206
Lancaster, California 93535
(661) 723-8070**

Antelope Valley Air Quality Management District

Annual Financial Report

For the Fiscal Year Ended June 30, 2019

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Antelope Valley Air Quality Management District

For the Fiscal Year Ended June 30, 2019

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Financial Section

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Independent Auditor's Report

Governing Board
Antelope Valley Air Quality Management District
Lancaster, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Antelope Valley Air Quality Management District (District) as of and for the year ended June 30, 2019, 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 our 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 and 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 opinion.

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 Antelope Valley Air Quality Management District, as of June 30, 2019, 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

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 26 through 30 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 March 17, 2020, 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 31 and 32.

Fedak & Brown LLP
Cypress, California
March 17, 2020

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Antelope Valley Air Quality Management District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2019. 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

- In 2019, the District's net position increased by 36.84% or \$1,270,090 to \$4,717,927.
- In 2019, total revenues from all sources increased 38.39% or \$1,417,206 to \$5,108,537.
- In 2019, total expenses increased 27.94% or \$838,337 to \$3,838,448.

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 revenue 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 – the difference between 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.

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2019**

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 12 through 25.

Government-wide Financial Analysis

Statements of Net Position

The following table is a summary of the statements of net position at June 30, 2019 and 2018.

Condensed Statements of Net Position

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets:			
Current assets	\$ 5,672,993	4,276,682	1,396,311
Capital assets, net	259,417	304,899	(45,482)
Total assets	<u>5,932,410</u>	<u>4,581,581</u>	<u>1,350,829</u>
Liabilities:			
Current liabilities	1,214,483	1,133,744	80,739
Total liabilities	<u>1,214,483</u>	<u>1,133,744</u>	<u>80,739</u>
Net position:			
Net investment in capital assets	259,417	304,899	(45,482)
Restricted	2,221,091	2,465,363	(244,272)
Unrestricted	2,237,419	677,575	1,559,844
Total net position	<u>\$ 4,717,927</u>	<u>3,447,837</u>	<u>1,270,090</u>

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2019**

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,717,927 as of June 30, 2019. 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

The following table is a summary of the statements of activities for the year ended June 30, 2019 and 2018.

Condensed Statements of Activities			
	2019	2018	Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,301,813	811,144	490,669
Operating grants	3,711,580	2,807,025	904,555
Total program revenues	5,013,393	3,618,169	1,395,224
General revenues	95,145	73,162	21,983
Total revenues	5,108,538	3,691,331	1,417,207
Expenses:			
General	1,724,273	1,480,467	243,806
Mobile emission program AB 2766	776,246	378,339	397,907
Mobile emission program AB 923	474,844	505,067	(30,223)
Carl Moyer program	863,085	636,238	226,847
Total expenses	3,838,448	3,000,111	838,337
Changes in net position	1,270,090	691,220	578,870
Net position, beginning of year	3,447,837	2,756,617	691,220
Net position, end of year	\$ 4,717,927	3,447,837	1,270,090

In the case of the District, net position increased 36.84% or \$1,270,090 to \$4,717,927, from ongoing operations.

The District's total revenues from all sources increased 38.39% or \$1,417,206 to \$5,108,537. Program revenues increased \$1,395,224, primarily due to increases in charges for services and operating grants. General revenues increased \$21,982, primarily due to an increase in investment earnings.

The District's total expenses increased by 27.94% or \$838,337 to \$3,838,448, due primarily to increases of \$397,907 in mobile emissions program (AB 2766) expenses, \$226,847 in Carl Moyer program expenses, and \$243,806 in general fund expenses; which were offset by decreases of \$30,223 in mobile emissions program (AB 923) expenses.

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2019**

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, 2019.

Condensed Changes in Fund Balance

	<u>General Fund</u>	<u>AB 2766</u>	<u>AB 923</u>	<u>Carl Moyer</u>	<u>Total</u>
Fund balance, beginning of year	\$ 1,507,019	701,623	883,143	51,153	3,142,938
Changes in fund balance	<u>1,461,796</u>	<u>(333,811)</u>	<u>172,409</u>	<u>15,178</u>	<u>1,315,572</u>
Fund balance, end of year	<u>\$ 2,968,815</u>	<u>367,812</u>	<u>1,055,552</u>	<u>66,331</u>	<u>4,458,510</u>

In 2019, total fund balance increased by 41.86% or \$1,315,571 to \$4,458,510. The General fund increased by 97.00% or \$1,461,795 to \$2,968,815; the mobile emissions program (AB2766) decreased by 47.58% or \$333,811 to \$367,812; the mobile emissions program (AB 923) increased by 19.52% or \$172,409 to \$1,055,552; and the Carl Moyer program increased by 29.67% or \$15,178 to \$66,331.

Governmental Activities Budgetary Highlights

For the year ended June 30, 2019, the final actual expenditures were more than budgeted for the General fund by \$64,416, Mobile Emissions program (AB 2766) by \$346,546, and Carl Moyer Fund by \$59,341; and less than budgeted for the Mobile Emissions program (AB 923) by \$130,756. For the year ended June 30, 2019, actual revenues were more than budgeted for the General Fund by \$1,256,519, Mobile Emissions program (AB 2766) by \$12,735, Mobile Emissions program (AB 923) by \$41,653, and Carl Moyer Fund by \$145,636. At June 30, 2019, there were no differences between the original and final amended budgets. (See Budgetary Comparison Schedule for the General fund, Mobile Emissions program (AB 2766), Mobile Emissions program (AB 923), and Carl Moyer program under Required Supplementary Information section on pages 26 through 29).

Capital Asset Administration

	<u>Balance 2018</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2019</u>
Capital assets:				
Depreciable assets	\$ 712,539	6,407	(17,619)	701,327
Total capital assets	712,539	6,407	(17,619)	701,327
Accumulated depreciation	(407,640)	(51,889)	17,619	(441,910)
Total capital assets, net	<u>\$ 304,899</u>	<u>(45,482)</u>	<u>-</u>	<u>259,417</u>

At the end of fiscal year 2019, the District's investment in capital assets amounted to \$259,517 (net of accumulated depreciation). This investment in capital assets includes building improvements, furniture and fixtures, machinery and equipment, vehicles, computers, and software. The capital assets of the District are more fully analyzed in Note 3 to the basic financial statements.

Conditions Affecting Current Financial Position

Management is unaware of any 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.

**Antelope Valley Air Quality Management District
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2019**

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 Deputy Director / Administration, Mojave Desert Air Quality Management District, contractor to the Antelope Valley Air Quality Management District, 43301 Division Street, Suite 206, Lancaster, California 93535 or (661) 723-8070.

Draft

Basic Financial Statements

Draft

Antelope Valley Air Quality Management District
Statement of Net Position
June 30, 2019

	2019
Assets:	
Current assets:	
Cash and cash equivalents (note 2)	\$ 2,584,042
Restricted cash and cash equivalent (note 2)	2,221,091
Accounts receivable	867,230
Prepaid expenses and other assets	630
Total current assets	5,672,993
Non-current assets:	
Capital assets – being depreciated, net (note 3)	259,417
Total non-current assets	259,417
Total assets	5,932,410
Liabilities:	
Current liabilities:	
Accounts payable and accrued expenses	452,532
Unearned revenues (note 5)	761,951
Total current liabilities	1,214,483
Total liabilities	1,214,483
Net position (note 7):	
Net investment in capital assets	259,417
Restricted	2,221,091
Unrestricted	2,237,419
Total net position	\$ 4,717,927

See accompanying notes to the basic financial statements

Antelope Valley Air Quality Management District
Statement of Activities
For the Fiscal Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants</u>	
Governmental activities				
General	\$ 1,724,273	1,301,813	1,717,786	1,295,326
Mobile emission program AB 2766	776,246	-	436,402	(339,844)
Mobile emission program AB 923	474,844	-	623,191	148,347
Carl Moyer program	863,085	-	934,201	71,116
Total governmental activities	\$ 3,838,448	1,301,813	3,711,580	1,174,945
General revenues:				
			\$	11,450
				76,624
				7,071
				<u>95,145</u>
				1,270,090
				<u>3,447,837</u>
			\$	<u><u>4,717,927</u></u>

See accompanying notes to the basic financial statements

**Antelope Valley Air Quality Management District
Reconciliation of the Balance of Governmental Funds to the
Statement of Net Position
June 30, 2019**

	<u>General Fund</u>	<u>AB 2766 Fund</u>	<u>AB 923 Fund</u>	<u>Carl Moyer Fund</u>	<u>Total Fund</u>
Assets:					
Cash and cash equivalents	\$ 2,584,042	-	-	-	2,584,042
Restricted cash and cash equivalents	-	53,409	1,266,956	900,726	2,221,091
Accounts receivable	681,994	76,291	108,945	-	867,230
Inter-fund receivable (note 4)	299,131	256,737	-	-	555,868
Prepaid expenses	630	-	-	-	630
Total assets	<u>\$ 3,565,797</u>	<u>386,437</u>	<u>1,375,901</u>	<u>900,726</u>	<u>6,228,861</u>
Liabilities:					
Accounts payable and accrued expenses	\$ 340,245	18,625	21,218	72,444	452,532
Inter-fund payable (note 4)	256,737	-	299,131	-	555,868
Unearned revenue	-	-	-	761,951	761,951
Total liabilities	<u>596,982</u>	<u>18,625</u>	<u>320,349</u>	<u>834,395</u>	<u>1,770,351</u>
Fund balance:					
Nonspendable	630	-	-	-	630
Restricted	-	367,812	1,055,552	66,331	1,489,695
Unassigned	2,968,185	-	-	-	2,968,185
Total fund balance	<u>2,968,815</u>	<u>367,812</u>	<u>1,055,552</u>	<u>66,331</u>	<u>4,458,510</u>
Total liabilities and fund balance	<u>\$ 3,565,797</u>	<u>386,437</u>	<u>1,375,901</u>	<u>900,726</u>	<u>6,228,861</u>
Reconciliation:					
Total Fund Balances of Governmental Funds					\$ 4,458,510
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, not 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 as follows:					
Depreciable capital assets, net					<u>259,417</u>
Net Position of Governmental Activities					<u>\$ 4,717,927</u>

See accompanying notes to the basic financial statements

Antelope Valley Air Quality Management District
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>AB 2766 Fund</u>	<u>AB 923 Fund</u>	<u>Carl Moyer Fund</u>	<u>Total Fund</u>
Revenues:					
Charge for services	\$ 1,301,813	-	-	-	1,301,813
Operating grants	1,717,786	436,402	623,191	934,201	3,711,580
Fine, forfeitures, and penalties	11,450	-	-	-	11,450
Investment earnings	31,350	6,033	24,062	15,179	76,624
Other revenue	7,071	-	-	-	7,071
Total revenues	<u>3,069,470</u>	<u>442,435</u>	<u>647,253</u>	<u>949,380</u>	<u>5,108,538</u>
Expenditures:					
Services and supplies	1,672,384	776,246	474,844	863,085	3,786,559
Capital outlay	6,407	-	-	-	6,407
Total expenditures	<u>1,678,791</u>	<u>776,246</u>	<u>474,844</u>	<u>863,085</u>	<u>3,792,966</u>
Excess of revenues over expenditures	1,390,679	(333,811)	172,409	86,295	1,315,572
Other financing sources(uses):					
Operating transfers in(out) (note 4)	71,117	-	-	(71,117)	-
Net change in fund balance	1,461,796	(333,811)	172,409	15,178	1,315,572
Fund balance – beginning of year	<u>1,507,019</u>	<u>701,623</u>	<u>883,143</u>	<u>51,153</u>	<u>3,142,938</u>
Fund balance – end of year	<u>\$ 2,968,815</u>	<u>367,812</u>	<u>1,055,552</u>	<u>66,331</u>	<u>4,458,510</u>

Reconciliation:

Net Change in Fund Balance – Total Governmental Funds	\$ 1,315,572
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:	
Depreciation expense	(51,889)
Capital outlay	<u>6,407</u>
Changes in Net Position of Governmental Activities	<u>\$ 1,270,090</u>

See accompanying notes to the basic financial statements

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements
June 30, 2019

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Antelope Valley Air Quality Management District (District) was created based on a program established in 1997 by the State Legislature and pursuant to Health and Safety Code Section 41300, which separated Antelope Valley, located in the northern Los Angeles County, from the South Coast Air Quality Management District. The District's primary responsibility is to develop, implement, monitor, and enforce air pollution control strategies and motor vehicle use reduction measures. The District represents the citizens within its jurisdiction covering the San Bernardino County line to the east, the Kern County line to the north, the San Gabriel Mountains to the south, and the Sierra Nevada Mountains to the west.

The District's mission is to work in partnership with the local communities to achieve and preserve a healthful environment through effective air quality programs by promoting community and individual responsibility for air quality while supporting strong-economic growth throughout the region. The District is an independent special district, governed by a seven member Governing Board consisting of two City Council members of the City of Lancaster by appointment, two City Council members of the City of Palmdale by appointment, two persons appointed by the Board of Supervisors of the County of Los Angeles, and one appointed public member.

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 the 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 charges for services directly related to the operations of the District. Charges 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 differences in fund balance, as presented in these statements, to the net position presented in the Government-wide Financial Statements.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(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 that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the District are interest earnings, investment revenue, 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 accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with a 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 proprietary categories. An emphasis is placed on major funds within the governmental and proprietary 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 resources, revenues, or expenditures/expenses of that individual governmental or proprietary fund are 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 the individual governmental fund or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined; or
- c) The entity has determined that a fund is important to the financial statement user.

The governmental funds of the financial reporting entity are described below:

General – this fund is 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) – this fund is 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.

Mobile Emissions Program (AB 923) – this fund is 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. 923.

Carl Moyer Fund – this fund is 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.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

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 November 2016, the GASB issued Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement (1) addresses accounting and financial reporting for certain asset retirement obligations (AROs), (2) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (3) requires that recognition occur when the liability is both incurred and reasonably estimable, (4) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, (5) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually, and (6) requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

In April 2018, the GASB issued Statement No. 88 – *Certain Disclosures Related to Debt Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

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 District net position during the reporting period. Actual results could differ from those estimates.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

2. 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.

3. 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:

- Los Angeles County Pooled Surplus 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.

4. 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.

5. Prepaid Expenses

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.

6. Internal Balances and Activities

Internal activities and balances reported as inter-fund activity in the governmental fund financial statements are reclassified or eliminated in the preparation of the government-wide statements of net position and activities. This elimination will avoid the "grossing up" of amounts resulting from internal activity within the primary government.

7. 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

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

8. Unearned Revenues

Certain receipts from customer reflect revenue applicable to future accounting periods and are recorded as unearned revenues in both the government-wide and fund financial statements.

9. 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 debt balances outstanding or other long-term borrowings that are attributable to 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.

10. Fund Balance

The financial statements, governmental funds, 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 fund balance** – 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 fund balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- **Committed fund balance** – 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 fund balance** – 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 fund balance** – the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Financial Statement Elements, continued

10. Fund Balance, continued

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 balances 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.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified as follows:

	2019
Unrestricted cash and cash equivalents:	
General Fund	\$ 2,584,042
Total unrestricted cash and cash equivalents	2,584,042
Restricted cash and cash equivalents:	
AB 2766 Fund	53,409
AB 923 Fund	1,266,956
Carl Moyer Fund	900,726
Total restricted cash and cash equivalents	2,221,091
Total cash and cash equivalents	\$ 4,805,133

Cash and investments as of June 30, consisted of the following:

	2019
Deposits held with financial institutions	\$ 307,790
Deposits held with Los Angeles County Treasurer	4,497,343
Total	\$ 4,805,133

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(2) Cash and Cash Equivalents, continued

Authorized Deposits and Investments

Under the District's investment policy and in accordance with Section 53601 of the California Government Code, the District invests in the Los Angeles County Pooled Surplus Investments.

Los Angeles County Pooled Surplus Investments complies with the California Government Code Sections 53601 and 53635, and the investment policy adopted by the Board of Supervisors of the County of Los Angeles. The Treasurer and Tax Collector of the Los Angeles County have the delegated authority to invest funds in the County Treasury.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the 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 California Government Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, 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 the public agencies. Of the District's bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the code.

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. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. 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.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has, the greater its fair value has sensitivity to changes 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. As of June 30, 2019, the District's deposits in Los Angeles County Pooled Surplus Investments had an average of 547 days to maturity for the entire portfolio.

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 Angeles County Pooled Surplus Investments is not rated.

Concentration of Credit Risk

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. There were no investments in any one non-governmental issuer that represent 5.0% or more of the District's total investments.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(3) Capital Assets

Change in capital assets as of June 30 was as follows:

	<u>Balance 2018</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2019</u>
Depreciable assets:				
Improvements	\$ 15,875	-	-	15,875
Furniture and fixtures	59,943	6,407	-	66,350
Machinery and equipment	145,314	-	-	145,314
Vehicles	95,028	-	(17,619)	77,409
Computers	30,732	-	-	30,732
Software	365,647	-	-	365,647
Total depreciable assets	<u>712,539</u>	<u>6,407</u>	<u>(17,619)</u>	<u>701,327</u>
Accumulated depreciation:				
Improvements	(12,302)	(1,588)	-	(13,890)
Furniture and fixtures	(51,064)	(4,098)	-	(55,162)
Machinery and equipment	(116,210)	(9,173)	-	(125,383)
Vehicles	(67,176)	(7,244)	17,619	(56,801)
Computers	(30,732)	-	-	(30,732)
Software	(130,156)	(29,786)	-	(159,942)
Total accumulated depreciation	<u>(407,640)</u>	<u>(51,889)</u>	<u>17,619</u>	<u>(441,910)</u>
Total depreciable assets, net	<u>304,899</u>	<u>(45,482)</u>	<u>-</u>	<u>259,417</u>
Total capital assets, net	<u>\$ 304,899</u>			<u>259,417</u>

(4) Internal Transfers

Inter-fund Operational Transfers

Inter-fund receivables/payables are used to move financial resources between the General fund, AB 2766 fund, AB 923 fund, and the Carl Moyer fund as advances to temporarily support the operations of each respective fund.

As of June 30, 2019, inter-fund receivables/payables between the District's funds were as follows:

<u>Receivable from</u>	<u>Payable to</u>	<u>2019</u>
AB 923 Fund	General Fund	\$ 299,131
General Fund	AB 2766 Fund	<u>256,737</u>
Inter-fund receivables/payables		\$ <u>555,868</u>

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(4) Internal Transfers, continued

Inter-fund Operational Transfers, continued

For the year ended June 30, 2019, inter-fund transfers consist of the following:

Transfer from	Transfer to	2019
Carl Moyer Fund	General Fund	\$ <u><u>71,117</u></u>

(5) Unearned Revenues

Change in unearned revenues as of June 30 was as follows:

	Balance 2018	New Awards	Expenses/ Revenues	Balance 2019
Carl Moyer Grant				
Round 19	\$ 67,015	-	(67,015)	-
Round 20	801,744	-	(796,069)	5,675
Round 21	-	756,276	-	756,276
Total unearned revenues	\$ <u><u>868,759</u></u>	<u><u>756,276</u></u>	<u><u>(863,084)</u></u>	<u><u>761,951</u></u>

(6) Operating Lease

The District has entered into an operating lease with the Woelfl Family Trust for office space located at 43301 Division Street, Suites 205 and 206, Lancaster, California. The operating lease calls for monthly rent of \$4,448 through 2020. Future rent payments subsequent to year end are as follows:

Year ending June 30,	Amount
2020	\$ <u>53,372</u>
Total	\$ <u><u>53,372</u></u>

For the year ended June 30, 2019, rent expense totaled \$53,372.

(7) Net Position

Net investment in capital assets is calculated as follows:

Net investment in capital asset:	2019
Capital assets – being depreciated, net	\$ <u>259,417</u>
Total net investment in capital asset	\$ <u><u>259,417</u></u>

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(7) Net Position, continued

Restricted net position is calculated as follows:

	2019
Restricted:	
Restricted cash and cash equivalents	\$ 2,221,091
Total restricted	\$ 2,221,091

Unrestricted net position is calculated as follows:

	2019
Unrestricted:	
Non-spendable net position	
Prepaid expenses and other assets	\$ 630
Spendable net position	
Unrestricted	2,236,789
Total unrestricted	\$ 2,237,419

(8) Fund Balance

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned, and unassigned (See Note 1.D.10 for a description of these categories). Fund balances and their funding composition at June 30, 2019, are as follows:

	2019
Nonspendable:	
Prepaid expenses and other asset	\$ 630
Restricted:	
Mobile Emissions Program AB 2766	367,812
Mobile Emissions Program AB 923	1,055,552
Carl Moyer Program	66,331
Total restricted	1,489,695
Unassigned	
Operations	2,968,185
Total fund balance	\$ 4,458,510

(9) 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.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(9) Risk Management, continued

At June 30, 2019, the District participated in the liability and property programs of the SDRMA as follows:

- Property coverage consists of general property of \$1,000,000,000, boiler & machinery of \$100,000,000, and pollution of \$2,000,000 per occurrence.
- General liability insurance covers bodily injury, property damage, employment benefits, employee and public officials errors and omission, and employment practices liability of \$5,000,000 per occurrence; public officials personal of \$500,000 per occurrence; and employee and public officials dishonesty of \$1,000,000 per occurrence.
- Auto liability consists of auto bodily injury and auto property damage, subject to a comprehensive deductible of \$250 and collision deductible of \$500.

Settled claims, if any, have not exceeded any of the coverage amounts in the last fiscal year. There were no reductions in insurance coverage in fiscal year 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, 2019.

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 84

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.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

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.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 87, continued

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 are effective for reporting periods beginning after December 15, 2019. 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 are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Governmental Accounting Standards Board Statement No. 90

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.

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.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(10) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 90, continued

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.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

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 are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

(11) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the 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.

Antelope Valley Air Quality Management District
Notes to the Basic Financial Statements, continued
June 30, 2019

(12) Subsequent Event

Events occurring after June 30, 2019, have been evaluated for possible adjustment to the financial statements or disclosure as of March 17, 2020, 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.

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Required Supplementary Information

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – General Fund
For the Year Ended June 30, 2019**

	<u>Adopted Original Budget</u>	<u>Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Charge for services	\$ 884,150	-	884,150	1,301,813	417,663
Operating grants	915,800	-	915,800	1,717,786	801,986
Fine, forfeitures, and penalties	9,000	-	9,000	11,450	2,450
Investment earnings	4,000	-	4,000	31,350	27,350
Other revenue	-	-	-	7,071	7,071
Total revenues	<u>1,812,950</u>	<u>-</u>	<u>1,812,950</u>	<u>3,069,470</u>	<u>1,256,520</u>
Expenditures:					
Services and supplies	1,509,375	-	1,509,375	1,672,384	(163,009)
Contributions	15,000	-	15,000	-	15,000
Capital outlay	90,000	-	90,000	6,407	83,593
Total expenditures	<u>1,614,375</u>	<u>-</u>	<u>1,614,375</u>	<u>1,678,791</u>	<u>(64,416)</u>
Excess of revenues over expenditures	198,575	-	198,575	1,390,679	1,192,104
Other financing sources:					
Operating transfers in	-	-	-	71,117	71,117
Net change in fund balance	<u>198,575</u>	<u>-</u>	<u>198,575</u>	<u>1,461,796</u>	<u>1,263,221</u>
Fund balance – beginning of year	<u>1,507,019</u>		<u>1,507,019</u>	<u>1,507,019</u>	
Fund balance – end of year	<u>\$ 1,705,594</u>		<u>1,705,594</u>	<u>2,968,815</u>	

**Antelope Valley Air Quality Management District
Budget Comparison Schedule – Mobile Emissions Program (AB 2766)
For the Year Ended June 30, 2019**

	<u>Adopted Original Budget</u>	<u>Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Operating grants	\$ 427,000	-	427,000	436,402	9,402
Investment earnings	<u>2,700</u>	-	<u>2,700</u>	<u>6,033</u>	<u>3,333</u>
Total revenues	<u>429,700</u>	-	<u>429,700</u>	<u>442,435</u>	<u>12,735</u>
Expenditures:					
Services and supplies	<u>429,700</u>	-	<u>429,700</u>	<u>776,246</u>	<u>(346,546)</u>
Total expenditures	<u>429,700</u>	-	<u>429,700</u>	<u>776,246</u>	<u>(346,546)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(333,811)</u>	<u>(333,811)</u>
Fund balance – beginning of year	<u>701,623</u>		<u>701,623</u>	<u>701,623</u>	
Fund balance – end of year	<u>\$ 701,623</u>		<u>701,623</u>	<u>367,812</u>	

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – Mobile Emissions Program (AB 923)
For the Year Ended June 30, 2019**

	<u>Adopted Original Budget</u>	<u>Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Operating grants	\$ 600,000	-	600,000	623,191	23,191
Investment earnings	5,600	-	5,600	24,062	18,462
Total revenues	<u>605,600</u>	<u>-</u>	<u>605,600</u>	<u>647,253</u>	<u>41,653</u>
Expenditures:					
Services and supplies	605,600	-	605,600	474,844	130,756
Total expenditures	<u>605,600</u>	<u>-</u>	<u>605,600</u>	<u>474,844</u>	<u>130,756</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	172,409	<u>172,409</u>
Fund balance – beginning of year	<u>883,143</u>		<u>883,143</u>	<u>883,143</u>	
Fund balance – end of year	<u>\$ 883,143</u>		<u>883,143</u>	<u>1,055,552</u>	

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**Antelope Valley Air Quality Management District
Budget Comparison Schedule – Carl Moyer Fund
For the Year Ended June 30, 2019**

	<u>Adopted Original Budget</u>	<u>Approved Changes</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Operating grants	\$ 801,744	-	801,744	934,201	132,457
Investment earnings	2,000	-	2,000	15,179	13,179
Total revenues	<u>803,744</u>	<u>-</u>	<u>803,744</u>	<u>949,380</u>	<u>145,636</u>
Expenditures:					
Services and supplies	803,744	-	803,744	863,085	(59,341)
Total expenditures	<u>803,744</u>	<u>-</u>	<u>803,744</u>	<u>863,085</u>	<u>(59,341)</u>
Excess of revenues over expenditures	-	-	-	86,295	86,295
Other financing uses:					
Operating transfers out	-	-	-	(71,117)	(71,117)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,178</u>	<u>15,178</u>
Fund balance – beginning of year	<u>51,153</u>		<u>51,153</u>	<u>51,153</u>	
Fund balance – end of year	<u>\$ 51,153</u>		<u>51,153</u>	<u>66,331</u>	

**Antelope Valley Air Quality Management District
Notes to the Required Supplementary Information
June 30, 2019**

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 will prepare and submit an operating budget to the Governing Board and 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), Mobile Emissions Program (AB 923), and the Carl Moyer fund.

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Report on Compliance and Internal Controls

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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
Antelope Valley Air Quality Management District
Lancaster, 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 Antelope Valley Air Quality Management District (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 17, 2020.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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
March 17, 2020

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Antelope Valley Air Quality Management District

Board of Directors

Presentation of 2019 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 Auditors Reports

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 **Antelope Valley Air Quality Management District** as of June 30, 2019...

Management Report Findings

- **We did not Identify Material Weakness Within the District's Internal Control Structure**

Financial Highlights

Condensed Statements of Net Position

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Assets:			
Current assets	\$ 5,672,993	4,276,682	1,396,311
Capital assets, net	259,417	304,899	(45,482)
Total assets	<u>5,932,410</u>	<u>4,581,581</u>	<u>1,350,829</u>
Liabilities:			
Current liabilities	1,214,483	1,133,744	80,739
Total liabilities	<u>1,214,483</u>	<u>1,133,744</u>	<u>80,739</u>
Net position:			
Net investment in capital assets	259,417	304,899	(45,482)
Restricted	2,221,091	2,465,363	(244,272)
Unrestricted	2,237,419	677,575	1,559,844
Total net position	<u>\$ 4,717,927</u>	<u>3,447,837</u>	<u>1,270,090</u>

Financial Highlights

Condensed Statements of Activities

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,301,813	811,144	490,669
Operating grants	<u>3,711,580</u>	<u>2,807,025</u>	<u>904,555</u>
Total program revenues	5,013,393	3,618,169	1,395,224
General revenues	<u>95,145</u>	<u>73,162</u>	<u>21,983</u>
Total revenues	<u>5,108,538</u>	<u>3,691,331</u>	<u>1,417,207</u>
Expenses:			
General	1,724,273	1,480,467	243,806
Mobile emission program AB 2766	776,246	378,339	397,907
Mobile emission program AB 923	474,844	505,067	(30,223)
Carl Moyer program	<u>863,085</u>	<u>636,238</u>	<u>226,847</u>
Total expenses	<u>3,838,448</u>	<u>3,000,111</u>	<u>838,337</u>
Changes in net position	1,270,090	691,220	578,870
Net position, beginning of year	<u>3,447,837</u>	<u>2,756,617</u>	<u>691,220</u>
Net position, end of year	<u>\$ 4,717,927</u>	<u>3,447,837</u>	<u>1,270,090</u>

Financial Highlights

In 2019:

Net Position - Increased 36.84% or \$1,270,090 to \$4,717,927, from ongoing operations.

Total Revenues - Increased 38.39% or \$1,417,206 to \$5,108,537.

- **Program Revenues** - Increased \$1,395,224, primarily due to increases in charges for services and operating grants.
- **General Revenues** - Increased \$21,982, primarily due to an increase in investment earnings.

Total Expenses - Increased by 27.94% or \$838,337 to \$3,838,448, due primarily to increases of \$397,907 in mobile emissions program (AB 2766) expenses, \$226,847 in Carl Moyer program expenses, and \$243,806 in general fund expenses; which were offset by decreases of \$30,223 in mobile emissions program (AB 923) expenses.

The following page(s) contain the backup material for Agenda Item: [1\) Award an amount not to exceed \\$123,000 in Carl Moyer Program funds to CA Compaction to replace an older heavy-duty diesel equipment with new, cleaner technology; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #15

DATE: April 21, 2020

RECOMMENDATION: 1) Award an amount not to exceed \$123,000 in Carl Moyer Program funds to CA Compaction to replace an older heavy-duty diesel equipment with new, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$123,000 of Carl Moyer Program funds to CA Compaction for the replacement of a Tier 2, 2005 diesel excavator with new, cleaner technology certified to the Final Tier 4/current emission standards.

BACKGROUND: AVAQMD received an application from CA Compaction requesting grant funding towards retirement and replacement of an older heavy-duty diesel excavator that operates throughout the Antelope Valley. CA Compaction proposes voluntary participation in the Carl Moyer Equipment Replacement Program to reduce emissions by retiring their older diesel excavator and replacing it with a new excavator that is certified to the current emission standards. Staff has evaluated the project for Carl Moyer eligibility pursuant to the guidelines and finds the applicant eligible for 34 percent of project funds toward the replacement equipment. Retirement of the proposed project produces 1.38 tons/yr. early emissions reduction with a 3-year project life. Early fleet turnover provides emission reductions that help the Valley towards attainment of the national ambient air quality standards.

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 6, 2020.

FINANCIAL DATA: Funding is granted from the District's Carl Moyer Program funds.

PRESENTER: Julie McKeehan, Grants Analyst.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [1\) Approve the use of District Grant funds for the 2020 Lawn and Garden Exchange Program; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #16

DATE: April 21, 2020

RECOMMENDATION: 1) Approve the use of District Grant funds for the 2020 Lawn and Garden Exchange Program; and 2) Authorize the Executive Director/ APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: This item continues the implementation of the District's Annual Lawn and Garden Exchange Events that allocates a total of \$45,000 toward the 2020 Exchange Events consisting of AB 617 Implementation Funds and Mobile Source Emission Reductions Program (AB 923) Funds based on terms of use. Grant funds for the Events will be used pursuant to funding guidelines.

BACKGROUND: The District's Lawn Mower Exchange Program was implemented in 2009 as annual exchange event(s). In March 2018, in addition to annual exchange event(s), the Board approved to extend the Program year-round to local residents. The Program initialized as a lawn mower exchange incentive program to bring public awareness to the pollution caused by gasoline-powered lawn mowers. The purpose of the Program was to encourage the use of zero-emissions lawn mowers by providing a financial incentive to greatly reduce the purchase cost of the electric lawn mower. The Program, primarily funded by the District's general funds, received matching funds from the California Air Resources Board's (CARB's) Air Quality Improvement Program from 2010-2012. Although in 2011 the Carl Moyer Program (Moyer) implemented a Lawn and Garden Equipment Replacement Program, it was limited to lawn mowers only and limited incentive awards due to cost-effectiveness restrictions; therefore the District continued the program using general funds in order to continue to offer maximized incentives. In 2016, pursuant to updated guidelines for the use of AB 923 funds, new language allowed for co-funding and removed cost-effectiveness penalty. Additionally, updated language was added to define "covered engines" which allowed for the inclusion of gasoline-powered leaf blowers and string trimmers in the Program.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeenan

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

AGENDA ITEM #16

PAGE 2

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

REVIEW BY OTHERS: This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or before April 6, 2020.

FINANCIAL DATA: Sufficient funds are available from the District's AB 617 Implementation Funds and Mobile Source Emission Reductions Program (AB 923) Funds.

PRESENTER: Julie McKeehan, Grants Analyst.

The following page(s) contain the backup material for Agenda Item: [1\) Award an amount not to exceed \\$24,850 in Carl Moyer Program funds to Bill's Landscaping, Inc. for the replacement of older diesel off-road equipment with new, cleaner technology; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #17

DATE: April 21, 2020

RECOMMENDATION: 1) Award an amount not to exceed \$24,850 in Carl Moyer Program funds to Bill's Landscaping, Inc. for the replacement of older diesel off-road equipment with new, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$24,850 of Carl Moyer Program funds to Bill's Landscaping, Inc. for the replacement of a Tier 2, 2004 diesel skid steer with new, cleaner technology certified to the Final Tier 4 current emission standards.

BACKGROUND: AVAQMD has received an application from Bill's Landscaping, Inc. requesting grant funding under the Carl Moyer Program towards retirement and replacement of older diesel off-road equipment. Bill's Landscaping, Inc. proposes voluntary participation in the Carl Moyer Program to reduce emissions by early retirement of older, higher polluting diesel-powered equipment and replacing it with new, cleaner technology that meets the current emission standards. Staff has evaluated the project for Carl Moyer eligibility pursuant to the guidelines and finds the applicant eligible for an estimated 44 percent of project funds toward the replacement equipment. Retirement of the proposed project produces 0.20 tons/yr. early emission reductions with a 3-year project life. Early fleet turnover provides emission reductions that help the Valley towards attainment of the national ambient air quality standards.

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO on or before April 6, 2020.

FINANCIAL DATA: Funding is granted from the District's Carl Moyer Program funds.

PRESENTER: Julie McKeehan, Grants Analyst.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [1\) Award an amount not to exceed \\$150,000 of Community Air Protection Project \(AB 134\) and/or Mobile Source Emission Reductions Program funds to Lancaster Choice Energy \(LCE\) toward the development of electric vehicle charging stations; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel](#) [cut an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #18

DATE: April 21, 2020

RECOMMENDATION: 1) Award an amount not to exceed \$150,000 of Community Air Protection Project (AB 134) and/or Mobile Source Emission Reductions Program funds to Lancaster Choice Energy (LCE) toward the development of electric vehicle charging stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards funding to LCE for the development of electric vehicle charging stations at one or more locations within the Antelope Valley's designated Disadvantaged Community. The charging stations shall be public accessible 24/7 and accommodate the most heavily populated areas within the Disadvantaged Community. The proposed project shall serve to expand electric vehicle charging options and promote residents to adopt electric technologies.

BACKGROUND: LCE shall identify one or more locations within the designated Disadvantaged Community pursuant to the California Communities Environmental Health Screening Tool (CalEnviroScreen) which identifies California communities that are disproportionately burdened by, and vulnerable to, multiple sources of pollution. This project supports clean air projects, and, zero-emissions technologies and transportation that help the Valley and designated Disadvantaged Community toward attainment.

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 6, 2020.

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

AGENDA ITEM #18

Page 2

FINANCIAL DATA: Funding is granted from the District's allocation of Community Air Protection Project (AB 134) and/or Mobile Source Emission Reductions Program (AB 923) funds.

PRESENTER: Julie McKeehan, Grants Analyst.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [1\) Authorize reassignment of funds reserved for Waste Management dba Antelope Valley Hauling \(WM\) for the development of a compressed natural gas \(CNG\) fueling station; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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

AGENDA ITEM #19

DATE: April 21, 2020

RECOMMENDATION: 1) Authorize reassignment of funds reserved for Waste Management dba Antelope Valley Hauling (WM) for the development of a compressed natural gas (CNG) fueling station; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item authorizes reassignment of \$349,515 granted from the District's Mobile Source Emission Reductions Program (AB 923) funds approved by the Governing Board in June 2019 for the development of a compressed natural gas (CNG) fueling station at the Palmdale landfill. The reassignment of funds will return \$349,515 of AB 923 funds back to the District for use toward other District projects. Staff is requesting \$349,515 to be granted from the District's allocation of Community Air Protection (AB 617) funds which are a source of funds purposed for alternative fuel infrastructure projects that benefit low-income areas that are disproportionately affected by air pollution.

BACKGROUND: In 2019 the AVAQMD Governing Board approved a total of \$349,515, approximately 11% of the costs, in grant funding for the development of a public and privately accessible CNG Station at the Waste Management-AV Palmdale location. The CNG Station will support WM's fleet of CNG-powered solid waste collection vehicles (SWCVs) as well as other fleet and passenger vehicles traveling throughout the region. WM will own and operate the new CNG Station to be located at its Antelope Valley Hauling Facility in Palmdale, California. WM has made a long term commitment to convert its fleet vehicles to natural gas nationwide, and has constructed 135 CNG Stations in California and throughout the country. In return, this project will greatly assist the District to displace petroleum use and criteria pollutant emissions from WM's existing fleet to clean burning natural gas. This project has been identified as directly benefiting low-income areas that are disproportionately affected by air pollution and is a project that helps meet the goals of Community Air Protection Programs. Additionally, this project will help promote regional growth in alternative fuel vehicle deployments and the replacement of heavy-duty diesel vehicles. District staff has evaluated the project to meet funding guidelines and supports this project to help the District's efforts in promoting regional growth in alternative fuel vehicle deployments.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM #19

PAGE 2

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or about April 6, 2020.

FINANCIAL DATA: Funds are granted from the District’s allocation of Community Air Protection (AB 617) funds.

PRESENTER: Julie McKeehan, Grants Analyst.

The following page(s) contain the backup material for Agenda Item: [1\) Award an amount not to exceed \\$30,000 of Mobile Source Emission Reductions \(AB 2766\) funds to Jack O'Connor Construction for the replacement of an older diesel truck with newer, cleaner engine technology; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.](#) Please scroll down to view the backup material.

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

AGENDA ITEM #20

DATE: April 21, 2020

RECOMMENDATION: 1) Award an amount not to exceed \$30,000 of Mobile Source Emission Reductions (AB 2766) funds to Jack O'Connor Construction for the replacement of an older diesel truck with newer, cleaner engine technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

SUMMARY: This item awards an amount not to exceed \$30,000 of Mobile Source Emission Reductions (AB 2766) funds for the replacement of an older diesel truck with newer, cleaner engine technology certified to the current emissions standard.

BACKGROUND: AVAQMD received an application from Jack O'Connor Construction for grant funding to assist in replacing an older diesel truck with newer, cleaner engine technology. Staff has evaluated the project for the use of Mobile Source Emissions Reduction Program (AB 2766) funds pursuant to the District's work plan and finds the proposed replacement project to contribute to local emission reductions produced by mobile sources and aids the Antelope Valley toward attainment of the national ambient air quality standards. District proposes to grant a maximum of \$30,000 toward the proposed project.

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 3, 2020.

FINANCIAL DATA: Sufficient funds are available for disbursement under the District's Mobile Source Emission Reductions Program (AB 2766) funds.

PRESENTER: Julie McKeehan, Grants Analyst.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the amendment of Rule 1107 – Coating of Metal Parts and Products: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption amending Rule 1107 – Coating of Metal Parts and Products and directing staff actions. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #21

DATE: April 21, 2020

RECOMMENDATION: Conduct a public hearing to consider the amendment of Rule 1107 – *Coating of Metal Parts and Products*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption amending Rule 1107 – *Coating of Metal Parts and Products* and directing staff actions.

SUMMARY: The proposed amendments to Rule 1107 are necessary to satisfy 42 U.S.C. §7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

BACKGROUND: The Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) for “major sources” of Volatile Organic Compounds (VOCs) and oxides of nitrogen (NO_x) which are ozone precursors. The Antelope Valley Air Quality Management District’s (AVAQMD) predecessor agency, the South Coast Air Quality Management District (SCAQMD) originally adopted its version of the Rule 1107 – *Coating Of Metal Parts And Products* on June 01, 1979 and amended it numerous times thereafter for a variety of reasons. The version of Rule 1107 currently in effect in the AVAQMD rule book was adopted on March 08, 1996.

The proposed amendments to Rule 1107 are designed to incorporate the limits of Volatile Organic Compounds (VOCs) contained in the CTG titled *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, September 2008), including, but not limited to, the allowable VOC daily or annually on a 12-month rolling period, emission limit for exemption. There are also two metal coating CTGs titled *Control Techniques Guidelines for Large Appliance Coatings* (EPA 453/R-07-004, September 2007) for which the District filed Federal Negative Declaration on July 21, 2015 and *Control Techniques Guidelines for Metal Furniture Coatings* (EPA 453/R-07-005, September 2007) for which the District has filed Federal Negative Declaration on July 21, 2015 and December 20, 2016.

cc: Barbara Lods

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

AGENDA ITEM #21

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The District has several facilities that primarily coat metal parts and products and some additional facilities that coat metal parts and products as part of their operations. There are no facilities that meet the specific applicability threshold of the *CTG for Miscellaneous Metal and Plastic Parts*, but there are major facilities that coat metal parts and products.

The proposed amendments to Rule 1107 update rule definitions; transfer efficiency requirements and allowable limits for exemption. The proposed amendments are based on the CTGs, and various other district rules, including but not limited to: South Coast Air Quality Management District Rule 1107 – *Coating of Metal Parts and Products*, amended 01/06/2006 (73 FR 70883, 11/24/2008), and Mojave Desert Air Quality Management District Rule 1115, amended January 22, 2018.

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

REVIEW BY OTHERS: This item was reviewed as to legal form by Karen Nowak, District Counsel and by Bret Banks, Executive Director/APCO on or before March 20, 2020.

FINANCIAL DATA: No increase in appropriation is anticipated.

PRESENTER: Bret Banks, Executive Director/APCO.

Antelope Valley

Air Quality Management District

Draft

Staff Report

Proposed Amendments to

Rule 1107 – *Coating of Metal Parts and Products*

For adoption on

April 21, 2020

43301 DIVISION STREET, SUITE 206, LANCASTER, CA 93535

PHONE: (661)723-8070

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**STAFF REPORT
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STAFF REPORT

Rule 1107 – *Coating of Metal Parts and Products*

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 Federal Clean Air Act (FCAA) requires areas designated non-attainment and classified moderate and above to implement Reasonably Available Control Technology (RACT) for sources subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) for “major sources” of Volatile Organic Compounds (VOCs) and oxides of nitrogen (NO_x) which are ozone precursors. The Antelope Valley Air Quality Management District’s (AVAQMD) predecessor agency, the South Coast Air Quality Management District (SCAQMD) originally adopted its version of the Rule 1107 – *Coating Of Metal Parts And Products* on June 01, 1979 and amended it numerous times thereafter for a variety of reasons. The version of Rule 1107 currently in effect in the AVAQMD rule book was adopted on March 08, 1996.

The proposed amendments to Rule 1107 are designed to incorporate the limits of Volatile Organic Compounds (VOCs) contained in the CTG titled *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, September 2008), including, but not limited to, the allowable VOC daily or annually on a 12-month rolling period, emission limit for exemption. There are also two metal coating CTGs titled *Control Techniques Guidelines for Large Appliance Coatings* (EPA 453/R-07-004, September 2007) for which the District filed Federal Negative Declaration on July 21, 2015 and *Control Techniques Guidelines for Metal Furniture Coatings* (EPA 453/R-07-005, September 2007) for which the District has filed Federal Negative Declaration on July 21, 2015 and December 20, 2016.

The District has several facilities that primarily coat metal parts and products and some additional facilities that coat metal parts and products as part of their operations. There are no facilities that meet the specific applicability threshold of the *CTG for Miscellaneous Metal and Plastic Parts*, but there are major facilities that coat metal parts and products.

The proposed amendments to Rule 1107 update rule definitions; transfer efficiency requirements and allowable limits for exemption. The proposed amendments are based on the CTGs, and various other district rules, including but not limited to: South Coast Air Quality Management

District Rule 1107 – *Coating of Metal Parts and Products*, amended 01/06/2006 (73 FR 70883, 11/24/2008), and Mojave Desert Air Quality Management District Rule 1115, amended January 22, 2018.

III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD or District) amend Rule 1107 – *Coating of Metal Parts and Products* and approve the appropriate California Environmental Quality Act (CEQA) documentation. This action is necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendments to Rule 1107 – *Coating of Metal Parts and Products*. 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 amendments to Rule 1107. These are actions that need to be performed and/or information that must be provided in order to amend the rule in a procedurally correct manner.

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

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

a. Necessity:

The proposed amendments to Rule 1107 are necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors. While the District does not have sources meeting the threshold in the CTGs it does have major facilities which coat metal parts and products and thus a rule is required.

b. Authority:

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

c. Clarity:

The proposed amendments to Rule 1107 are clear in that they are written so that the persons subject to the rule can easily understand the meaning.

d. Consistency:

The proposed amendments to Rule 1107 are in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions. The proposed rule is consistent with the CTG provisions. When analyzed, the provisions of Rule 1107 were determined to be readily available, feasible and cost-effective for PM control measures promulgated by CARB.

e. Nonduplication:

The proposed amendments to Rule 1107 do not impose the same requirements as any existing state or federal law. CTGs are primarily guidance documents and not enforceable in and of themselves. A rule is necessary to implement the applicable provisions of these documents.

f. Reference:

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

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendments to Rule 1107 will be published on March 20, 2020. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

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

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. The information below indicates which elements are required for the proposed amendments to of Rule 1107 and how they were satisfied.

a. Satisfaction of Underlying Federal Requirements:

The FCAA requires areas designated non-attainment and classified moderate and above to implement RACT for sources subject to CTG documents issued by USEPA for “major sources” of VOCs and NO_x that are ozone precursors. While the District does not have sources meeting the threshold in the CTGs it does have major facilities which coat metal parts and products and thus a rule is required. The proposed amendments are based on the CTGs and various district rules deemed as fulfilling RACT requirements, including but not limited to: South Coast Air Quality Management District Rule 1107 – *Coating of Metal Parts and Products* and Mojave Desert Air Quality Management District Rule 1115.

b. Public Notice and Comment:

Notice for the public hearing for the proposed amendments to Rule 1107 will be published on March 20, 2020 for the April 21, 2020 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 amended Rule 1107 and the accompanying draft staff report were made available to the public on or before March 20, 2020.

d. Notice to Specified Entities:

Copies of proposed amended Rule 1107 and the accompanying draft staff report were sent to all affected agencies. The proposed amendments were sent to the California Air Resources Board (CARB) and USEPA on or before March 06, 2020.

e. Public Hearing:

A public hearing to consider the proposed amendments to of Rule 1107 will be set for April 21, 2020.

f. Legal Authority to Adopt and Implement:

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

g. Applicable State Laws and Regulations Were Followed:

Public notice and hearing procedures pursuant to H&S Code §§40725-40728 have been followed. See Section (V)(A)(1) above for compliance with state findings required pursuant to H&S Code §40727. See Section (V)(B) below for compliance with the required analysis of existing requirements pursuant to H&S Code §40727.2. See Section (V)(C) for compliance with economic analysis requirements pursuant to H&S Code §40920.6. See Section (V)(D) below for compliance with provisions of the CEQA.

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district.

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

For purposes of the FCAA, portions of the District have been designated non-attainment for ozone and classified severe-17.

The AVAQMD has a metal parts and products coating rule which was amended May 12, 1995 and approved as RACT into the SIP on July 14, 1995 (60 FR 36227, 07/14/1995). This rule is subject to the CTG titled *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, September 2008). There are also two metal coating CTGs titled *Control Techniques Guidelines for Large Appliance Coatings* (EPA 453/R-07-004, September 2007) for which the District filed a Federal Negative Declaration on July 21, 2015 and *Control Techniques Guidelines for Metal Furniture Coatings* (EPA 453/R-07-005, September 2007) for which the District filed a Federal Negative Declaration on July 21, 2015 and December 20, 2016. The proposed amendments are based on the CTG, and various district rules deemed as fulfilling RACT requirements, including but not limited to: South Coast Air Quality Management District Rule 1107 – *Coating of Metal Parts and Products*, amended 01/06/2006 (73 FR 70883, 11/24/2008); and Mojave Desert Air Quality Management District Rule 1115 – *Metal Parts & Products Coating Operations*.

The District has several facilities that primarily coat metal parts and products, and additional facilities that coat metal parts and products as part of their operations. There are no facilities that meet the specific applicability threshold of the *CTG for Miscellaneous Metal and Plastic Parts*, but there are major facilities that coat metal parts and products.

C. ECONOMIC ANALYSIS

1. General

RACT is defined as the lowest emissions limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility (44 FR 53762, September 17, 1979). Rule 1107 is equivalent to rules that were determined by USEPA to fulfill RACT¹. This determination by USEPA means that the provisions of Rule 1107 are, by definition, cost effective.

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). The amendment of Rule 1107 is not subject to incremental cost effectiveness calculations because it does not involve BARCT or “all feasible measures”.

¹ South Coast Air Quality Management District Rule 1107 – *Coating of Metal Parts and Products*, amended 01/06/2006 (73 FR 70883, 11/24/2008);

D. ENVIRONMENTAL ANALYSIS (CEQA)

Through the process described below the appropriate CEQA process for the proposed amendments to Rule 1107 was determined.

1. The proposed amendments to Rule 1107 meet the CEQA definition of “project”. They are not “ministerial” actions.
2. The proposed amendments to Rule 1107 are exempt from CEQA review because the amendments will not create any adverse impacts on the environment. The proposed rule amendments are more stringent than the previous rule version. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

There are no potential adverse environmental impacts of compliance with the amendment of Rule 1107.

2. Mitigation of Impacts

N/A.

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

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

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

This Rule shall apply to all metal coating operations, except those performed on Aircraft or Aerospace Vehicles; Magnet Wire; Metal Containers, Closures and Coils; marine vessel exteriors; Motor Vehicles; Motor Vehicle Assembly Lines; Mobile Equipment; or those operations subject to the coating provisions of any other source-specific rule of the District.

B. EMISSIONS

The proposed amendments update rule definitions; transfer efficiency requirements; exemption limits, and, record retention requirements.

C. CONTROL REQUIREMENTS

The amendment to Rule 1107 – *Coating of Metal Parts and Products* does not cause the release of additional air contaminants or create any environmental impacts.

Subsection (C)(1)(a)(vii), Subsection (G)(2), (G)(2)(a) and (G)(2)(b)(i) have been modified to allow for the use of equipment approved for applying high viscosity coatings when the emissions are lower than those attained by HVLP equipment. VOC limits for exemption have been updated to current federal RACT limits.

D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 1107.

Minor format changes have been made throughout which are for consistency and not substantive. These changes include, but are not limited to, rule formatting for consistency with AVAQMD format, capitalization of defined terms, and capitalization of Section reference.

Section (B) has been modified to update existing definitions and formatting

Subsection (C)(1)(a)(vii) This section has also been modified to allow for the use of equipment approved for applying high viscosity coatings when the emissions are lower than those attained by HVLP equipment.

Sections (G)(2), (G)(2)(a) and (G)(2)(b)(i) have been modified to allow for the use of equipment approved for applying high viscosity coatings when the emissions are lower than those attained by HVLP equipment.

Subsection (G)(2)(b)(iv) recordkeeping retention limit has been increased from 2 to 5 years

Section (G)(6) was amended to reduce the allowable total actual emissions for consistency with the CTG for Miscellaneous Metal and Plastic Parts Coatings (EPA-453/R-08-003, September 2008)

E. SIP HISTORY

1. SIP History.

Prior to 1975 the original air district for the Antelope Valley region was the Los Angeles County Air Pollution Control District that had a jurisdiction covering the entire county of Los Angeles. In 1975, the Southern California APCD was created. It was a joint powers authority that had a jurisdiction covering all of the counties of Los Angeles, Orange, Riverside and San Bernardino. The SCAQMD came into existence pursuant to statute on February 1, 1976 and originally covered only the areas within the South Coast Air Basin (SCAB). The legislation was thereafter amended to allow non-SCAB areas to “opt in.” Los Angeles

County exercised this option and thus the Antelope Valley became a part of SCAQMD. On July 1, 1997 the AVAPCD replaced the SCAQMD as the agency with jurisdiction over the Los Angeles County portion of the Mojave Desert Air Basin (MDAB). On January 1, 2002 the AVAPCD was replaced by the AVAQMD. Pursuant to both statutory changes, the rule and regulations of the predecessor district were retained until the Governing Board adopted, amended or rescinded them. At the first meeting of both the AVAPCD and the AVAQMD, the respective Governing Boards reaffirmed all the rules and regulations in effect at the time the agency changed.

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

The 05/12/1995 version of Rule 1107 as adopted by SCAQMD was approved into the SIP at 40 CFR 52.220(c)(222)(i)(A)(1) (60 FR 36230, 07/14/1995). A subsequent SCAQMD amendment on 03/08/1996 was also submitted as a SIP revision, but since no action was taken prior to AVAQMD's creation on 07/01/1997, this is not a valid SIP submission for the AVAQMD.

2. SIP Analysis.

The District will request CARB to submit the proposed amendments to Rule 1107 to USEPA for inclusion into the SIP. This submission is necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors. The District will request that this version, upon approval, supersede the current SIP version as well as any potential outstanding SIP submissions made prior to the adoption date.

The AVAQMD is requesting that CARB submit the current amended version of Rule 1107 as a SIP revision. The District also requests that all prior unacted upon submissions be withdrawn along with the removal of all prior versions of Rule 1107 from the SIP for the Antelope Valley area of Los Angeles County and that Region IX SIP webpage be updated to reflect this removal.

The AVAQMD is specifically requesting that CARB submit this action as a SIP revision along with a request USEPA take the following actions:

- a. Approve the April 21, 2020 version of Rule 1107 as a part of the SIP for AVAQMD.
- b. Remove the prior SIP versions of Rule 1107 as adopted/amended by SCAQMD for the Antelope Valley area of Los Angeles County now located within the jurisdiction of the AVAQMD as reflected in 40 CFR 52.220(c)(58)(ii)(A), 52.220(c)(121)(i)(B), 52.220(c)(124)(iv)(B), 52.220(c)(193)(i)(A)(1), and 52.220(c)(222)(i)(A)(1).
- c. Withdraw any outstanding and unacted upon submissions of Rule 1107 for the AVAQMD.

The proposed amendments to Rule 1107 – *Coating Operations of Metal Parts and Products* are more stringent in that the allowable emissions for exemption have been reduced.

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Appendix “A”

Rule 1107 – *Coating of Metal Parts and Products* Iterated Version

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

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

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(Adopted: 06/01/79; Amended: 12/04/81; Amended: 05/07/82;
Amended: 12/02/83; Amended: 03/02/84; Amended: 01/09/87;
Amended: 12/02/83; Amended: 03/02/84; Amended: 01/09/87;
Amended: 06/05/87; Amended: 01/09/87; Amended: 06/05/87;
Amended: 05/05/89; Amended: 05/05/89; Amended: 03/02/90;
Amended: 11/02/90; Amended 08/02/91; Amended:05/12/95;
Amended: 03/08/96; ~~Amended xx/xx/xx~~)

RULE 1107

Coating ~~O~~of Metal Parts ~~A~~and Products

(A) General

(a1) Purpose ~~and Applicability~~

(a) ~~The purpose of Rule 1107 is to~~ reduce volatile organic compound (VOC) emissions from the coating of metal parts and products.

(2) Applicability

(a) This rule applies to all metal coatings operations except those performed on aerospace assembly, magnet wire, marine craft, motor vehicle, metal container, and coil coating operations.

(b) Definitions

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

- (1) “Aerosol Coating Product” - ~~AEROSOL COATING PRODUCT~~ is a pressurized coating product containing pigments or resins that dispenses product ingredients by means of a propellant, and is packaged in a disposable can for hand-held application, or for use in specialized equipment for ground traffic/marketing applications.
- (2) “Air Dried Coating” - ~~AIR DRIED COATING~~ is a coating that is cured at a temperature below 90°C (194°F).
- (3) “Baked Coating” - ~~BAKED COATING~~ is a coating that is cured at a temperature at or above 90°C (194°F).
- (4) “Camouflage Coating” - ~~CAMOUFLAGE COATING~~ is a coating used, principally by the military, to conceal equipment from detection.
- (5) “Capture Efficiency” - ~~CAPTURE EFFICIENCY~~ is the percentage of volatile organic compounds used, emitted, evolved, or generated by the operation, that are collected and directed to an air pollution control device.

- (6) “Coating” - ~~COATING~~ is a material which is applied to a surface and which forms a continuous film in order to beautify and/or protect such surface.
- (7) “Contract Painter” - ~~CONTRACT PAINTER~~ is a non-manufacturer of metal parts and products who applies coatings to such products at his facility exclusively under contract with one or more parties that operate under separate ownership and scontrol.
- (8) “Electric-Insulating Varnish” - ~~ELECTRIC INSULATING VARNISH~~ is a non-convertible-type coating applied to electric motors, ~~or~~ components of electric motors, or power transformers, to provide electrical, mechanical, and environmental protection or resistance. [Definition updated to align with CTG as per recommendation of USEPA, after review of Preliminary D1, 09/24/19.]
- (9) “Etching Filler” - ~~ETCHING FILLER~~ is a coating that contains less than 23 percent solids by weight and at least 1/2-percent acid by weight, and is used instead of applying a pretreatment coating followed by a primer.
- (10) “Exempt Compounds” - ~~EXEMPT COMPOUNDS~~ (see Rule 102-Definition of Terms).
- (11) “Extreme High-Gloss Coating” - ~~EXTREME HIGH GLOSS COATING~~ is a coating which, when tested by the American Society for Testing Material Test Method D-523 adopted in 1980, shows a reflectance of 75 or more on a 60° meter.
- (12) “Extreme-Performance Coating” - ~~EXTREME PERFORMANCE COATING~~ is a coating used on a metal surface where the coated surface is, in its intended use, subject to the following:
- (Aa) Chronic exposure to corrosive, caustic or acidic agents, chemicals, chemical fumes, chemical mixtures or solutions; or
 - (Bb) Repeated exposure to temperatures in excess of 250° F; or
 - (Cc) Repeated heavy abrasion, including mechanical wear and repeated scrubbing with industrial grade solvents, cleansers or scouring agents. Extreme Performance Coatings include, but are not limited to, coatings applied to locomotives, railroad cars, farm machinery and heavy duty trucks. [Definition updated to align with CTG as per recommendation of USEPA, after review of Preliminary D1, 09/24/19.]

- (13) “Grams of VOC per Liter of Coating Less Water and Less Exempt Compounds” - GRAMS OF VOC PER LITER OF COATING LESS WATER AND LESS EXEMPT COMPOUNDS is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating Less Water and Less Exempt Compounds (VOC Content):

$$G_v = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

<u>G_v</u>	≡	<u>Grams of VOC Per Liter of Coating Less Water and Less Exempt Compounds</u>
<u>W_s</u>	≡	<u>Weight of volatile compounds in grams</u>
<u>W_w</u>	≡	<u>Weight of water in grams</u>
<u>W_{es}</u>	≡	<u>Weight of Exempt Compounds in grams</u>
<u>V_m</u>	≡	<u>Volume of material in liters</u>
<u>V_w</u>	≡	<u>Volume of water in liters</u>
<u>V_{es}</u>	≡	<u>Volume of Exempt Compounds in liters</u>

~~Grams of VOC per Liter of Coating Less Water and Less Exempt~~

~~$$\text{Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$~~

~~| | | | |
|--------|-----------------------|---|--|
| Where: | <u>W_s</u> | ≡ | <u>weight of volatile compounds in grams</u> |
| | <u>W_w</u> | ≡ | <u>weight of water in grams</u> |
| | <u>W_{es}</u> | ≡ | <u>weight of exempt compounds in grams</u> |
| | <u>V_m</u> | ≡ | <u>volume of material in liters</u> |
| | <u>V_w</u> | ≡ | <u>volume of water in liters</u> |
| | <u>V_{es}</u> | ≡ | <u>volume of exempt compounds in liters</u> |~~

[Reformatted above for clarity.]

- (14) “Grams of VOC per Liter of Material” - ~~GRAMS OF VOC PER LITER OF MATERIAL~~ is the weight of VOC per volume of material and can be calculated by the following equation:

Grams of VOC per Liter of Material:

Where:

$$G_v = \frac{W_s - W_w - W_{es}}{V_m}$$

Where:

- G_v ≡ Grams of VOC Per Liter of Coating Less Water and Less Exempt Compounds
- W_s ≡ Weight of volatile compounds in grams
- W_w ≡ Weight of water in grams
- W_{es} ≡ Weight of Exempt Compounds in grams
- V_m ≡ Volume of material in liters

$$\text{Grams of VOC per Liter of Material} = \frac{W_s - W_w - W_{es}}{V_m}$$

- Where:
- W_s ≡ weight of volatile compounds in grams
- W_w ≡ weight of water in grams
- W_{es} ≡ weight of exempt compounds in grams
- V_m ≡ volume of material in liters

[Reformatted above for clarity.]

- (15) “Hand Application Methods” - ~~HAND APPLICATION METHODS~~ is the application of coatings by manually held nonmechanically operated equipment. Such equipment includes paint brushes, hand rollers, caulking guns, trowels, spatulas, syringe daubers, rags, and sponges.
- (16) “Heat-Resistant Coating” - ~~HEAT-RESISTANT COATING~~ is a coating that must withstand a temperature of at least 400°F during normal use.
- (17) “High-Performance Architectural Coating” - ~~HIGH-PERFORMANCE ARCHITECTURAL COATING~~ is a coating used to protect architectural subsections and which meets the requirements of the Architectural Aluminum Manufacturer Association's publication number AAMA 605.2-19802604-05 (Voluntary Specification, Performance Requirements and Test Procedures for

High Performance Organic Coatings on Aluminum Extrusions and Panels) or 2605-05 (Voluntary Specification, Performance Requirements and Test Procedures for Superior Performing Organic Coatings on Aluminum Extrusions and Panels). [Definition updated to align with CTG as per recommendation of USEPA, after review of Preliminary D1, 09/24/19.]

- (18) “High-Temperature Coating” - HIGH-TEMPERATURE COATING is a coating that is certified to withstand a temperature of 1000°F for 24 hours.
- (19) “High-Volume, Low-Pressure HIGH VOLUME, LOW PRESSURE (HVLP) Spray” -SPRAY is a coating application system which is operated at air pressure between 0.1 and 10 pounds per square inch gauge (psig).
- (20) “Ink” - INK is a fluid that contains dyes and/or colorants and is used to make markings but not to protect surfaces.
- (21) “Magnetic Data Storage Disk Coating” - MAGNETIC DATA STORAGE DISK COATING is a coating used on a metal disk which stores data magnetically.
- (22) “Metal Particles” - METAL PARTICLES are pieces of an elemental pure metal or a combination of elemental metals.
- (23) “Metal Parts and Products” - METAL PARTS AND PRODUCTS are any components or complete units fabricated from metal, except those subject to the coating provisions of other source specific rules of Regulation XI.
- (24) “Metallic Coating” - METALLIC COATING is a coating which contains more than 5 grams of metal particles per liter of coating, as applied.
- (25) “Military Specification Coating” - MILITARY SPECIFICATION COATING is a coating applied to metal parts and products and which has a paint formulation approved by a United States Military Agency for use on military equipment.
- (26) “Mold-Seal Coating” -MOLD-SEAL COATING is the initial coating applied to a new mold or repaired mold to provide a smooth surface which, when coated with a mold release coating, prevents products from sticking to the mold.
- (27) “Motor Vehicle” - MOTOR VEHICLE is a passenger car, light-duty truck, medium-duty vehicle, or heavy-duty vehicle as defined in Section 1902, Title 13, of the California Administrative Code.
- (28) “Pan-Backing Coating” - PAN-BACKING COATING is a coating applied to the surface of pots, pans, or other cooking implements that are exposed directly to a flame or other heating elements.

- (29) “Prefabricated Architectural Component Coatings” - ~~PREFABRICATED ARCHITECTURAL COMPONENT COATINGS~~ are coatings applied to metal parts and products which are to be used as an architectural structure
- (30) “Pretreatment Coating” - ~~PRETREATMENT COATING~~ is a coating which contains no more than 12 percent solids by weight, and at least 1/2-percent acid, by weight, is used to provide surface etching, and is applied directly to metal surfaces to provide corrosion resistance, adhesion, and ease of stripping.
- (31) “Reactive Diluent” - ~~REACTIVE DILUENT~~ is a liquid which is a VOC during application and one in which, through chemical reaction such as polymerization, 20 percent or more of the VOC becomes an integral part of a finished coating.
- (32) “Repair Coating” - ~~REPAIR COATING~~ is a coating used to recoat portions of a product which has sustained mechanical damage to the coating following normal painting operations.
- (33) “Safety-Indicating Coating” - ~~SAFETY INDICATING COATING~~ is a coating which changes physical characteristics, such as color, to indicate unsafe conditions.
- (34) “Silicone-Release Coating” - ~~SILICONE RELEASE COATING~~ is any coating which contains silicone resin and is intended to prevent food from sticking to metal surfaces such as baking pans.
- (35) “Solar-Absorbent Coating” - ~~SOLAR ABSORBENT COATING~~ is a coating which has as its prime purpose the absorption of solar radiation.
- (36) “Solid-Film Lubricant” - ~~SOLID FILM LUBRICANT~~ is a very thin coating consisting of a binder system containing as its chief pigment material one or more of molybdenum disulfide, graphite, polytetrafluoroethylene (PTFE) or other solids that act as a dry lubricant between faying surfaces.
- (37) “Stencil Coating” - ~~STENCIL COATING~~ is an ink or a coating which is rolled or brushed onto a template or stamp in order to add identifying letters and/or numbers to metal parts and products.
- (38) “Textured Finish” - ~~TEXTURED FINISH~~ is a rough surface produced by spraying large drops of coating onto a previously applied coating.
- (39) “Touch-Up Coating” - ~~TOUCH UP COATING~~ is a coating used to cover minor coating imperfections appearing after the main coating operation.
- (40) “Transfer Efficiency” - ~~TRANSFER EFFICIENCY~~ is the ratio of the weight or volume of coating solids adhering to an object to the total weight or volume, respectively, of coating solids used in the application process, expressed as a percentage.

- (41) “Vacuum-Metalizing Coating” - ~~VACUUM-METALIZING-COATING~~ is the undercoat applied to the substrate on which the metal is deposited or the overcoat applied directly to the metal film.
- (42) “Volatile Organic Compound ~~VOLATILE ORGANIC COMPOUND~~ (VOC)” - means any volatile chemical compound that contains the element carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, carbonates and metallic carbides; and excluding methane and exempt compounds.

(eC) Requirements

(1) Operating Equipment

(a) A person shall not apply VOC-containing coatings to metal parts and products subject to the provisions of this rule unless the coating is applied with properly operating equipment according to an operating procedure specified by the equipment manufacturer or the Executive Officer, or designee, and by the use of one of the following methods:

- (A)i) Electrostatic attraction, or
- (B)ii) Flow coat, or
- (C)iii) Dip coat, or
- (D)iv) Roll coater, or
- (E)v) High-Volume, Low-Pressure (HVLP) Spray, or
- (F)vi) Hand Application Methods, or
- (G)vii) ~~Such o~~Other coating application methods as are demonstrated to have a Transfer Efficiency at least equal to or better than achieved by HVLP spraying the Executive Officer, or designee, using EPA approved procedures, specified in paragraph (f)(4) of this rule, to be capable of achieving at least 65 percent transfer efficiency and for which written approval of the Executive Officer, or designee, has been obtained. [Description updated, as per recommendation of USEPA after review of Preliminary D1, 09/24/19, to current language used by MDAQMD Rule 1115, (C)(1)(a)(ix). Change in language would allow the use of spray guns with equal or higher transfer efficiency than HVLP when even the HVLP gun cannot achieve 65% transfer efficiency.]

(2) VOC Content of Coatings

(a) A person shall not apply to metal parts and products subject to the provisions of this rule any coatings, including any VOC-containing materials added to the original coating supplied by the manufacturer, which contain VOCs in excess of the limits specified below:

<u>LIMITS</u>				
<u>Grams of VOC Per Liter of Coating, Less Water and Less Exempt Compounds</u>				
<u>Coating</u>	<u>Air Dried</u>	<u>(lb/gal)</u>	<u>Baked</u>	<u>(lb/gal)</u>
<u>Camouflage</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Electric-Insulating Varnish</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Etching Filler</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Extreme High-Gloss</u>	<u>420</u>	<u>(3.50)</u>	<u>360</u>	<u>(3.00)</u>
<u>Extreme Performance</u>	<u>420</u>	<u>(3.50)</u>	<u>360</u>	<u>(3.00)</u>
<u>General</u>	<u>340</u>	<u>(2.80)</u>	<u>275</u>	<u>(2.30)</u>
<u>Heat-Resistant</u>	<u>420</u>	<u>(3.50)</u>	<u>360</u>	<u>(3.00)</u>
<u>High Performance Architectural</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>High-Temperature</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Metallic</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Military Specification</u>	<u>340</u>	<u>(2.80)</u>	<u>275</u>	<u>(2.30)</u>
<u>Mold-Seal</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Pan Backing</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Prefabricated Architectural Component</u>	<u>420</u>	<u>(3.50)</u>	<u>275</u>	<u>(2.30)</u>
<u>Pretreatment Coatings</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Repair</u>	<u>420</u>	<u>(3.50)</u>	<u>360</u>	<u>(3.00)</u>
<u>Silicone Release</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>
<u>Solar-Absorbent</u>	<u>420</u>	<u>(3.50)</u>	<u>360</u>	<u>(3.00)</u>
<u>Touch Up</u>	<u>420</u>	<u>(3.50)</u>	<u>360</u>	<u>(3.00)</u>
<u>Vacuum-Metalizing</u>	<u>420</u>	<u>(3.50)</u>	<u>420</u>	<u>(3.50)</u>

*A General Coating is a Coating that does not meet a specific Coating category definition and is assumed to be a general use Coating and subject to the VOC limit for a General Coating. [Description updated, as per recommendation of USEPA after review of Preliminary D1, 09/24/19.]

LIMITS
Grams of VOC Per Liter of Coating, Less Water and Less Exempt Compounds

<u>Coating</u>	<u>Air Dried</u>	<u>(lb/gal)</u>	<u>Baked</u>	<u>(lb/gal)</u>
General	340	(2.8)	275	(2.3)
Military Specification	340	(2.8)	275	(2.3)
Etching Filler	420	(3.5)	420	(3.5)
Solar Absorbent	420	(3.5)	360	(3.0)
Heat Resistant	420	(3.5)	360	(3.0)
Extreme High Gloss	420	(3.5)	360	(3.0)
Metallic	420	(3.5)	420	(3.5)
Extreme Performance	420	(3.5)	360	(3.0)
Prefabricated Architectural Component	420	(3.5)	275	(2.3)
Touch Up	420	(3.5)	360	(3.0)
Repair	420	(3.5)	360	(3.0)
Silicone Release	420	(3.5)	420	(3.5)
High Performance Architectural	420	(3.5)	420	(3.5)
Camouflage	420	(3.5)	420	(3.5)
Vacuum Metalizing	420	(3.5)	420	(3.5)
Mold Seal	420	(3.5)	420	(3.5)
High Temperature	420	(3.5)	420	(3.5)
Electric Insulating Varnish	420	(3.5)	420	(3.5)
Pan Backing	420	(3.5)	420	(3.5)
Pretreatment Coatings	420	(3.5)	420	(3.5)

[Coating Limits in (C)(2)(a) is being reformatted into a table and put in alphabetical order.]

- ~~(3b)~~ A person shall not use VOC-containing materials which have a VOC content of more than 200 grams per liter of material for stripping any coating governed by this rule.
- ~~(4c)~~ Containers used for the disposal of cloth or paper used in stripping cured coating shall be closed except when depositing or removing the cloth or paper from the container.
- ~~(53)~~ Solvent Cleaning Operations; Storage and Disposal of VOC-containing Materials
 - ~~(a)~~ Solvent cleaning of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of

VOC-containing materials used in cleaning operations shall be carried out pursuant to Rule 1171 - Solvent Cleaning Operations.

- (46) For coatings that contain reactive diluents, the Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds shall be calculated by the following equation:

Grams of VOC per Liter of Coating Less Water and Less Exempt Compounds (VOC Content):

$$G_v = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

- G_v ≡ Grams of VOC Per Liter of Coating Less Water and Less Exempt Compounds
W_s ≡ Weight of volatile compounds in grams
W_w ≡ Weight of water in grams
W_{es} ≡ Weight of Exempt Compounds in grams
V_m ≡ Volume of material in liters
V_w ≡ Volume of water in liters
V_{es} ≡ Volume of Exempt Compounds in liters

$$\frac{\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds}}{\text{Less Water and Less Exempt Compounds}} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where: W_s = weight of volatile compounds not consumed during curing, in grams
W_w = weight of water not consumed during curing, in grams
W_{es} = weight of exempt compounds not consumed during curing, in grams
V_m = volume of the material prior to reaction, in liters
V_w = volume of water not consumed during curing, in liters
V_{es} = volume of exempt compounds not consumed during curing, in liters *[Not removed. Reformatted into a table for ease of any future change.]*

(75) Owners and/or operators of control equipment may comply with provisions of subparagraph (eC)(1) and/or (eC)(2) by using approved air pollution control equipment provided that the VOC emissions from such operations and/or materials are reduced in accordance with the provisions of (Aa) and (Bb):

(Aa) The control device shall reduce emissions from an emission collection system by at least 95 percent by weight or the output of the air pollution control device is 50 PPM by volume calculated as carbon with no dilution.

(Bb) The owner/operator demonstrates that the system collects at least 90 percent by weight of the emissions generated by the sources of emissions.

(dD) Prohibition of Specifications

A person shall not specify the use in the District of any coating- to be applied to any metal parts and products subject to the provisions of this rule that does not meet the limits and requirements of this rule. The requirements of this paragraph shall apply to all written and oral contracts.

(eE) [Reserved for Prohibition of Sale of Noncompliant Coating]

(fF) Methods of Analysis

(1) Determination of VOC content

The ~~VOC~~volatile-organic content of coatings subject to the provisions of this rule shall be determined by the following methods:

(Aa) United States Environmental Protection Agency (USEPA) Reference Method 24 (Code of Federal Regulations Title 40 Part 60, Appendix-A). The exempt solvent content shall be determined by SCAQMD Method 303 (Determination of Exempt Compounds) contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,

(Bb) SCAQMD Method 304 [Determination of Volatile Organic Compounds (VOCs) in Various Materials] contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples" manual.

(Cc) Exempt Perfluorocarbon Compounds

The following classes of compounds:

cyclic, branched, or linear, completely fluorinated alkanes;

cyclic, branched, or linear, completely fluorinated ethers
with no unsaturations;

cyclic, branched, or linear, completely fluorinated tertiary
amines with no unsaturations; and

sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine, will be analyzed as exempt compounds for compliance with paragraph (eC), only when manufacturers specify which individual compounds are used in the coating formulation. In addition, the manufacturers must identify the United States Environmental Protection Agency, California Air Resources Board, and the District approved test methods used to quantify the amount of each exempt compound.

(2) Determination of Efficiency of Emission Control System

(Aa) Capture efficiency specified in paragraph (eC)(7), shall be determined by the procedures presented in the USEPA technical guidance document, "Guidelines for Determining Capture Efficiency, January 9, 1995." Notwithstanding the test methods specified by the Guidelines, any other method approved by the USEPA, the California Air Resources Board, and the SCAQMD Executive Officer may be substituted.

(Bb) The efficiency of the control device of the emission control system as specified in paragraph (eC)(7) and the VOC content in the control device exhaust gases, measured and calculated as carbon, shall be determined by the USEPA Test Methods 25, 25A, or SCAQMD Method 25.1 (Determination of Total Gaseous Non-Methane Organic Emissions as Carbon) as applicable. USEPA Test Method 18, or ARB Method 422 shall be used to determine emissions of exempt compounds.

(3) Multiple Test Methods

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

(4) Demonstrations of transfer efficiency shall be conducted in accordance with SCAQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User," May 24, 1989.

(gG) Exemptions

(1) The provisions of subparagraphs (eC)(1) and (eC)(2) of this rule, shall not apply to:

(Aa) Stencil coatings;

- (~~B~~b) A facility which uses a total of less than one gallon of coating, including any VOC-containing materials added to the original coating as supplied by the manufacturer, subject to this rule, in any one day;
 - (~~C~~c) Total noncompliant coating use per facility that does not exceed 55 gallons per rolling 12-month period;
 - (~~D~~d) Safety-indicating coatings;
 - (~~E~~e) Magnetic data storage disk coatings;
 - (~~F~~f) Solid-film lubricants;
- (2) The provisions of subparagraph (~~C~~c)(1) of this rule shall not apply to any coating operation that, because of physical and/or chemical characteristics of the substrate or safety conditions, cannot meet the efficiency of equal to or better than HVLPa 65 percent transfer efficiency, provided that:
- (~~A~~a) A general coater submits a written petition to the Executive Officer setting forth the basis, including test data, for the claim that efficiency of equal to or better than HVLP65 percent transfer efficiency cannot be met, and approval is granted by the Executive Officer or designee.
 - (~~B~~b) A contract painter submits a written petition to, and receives approval from, the Executive Officer or designee to exempt the coating of such items; and the contract painter maintains a daily log:
 - (i) which describes the reason(s) why efficiency of equal to or greater than HVLP 65 percent transfer efficiency cannot be achieved, including a written and/or photographic description of the object to be used; and
 - (ii) into which the entry is made prior to commencement of coating operations for that object; and
 - (iii) which is made available for review by the District upon request; and
 - (iv) which is retained in the operator's files for at least ~~two~~five years. *[Description updated, as per recommendation of USEPA after review of Preliminary D.1]*
- (3) The Executive Officer or designee may revoke the approval granted pursuant to subparagraph (~~G~~g)(2)(~~B~~b) of this rule if:
- (~~A~~a) the daily log is not adequately maintained; or
 - (~~B~~b) an entry is made after the application of coating; or
 - (~~C~~c) the physical characteristics of the substrate do not warrant an exemption.

- (4) The provisions of subparagraph (eC)(1) of this rule shall not apply to the application of touch-up coatings, repair coatings, textured coatings, metallic coatings which have a metallic content of more than 30 grams per liter, mold-seal coatings, and to facilities that use less than three gallons of coating, as applied, including any VOC-containing materials added to the original coating as supplied by the manufacturer, per day.
- (5) The provisions of subparagraphs (eC)(1), (eC)(2), and (eC)(3) of this rule do not apply to the application of coatings and use of cleaning solvents while conducting performance tests on the coatings at paint manufacturing facilities.
- (6) The provisions of paragraph (eC)(2) of this rule shall not apply to high performance architectural, vacuum metalizing, and/or pretreatment coatings used at a facility where the total actual VOC emissions from all miscellaneous metal product surface coating operations, including related cleaning activities, are less than 2.7 tons per 12-month rolling period which has the potential to emit a total of 10 tons or less per year of VOCs, before application consideration of add-on controls. [Pursuant to Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings, EPA-453/R-08-003 2008/09, at the request of EPA Region 9.]
- ~~(7) The provisions of paragraph (e)(2) of this rule shall not apply to vacuum metalizing coatings until January 1, 1997, provided the coatings meet a VOC content limit of 800 grams per liter, less water and less exempt compounds. [Provision compliance date has passed.]~~
- ~~(8) The provisions of paragraph (e)(2) of this rule shall not apply to high performance architectural coatings until January 1, 1997, provided the coatings meet a VOC content limit of 750 grams per liter, less water and less exempt compounds. [Provision compliance date has passed.]~~
- ~~(9) The provisions of paragraph (e)(2) of this rule shall not apply to pretreatment coatings until January 1, 1997, provided the coatings meet a VOC content limit of 780 grams per liter, less water and less exempt compounds. [Provision compliance date has passed.]~~
- (107) The provisions of paragraph (eC)(2) of this rule shall not apply to aerosol coating products.

(hH) Rule 442 Applicability

Any coating, coating ~~operation, operation~~ or facility which is exempt from all or a portion of the VOC limits of this rule shall comply with the provisions of Rule 442.

(iI) Alternative Emission Control Plan

An owner/operator may achieve compliance with subparagraph (eC)(2) by means of an Alternative Emission Control Plan pursuant to Rule 108.

(j) Qualification for Classification as Extreme-Performance Coating

A coating may be classified as an extreme-performance coating provided that the applicator requests and receives written approval of such classification from the Executive Officer, or designee, prior to application of such coating, and shows that the intended use of each coated object would require coating with an extreme-performance coating.

(k) Recordkeeping

Daily records of coating and solvent usage shall be maintained pursuant to Rule 109.

(l) Emission Reduction Credits

Facilities that use high performance architectural, pretreatment, or vacuum metalizing coatings shall not receive emission reduction credit(s) pursuant to SCAQMD Rule 1309 above those emission reduction credit(s) that the facility would have received if it was operated with coatings having a VOC content of no more than 420 gm/L, less water and less exempt compounds.

~~[SIP: Submitted as amended 3/8/96 on 7/23/96; Approved 7/14/95, 60 FR 36230, 40 CFR 52.220(e)(222)(i)(A)(1); Limited approval/disapproval 12/20/93, 58 FR 66285, 40 CFR 52.220(e)(193)(i)(A)(1); Approved _____, _____, 40 CFR 52.220(e)(124)(iv)(B); Approved _____, _____, 40 CFR 52.220(e)(121)(i)(B); Approved 1/21/81, 46 FR 5965, 40 CFR 52.220(e)(58)(ii)(A)]~~

See SIP Table at www.avaqmd.ca.gov

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Appendix “B”
Public Notice Documents

1. Draft Proof of Publication – AV Press, 03/20/2020

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NOTICE OF HEARING

NOTICE IS HEARBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on April 21, 2020 at 10:00 A.M. to consider the proposed amendment of Rule 1107 – *Coating of Metal Parts and Products*.

SAID HEARING will be conducted in the Governing Board Chambers located at the AVAQMD offices, 43301 Division Street, Suite 206, Lancaster, CA 93535-4649 where all interested persons may be present and be heard. Copies of the proposed amendment of Rule 1107 – *Coating of Metal Parts and Products* and the Staff Report are on file and may be obtained at the AVAQMD Office, at the above address. Written comments may be submitted to Bret Banks, Executive Officer/APCO at the above office address, and should be received no later than April 20, 2020 to be considered. If you have any questions, you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at blods@avaqmd.ca.gov for further information. Traducción esta disponible por solicitud.

The proposed amendment of Rule 1107 – *Coating of Metal Parts and Products* will satisfy 42 U.S.C. §§7511a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NOX) which are ozone precursors.

The proposed amendments to Rule 1107 are necessary to satisfy 42 U.S.C. §§7511a (FCAA §182) which requires that ozone non-attainment areas implement RACT for sources that are subject to CTGs and for major sources of ozone precursors.

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

Deanna Hernandez
Senior Executive Analyst
Antelope Valley Air Quality Management District

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Appendix “C”
Public Comments and Responses

1. .N/A

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Appendix “D”
California Environmental Quality Act
Documentation

1. Draft Notice of Exemption – Los Angeles County

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NOTICE OF EXEMPTION

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

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

X AVAQMD Senior Executive Analyst

PROJECT TITLE: Amendment of Rule 1107 – *Coating of Metal Parts and Products*

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

PROJECT LOCATION – COUNTY: Los Angeles County

DESCRIPTION OF PROJECT: The proposed amendment of Rule 1107 – *Coating of Metal Parts and Products* will satisfy 42 U.S.C. §§7511a (Federal Clean Air Act §182) which requires that ozone non-attainment areas implement Reasonably Available Control Technology (RACT) for sources that are subject to Control Techniques Guidelines (CTG) documents issued by United States Environmental Protection Agency (USEPA) and for “major sources” of volatile organic compounds (VOCs) and oxides of nitrogen (NOX) which are ozone precursors.

NAME OF PUBLIC AGENCY APPROVING PROJECT: Antelope Valley AQMD

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

EXEMPT STATUS (CHECK ONE)

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

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

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

REASONS WHY PROJECT IS EXEMPT: The proposed amendments to Rule 1107 are exempt from CEQA review because they will not create any adverse impacts on the environment. The proposed rule amendments are more stringent than the previous rule version. Because there is no potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies. Copies of the documents relating to CEQA can be found in Appendix “D”.

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

SIGNATURE: _____

TITLE: Executive Director **DATE:** 04/21/2020

DATE RECEIVED FOR FILING:

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Appendix “E” Bibliography

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

1. *Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, September 2008)
2. *Control of Volatile Organic Emissions From Existing Stationary Sources Volume VI: Surface Coating of Miscellaneous Metal Parts and Products* (EPA-450/2-78-015, June 1978)
3. *Control Techniques Guidelines for Large Appliance Coatings* (EPA 453/R-07-004, September 2007)
4. *Control Techniques Guidelines for Metal Furniture Coatings* (EPA 453/R-07-005, September 2007)
5. South Coast Air Quality Management District Rule 1107 – *Coating of Metal Parts and Products*, amended 01/06/2006 (73 FR 70883, 11/24/2008)

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(Adopted: 06/01/79; Amended: 12/04/81; Amended: 05/07/82;
Amended: 12/02/83; Amended: 03/02/84; Amended: 01/09/87;
Amended: 12/02/83; Amended: 03/02/84; Amended: 01/09/87;
Amended: 06/05/87; Amended: 01/09/87; Amended: 06/05/87;
Amended: 05/05/89; Amended: 05/05/89; Amended: 03/02/90;
Amended: 11/02/90; Amended 08/02/91; Amended:05/12/95;
Amended: 03/08/96; Amended 04/21/20)

RULE 1107

Coating of Metal Parts and Products

(A) General

- (1) Purpose
 - (a) To reduce volatile organic compound (VOC) emissions from the coating of metal parts and products.
- (2) Applicability
 - (a) This rule applies to all metal coatings operations except those performed on aerospace assembly, magnet wire, marine craft, motor vehicle, metal container, and coil coating operations.

(B) Definitions

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

- (1) “Aerosol Coating Product” - is a pressurized coating product containing pigments or resins that dispenses product ingredients by means of a propellant, and is packaged in a disposable can for hand-held application, or for use in specialized equipment for ground traffic/marketing applications.
- (2) “Air Dried Coating” - is a coating that is cured at a temperature below 90°C (194°F).
- (3) “Baked Coating” - is a coating that is cured at a temperature at or above 90°C (194°F).
- (4) “Camouflage Coating” - is a coating used, principally by the military, to conceal equipment from detection.
- (5) “Capture Efficiency” - is the percentage of volatile organic compounds used, emitted, evolved, or generated by the operation that are collected and directed to an air pollution control device.
- (6) “Coating” - is a material which is applied to a surface and which forms a continuous film in order to beautify and/or protect such surface.

- (7) “Contract Painter” - is a non-manufacturer of metal parts and products who applies coatings to such products at his facility exclusively under contract with one or more parties that operate under separate ownership and control.
- (8) “Electric-Insulating Varnish” - is a non-convertible-type coating applied to electric motors, components of electric motors, or power transformers, to provide electrical, mechanical, and environmental protection or resistance.
- (9) “Etching Filler” - is a coating that contains less than 23 percent solids by weight and at least 1/2-percent acid by weight, and is used instead of applying a pretreatment coating followed by a primer.
- (10) “Exempt Compounds” - (see Rule 102-Definition of Terms).
- (11) “Extreme High-Gloss Coating” - is a coating which, when tested by the American Society for Testing Material Test Method D-523 adopted in 1980, shows a reflectance of 75 or more on a 60° meter.
- (12) “Extreme-Performance Coating” - is a coating used on a metal surface where the coated surface is, in its intended use, subject to the following:
- (a) Chronic exposure to corrosive, caustic or acidic agents, chemicals, chemical fumes, chemical mixtures or solutions; or
 - (b) Repeated exposure to temperatures in excess of 250° F; or
 - (c) Repeated heavy abrasion, including mechanical wear and repeated scrubbing with industrial grade solvents, cleansers or scouring agents. Extreme Performance Coatings include, but are not limited to, coatings applied to locomotives, railroad cars, farm machinery and heavy duty trucks.
- (13) “Grams of VOC per Liter of Coating Less Water and Less Exempt Compounds” - is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

Grams of VOC per Liter of Coating Less Water and Less Exempt Compounds (VOC Content):

$$G_v = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

- G_v = Grams of VOC Per Liter of Coating Less Water and Less Exempt Compounds
- W_s = Weight of volatile compounds in grams
- W_w = Weight of water in grams
- W_{es} = Weight of Exempt Compounds in grams
- V_m = Volume of material in liters
- V_w = Volume of water in liters
- V_{es} = Volume of Exempt Compounds in liters

- (14) “Grams of VOC per Liter of Material” - is the weight of VOC per volume of material and can be calculated by the following equation:

Grams of VOC per Liter of Material:

Where:

$$G_v = \frac{W_s - W_w - W_{es}}{V_m}$$

Where:

- G_v = Grams of VOC Per Liter of Coating Less Water and Less Exempt Compounds
- W_s = Weight of volatile compounds in grams
- W_w = Weight of water in grams
- W_{es} = Weight of Exempt Compounds in grams
- V_m = Volume of material in liters

- (15) “Hand Application Methods” - is the application of coatings by manually held nonmechanically operated equipment. Such equipment includes paint brushes, hand rollers, caulking guns, trowels, spatulas, syringe daubers, rags, and sponges.
- (16) “Heat-Resistant Coating” - is a coating that must withstand a temperature of at least 400°F during normal use.
- (17) “High-Performance Architectural Coating” - is a coating used to protect architectural subsections and which meets the requirements of the Architectural Aluminum Manufacturer Association's publication number AAMA 2604-05 (Voluntary Specification, Performance Requirements and Test Procedures for High Performance Organic Coatings on Aluminum Extrusions and Panels) or 2605-05 (Voluntary Specification, Performance Requirements and Test Procedures for Superior Performing Organic Coatings on Aluminum Extrusions and Panels).
- (18) “High-Temperature Coating” - is a coating that is certified to withstand a temperature of 1000°F for 24 hours.
- (19) “High-Volume, Low-Pressure (HVLP) Spray” - is a coating application system which is operated at air pressure between 0.1 and 10 pounds per square inch gauge (psig).
- (20) “Ink” - is a fluid that contains dyes and/or colorants and is used to make markings but not to protect surfaces.
- (21) “Magnetic Data Storage Disk Coating” - is a coating used on a metal disk which stores data magnetically.

- (22) “Metal Particles” - are pieces of an elemental pure metal or a combination of elemental metals.
- (23) “Metal Parts and Products” - are any components or complete units fabricated from metal, except those subject to the coating provisions of other source specific rules of Regulation XI.
- (24) “Metallic Coating” - is a coating which contains more than 5 grams of metal particles per liter of coating, as applied.
- (25) “Military Specification Coating” - is a coating applied to metal parts and products and which has a paint formulation approved by a United States Military Agency for use on military equipment.
- (26) “Mold-Seal Coating” - is the initial coating applied to a new mold or repaired mold to provide a smooth surface which, when coated with a mold release coating, prevents products from sticking to the mold.
- (27) “Motor Vehicle” - is a passenger car, light-duty truck, medium-duty vehicle, or heavy-duty vehicle as defined in Section 1902, Title 13, of the California Administrative Code.
- (28) “Pan-Backing Coating” - is a coating applied to the surface of pots, pans, or other cooking implements that are exposed directly to a flame or other heating elements.
- (29) “Prefabricated Architectural Component Coatings” - are coatings applied to metal parts and products which are to be used as an architectural structure
- (30) “Pretreatment Coating” - is a coating which contains no more than 12 percent solids by weight, and at least 1/2-percent acid, by weight, is used to provide surface etching, and is applied directly to metal surfaces to provide corrosion resistance, adhesion, and ease of stripping.
- (31) “Reactive Diluent” - is a liquid which is a VOC during application and one in which, through chemical reaction such as polymerization, 20 percent or more of the VOC becomes an integral part of a finished coating.
- (32) “Repair Coating” - is a coating used to recoat portions of a product which has sustained mechanical damage to the coating following normal painting operations.
- (33) “Safety-Indicating Coating” - is a coating which changes physical characteristics, such as color, to indicate unsafe conditions.
- (34) “Silicone-Release Coating” - is any coating which contains silicone resin and is intended to prevent food from sticking to metal surfaces such as baking pans.
- (35) “Solar-Absorbent Coating” - is a coating which has as its prime purpose the absorption of solar radiation.

- (36) “Solid-Film Lubricant” - is a very thin coating consisting of a binder system containing as its chief pigment material one or more of molybdenum disulfide, graphite, polytetrafluoroethylene (PTFE) or other solids that act as a dry lubricant between faying surfaces.
- (37) “Stencil Coating” - is an ink or a coating which is rolled or brushed onto a template or stamp in order to add identifying letters and/or numbers to metal parts and products.
- (38) “Textured Finish” - is a rough surface produced by spraying large drops of coating onto a previously applied coating.
- (39) “Touch-Up Coating” - is a coating used to cover minor coating imperfections appearing after the main coating operation.
- (40) “Transfer Efficiency” - is the ratio of the weight or volume of coating solids adhering to an object to the total weight or volume, respectively, of coating solids used in the application process, expressed as a percentage.
- (41) “Vacuum-Metalizing Coating” - is the undercoat applied to the substrate on which the metal is deposited or the overcoat applied directly to the metal film.
- (42) “Volatile Organic Compound (VOC)” - means any volatile chemical compound that contains the element carbon, excluding carbon monoxide, carbon dioxide, carbonic acid, carbonates and metallic carbides; and excluding methane and exempt compounds.

(C) Requirements

(1) Operating Equipment

- (a) A person shall not apply VOC containing coatings to metal parts and products subject to the provisions of this rule unless the coating is applied with properly operating equipment according to an operating procedure specified by the equipment manufacturer or the Executive Officer, or designee, and by the use of one of the following methods:
 - (i) Electrostatic attraction, or
 - (ii) Flow coat, or
 - (iii) Dip coat, or
 - (iv) Roll coater, or
 - (v) High-Volume, Low-Pressure (HVLP) Spray, or
 - (vi) Hand Application Methods, or
 - (vii) Other coating application methods as are demonstrated to have a Transfer Efficiency at least equal to or better than achieved by HVLP spraying.

(2) VOC Content of Coatings

- (a) A person shall not apply to metal parts and products subject to the provisions of this rule any coatings, including any VOC containing materials added to the original coating supplied by the manufacturer, which contain VOCs in excess of the limits specified below:

LIMITS				
Grams of VOC Per Liter of Coating, Less Water and Less Exempt Compounds				
<u>Coating</u>	<u>Air Dried</u>	<u>(lb/gal)</u>	<u>Baked</u>	<u>(lb/gal)</u>
General*	340	(2.8)	275	(2.3)
Military Specification	340	(2.8)	275	(2.3)
Etching Filler	420	(3.5)	420	(3.5)
Solar-Absorbent	420	(3.5)	360	(3.0)
Heat-Resistant	420	(3.5)	360	(3.0)
Extreme High-Gloss	420	(3.5)	360	(3.0)
Metallic	420	(3.5)	420	(3.5)
Extreme Performance	420	(3.5)	360	(3.0)
Prefabricated Architectural Component	420	(3.5)	275	(2.3)
Touch Up	420	(3.5)	360	(3.0)
Repair	420	(3.5)	360	(3.0)
Silicone Release	420	(3.5)	420	(3.5)
High Performance Architectural	420	(3.5)	420	(3.5)
Camouflage	420	(3.5)	420	(3.5)
Vacuum-Metalizing	420	(3.5)	420	(3.5)
Mold-Seal	420	(3.5)	420	(3.5)
High-Temperature	420	(3.5)	420	(3.5)
Electric-Insulating Varnish	420	(3.5)	420	(3.5)
Pan Backing	420	(3.5)	420	(3.5)
Pretreatment Coatings	420	(3.5)	420	(3.5)

*A General Coating is a Coating that does not meet a specific Coating category definition and is assumed to be a general use Coating and subject to the VOC limit for a General Coating.

- (b) A person shall not use VOC containing materials which have a VOC content of more than 200 grams per liter of material for stripping any coating governed by this rule.
- (c) Containers used for the disposal of cloth or paper used in stripping cured coating shall be closed except when depositing or removing the cloth or paper from the container.
- (3) Solvent Cleaning Operations; Storage and Disposal of VOC containing Materials
- (a) Solvent cleaning of application equipment, parts, products, tools, machinery, equipment, general work areas, and the storage and disposal of VOC containing materials used in cleaning operations shall be carried out pursuant to Rule 1171 - Solvent Cleaning Operations.

- (4) For coatings that contain reactive diluents, the Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds shall be calculated by the following equation:

Grams of VOC per Liter of Coating Less Water and Less Exempt Compounds (VOC Content):

$$G_v = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where:

G_v	=	Grams of VOC Per Liter of Coating Less Water and Less Exempt Compounds
W_s	=	Weight of volatile compounds in grams
W_w	=	Weight of water in grams
W_{es}	=	Weight of Exempt Compounds in grams
V_m	=	Volume of material in liters
V_w	=	Volume of water in liters
V_{es}	=	Volume of Exempt Compounds in liters

- (5) Owners and/or operators of control equipment may comply with provisions of subparagraph (C)(1) and/or (C)(2) by using approved air pollution control equipment provided that the VOC emissions from such operations and/or materials are reduced in accordance with the provisions of (a) and (b):
- (a) The control device shall reduce emissions from an emission collection system by at least 95 percent by weight or the output of the air pollution control device is 50 PPM by volume calculated as carbon with no dilution.
- (b) The owner/operator demonstrates that the system collects at least 90 percent by weight of the emissions generated by the sources of emissions.

(D) Prohibition of Specifications

A person shall not specify the use in the District of any coating to be applied to any metal parts and products subject to the provisions of this rule that does not meet the limits and requirements of this rule. The requirements of this paragraph shall apply to all written and oral contracts.

(E) [Reserved for Prohibition of Sale of Noncompliant Coating]

(F) Methods of Analysis

(1) Determination of VOC content

The VOC content of coatings subject to the provisions of this rule shall be determined by the following methods:

- (a) United States Environmental Protection Agency (USEPA) Reference Method 24 (Code of Federal Regulations Title 40 Part 60, Appendix A). The exempt solvent content shall be determined by SCAQMD Method 303 (Determination of Exempt Compounds) contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples" manual; or,
- (b) SCAQMD Method 304 [Determination of Volatile Organic Compounds (VOCs) in Various Materials] contained in the SCAQMD "Laboratory Methods of Analysis for Enforcement Samples" manual.
- (c) Exempt Perfluorocarbon Compounds
The following classes of compounds:
 - cyclic, branched, or linear, completely fluorinated alkanes;
 - cyclic, branched, or linear, completely fluorinated ethers with no unsaturations;
 - cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations; and
 - sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine,will be analyzed as exempt compounds for compliance with paragraph (C), only when manufacturers specify which individual compounds are used in the coating formulation. In addition, the manufacturers must identify the United States Environmental Protection Agency, California Air Resources Board, and the District approved test methods used to quantify the amount of each exempt compound.

(2) Determination of Efficiency of Emission Control System

- (a) Capture efficiency specified in paragraph (C)(7), shall be determined by the procedures presented in the USEPA technical guidance document, "Guidelines for Determining Capture Efficiency, January 9, 1995." Notwithstanding the test methods specified by the Guidelines, any other method approved by the USEPA, the California Air Resources Board, and the SCAQMD Executive Officer may be substituted.
- (b) The efficiency of the control device of the emission control system as specified in paragraph (C)(7) and the VOC content in the control device exhaust gases, measured and calculated as carbon, shall be determined by the USEPA Test Methods 25, 25A, or SCAQMD Method 25.1 (Determination of Total Gaseous Non-Methane Organic Emissions as

Carbon) as applicable. USEPA Test Method 18, or ARB Method 422 shall be used to determine emissions of exempt compounds.

(3) Multiple Test Methods

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

(4) Demonstrations of transfer efficiency shall be conducted in accordance with SCAQMD method "Spray Equipment Transfer Efficiency Test Procedure for Equipment User," May 24, 1989.

(G) Exemptions

(1) The provisions of subparagraphs (C)(1) and (C)(2) of this rule, shall not apply to:

- (a) Stencil coatings;
- (b) A facility which uses a total of less than one gallon of coating, including any VOC-containing materials added to the original coating as supplied by the manufacturer, subject to this rule, in any one day;
- (c) Total noncompliant coating use per facility that does not exceed 55 gallons per rolling 12-month period;
- (d) Safety-indicating coatings;
- (e) Magnetic data storage disk coatings;
- (f) Solid-film lubricants;

(2) The provisions of subparagraph (C)(1) of this rule shall not apply to any coating operation that, because of physical and/or chemical characteristics of the substrate or safety conditions, cannot meet the efficiency of equal to or better than HVLP transfer efficiency, provided that:

- (a) A general coater submits a written petition to the Executive Officer setting forth the basis, including test data, for the claim that efficiency of equal to or better than HVLP transfer efficiency cannot be met, and approval is granted by the Executive Officer or designee.
- (b) A contract painter submits a written petition to, and receives approval from, the Executive Officer or designee to exempt the coating of such items; and the contract painter maintains a daily log:
 - (i) which describes the reason(s) why efficiency of equal to or greater than HVLP transfer efficiency cannot be achieved, including a

- written and/or photographic description of the object to be used; and
 - (ii) into which the entry is made prior to commencement of coating operations for that object; and
 - (iii) which is made available for review by the District upon request; and
 - (iv) which is retained in the operator's files for at least five years.
- (3) The Executive Officer or designee may revoke the approval granted pursuant to subparagraph (G)(2)(b) of this rule if:
 - (a) the daily log is not adequately maintained; or
 - (b) an entry is made after the application of coating; or
 - (c) the physical characteristics of the substrate do not warrant an exemption.
- (4) The provisions of subparagraph (C)(1) of this rule shall not apply to the application of touch-up coatings, repair coatings, textured coatings, metallic coatings which have a metallic content of more than 30 grams per liter, mold-seal coatings, and to facilities that use less than three gallons of coating, as applied, including any VOC-containing materials added to the original coating as supplied by the manufacturer, per day.
- (5) The provisions of subparagraphs (C)(1), (C)(2), and (C)(3) of this rule do not apply to the application of coatings and use of cleaning solvents while conducting performance tests on the coatings at paint manufacturing facilities.
- (6) The provisions of paragraph (C)(2) of this rule shall not apply to high performance architectural, vacuum metalizing, and/or pretreatment coatings used at a facility where the total actual VOC emissions from all miscellaneous metal product surface coating operations, including related cleaning activities, are less than 2.7 tons per 12-month rolling period before consideration of add-on controls.
- (7) The provisions of paragraph (C)(2) of this rule shall not apply to aerosol coating products.

(H) Rule 442 Applicability

Any coating, coating operation or facility which is exempt from all or a portion of the VOC limits of this rule shall comply with the provisions of Rule 442.

(I) Alternative Emission Control Plan

An owner/operator may achieve compliance with subparagraph (C)(2) by means of an Alternative Emission Control Plan pursuant to Rule 108.

(J) **Qualification for Classification as Extreme-Performance Coating**

A coating may be classified as an extreme-performance coating provided that the applicator requests and receives written approval of such classification from the Executive Officer, or designee, prior to application of such coating, and shows that the intended use of each coated object would require coating with an extreme-performance coating.

(K) **Recordkeeping**

Daily records of coating and solvent usage shall be maintained pursuant to Rule 109.

(L) **Emission Reduction Credits**

Facilities that use high performance architectural, pretreatment, or vacuum metalizing coatings shall not receive emission reduction credit(s) pursuant to SCAQMD Rule 1309 above those emission reduction credit(s) that the facility would have received if it was operated with coatings having a VOC content of no more than 420 g/L, less water and less exempt compounds.

See SIP Table at www.avaqmd.ca.gov

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RESOLUTION _____

A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 1107-COATING OF METAL PARTS AND PRODUCTS AND DIRECTING STAFF ACTIONS.

On, April 21, 2020, on motion by Member Board Member Name, seconded by Member Board Member Name, and carried, the following resolution is adopted:

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

WHEREAS, the Antelope Valley Air Pollution Control District (AVAPCD) was created by statute on July 1, 1997, with a jurisdiction of the Los Angeles County portion of the South Coast Air Quality Management District (SCAQMD) that was not within the South Coast Air Basin; and

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

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

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

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

WHEREAS, the Antelope Valley Air Quality Management District’s (AVAQMD) predecessor agency, the South Coast Air Quality Management District (SCAQMD) originally adopted its version of the Rule 1107 – *Coating Of Metal Parts And Products* on June 01, 1979 and amended it numerous times thereafter for a variety of reasons; and

WHEREAS, the version of Rule 1107 currently in effect in the AVAQMD rule book was adopted on March 08, 1996; and

RESOLUTION _____

1 **WHEREAS**, the proposed amendments to Rule 1107 are designed to incorporate the limits of
2 Volatile Organic Compounds (VOCs) contained in the CTG titled *Control Techniques Guidelines for*
3 *Miscellaneous Metal and Plastic Parts Coatings* (EPA-453/R-08-003, September 2008), including, but
4 not limited to, the allowable VOC daily or annually on a 12-month rolling period, emission limit for
5 exemption; and

6 **WHEREAS**, there are also two metal coating CTGs titled Control Techniques Guidelines for
7 Large Appliance Coatings (EPA 453/R-07-004, September 2007) for which the District filed Federal
8 Negative Declaration on July 21, 2015 and Control Techniques Guidelines for Metal Furniture Coatings
9 (EPA 453/R-07-005, September 2007) for which the District has filed Federal Negative Declaration on
10 July 21, 2015 and December 20, 2016; and

11 **WHEREAS**, there are no facilities that meet the specific applicability threshold of the *CTG for*
12 *Miscellaneous Metal and Plastic Parts*, but there are major facilities that coat metal parts and products;
13 and

14 **WHEREAS**, the proposed amendments to Rule 1107 update rule definitions; transfer efficiency
15 requirements and allowable limits for exemption; and

16 **WHEREAS**, the proposed amendments are based on the CTGs, and various other district rules,
17 including but not limited to: South Coast Air Quality Management District Rule 1107 – *Coating of Metal*
18 *Parts and Products*, amended 01/06/2006 (73 FR 70883, 11/24/2008), and Mojave Desert Air Quality
19 Management District Rule 1115, amended January 22, 2018; and

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

22 **WHEREAS**, the proposed amendments to Rule 1107 are clear in that they are written so that the
23 persons subject to the rule can easily understand the meaning; and

24 **WHEREAS**, the proposed amendments to Rule 1107 are in harmony with, and not in conflict
25 with or contradictory to any state law or regulation, federal law or regulation, or court decisions; and

26 **WHEREAS**, the proposed rule is consistent with the CTG provisions and other District rules
27 deemed to meet RACT; and

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RESOLUTION _____

1 **WHEREAS**, the proposed amendments do not impose the same requirements as any existing state
2 or federal regulation because CTGs are primarily guidance documents and not enforceable in and of
3 themselves and a rule is necessary to implement the applicable provisions of these documents; and

4 **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H&S Code
5 §40725, concerning the proposed amendments to Rule 1107; and

6 **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the
7 proposed amendments to Rule 1107, completed in compliance with the California Environmental Quality
8 Act (CEQA), has been presented to the AVAQMD Board; each member having reviewed, considered and
9 approved the information contained therein prior to acting on the proposed amendments to Rule 1107, and
10 the AVAQMD Board having determined that the proposed amendments will not have any potential for
11 resulting in any adverse impact upon the environment; and

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

13 **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds
14 that the proposed amendments to Rule 1107 – *Coating of Metal Parts and Products* are necessary,
15 authorized, clear, consistent, non-duplicative and properly referenced; and

16 **BE IT FURTHER RESOLVED**, that the Governing Board of the AVAQMD hereby makes a
17 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of
18 Exemption for the proposed amendments to Rule 1107; and

19 **BE IT FURTHER RESOLVED**, that the Board of the AVAQMD does hereby adopt, pursuant to
20 the authority granted by law, the proposed amendments to Rule 1107, as set forth in the attachments to
21 this resolution and incorporated herein by this reference; and

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

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RESOLUTION _____

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

3 AYES: MEMBER:

4 NOES: MEMBER:

5 ABSENT: MEMBER:

6 ABSTAIN: MEMBER:

7

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

11 I, Deanna Hernandez, Senior Executive Analyst of the Antelope Valley Air Quality Management
12 District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the
13 same appears in the Official Minutes of said Governing Board at its meeting of April 21, 2020.

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14 _____
15 Senior Executive Analyst
16 Antelope Valley Air Quality Management District.

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The following page(s) contain the backup material for Agenda Item: [1\) Allocate an amount not to exceed \\$75,000 of Mobile Source Emission Reductions Program \(AB 2766\) funds to the Antelope Valley Fair Association to implement various emission reduction projects in response to the COVID-19 pandemic and social distancing requirements; and 2\) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel. Presenter: Bret Banks, Executive Director/APCO.](#)
Please scroll down to view the backup material.

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

AGENDA ITEM #22

DATE: April 21, 2020

RECOMMENDATION: 1) Allocate an amount not to exceed \$75,000 of Mobile Source Emission Reductions Program (AB 2766) funds to the Antelope Valley Fair Association to implement various emission reduction projects in response to the COVID-19 pandemic and social distancing requirements; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute agreements, approved as to legal form by the Office of District Counsel.

SUMMARY: This item allocates funding to the Antelope Valley Fair Association to implement various emission reduction strategies to support the social-distancing mandate for public meetings amid the COVID-19 pandemic. This program allows local agencies and non-profit organizations to apply for funding to assist and support emission reduction strategies necessary to enable public meetings in order to abide by the mandatory social-distancing guidelines.

BACKGROUND: July 1999 the AVAQMD Governing Board adopted the Mobile Source Emissions Reduction Program funds for projects that reduce and/or remediate air pollution caused from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act. Pursuant to the Mobile Source Emission Reductions Program Work Plan, staff has determined that a program that supports various emission reduction strategies to meet mandatory social distancing guidelines for public meetings due to the COVID-19 pandemic.

cc: Jean Bracy
Laquita Cole
Michelle Powell
Julie McKeehan

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

AGENDA ITEM #22

PAGE 2

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

REVIEW BY OTHERS: This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before April 6, 2020.

FINANCIAL DATA: Funding is granted from the District’s Mobile Source Emission Reductions Program (AB 2766) Funds.

PRESENTER: Bret Banks, Executive Director/APCO.